

# **DETROIT FINANCIAL REVIEW COMMISSION**

## **SCHOOL DISTRICT REGULAR MEETING**

Friday, September 16, 2016  
Following the City Regular Meeting  
(Begins no earlier than 2:00 p.m.)  
Cadillac Place, Suite L-150  
3062 West Grand Boulevard  
Detroit, MI 48202

### **MINUTES**

Approved – October 31, 2016

#### **I. Call to Order**

Chairman Nick A. Khouri called the meeting to order at 2:00 p.m.

#### **II. Roll Call**

##### Members Present – 8

Darrell Burks  
Stacy Fox  
Lorron James  
Nick A. Khouri  
Bill Martin  
Alycia Meriweather  
John Roberts  
Tony Saunders

##### Members Absent – 2

Mike Duggan (non-voting)  
Brenda Jones (non-voting)

Let the record show that 8 Commission members eligible to vote were present and participated in person. A quorum was present.

#### **III. Approval of Proposed Minutes from the August 29, 2016 School District Meeting**

Motion made to approve the draft minutes of the Commission's August 29, 2016 School District Meeting as presented. Motion moved and supported, the Commission approved the minutes of the August 29, 2016 meeting as presented.

#### **IV. Executive Director's Report**

Executive Director Ron Rose reported that the Commission's staff received an opinion letter from Clark Hill (attorney for the Community District) regarding the proposed resolution for the FRC to consider the bargaining agreement with the Detroit Federation of Teachers at today's meeting. He further noted that the opinion letter states that the proposed collective bargaining agreement

would not be binding upon the new school board taking office, unless the new school board voluntarily chose to be so bound.

**V. Old Business – None**

**VI. New Business**

**a. Consideration of Annual Certification of the Community District’s Compliance with the Michigan Financial Review Commission Act per MCL 141.1636(2) (FRC School District Resolution 2016-13)**

Deputy Superintendent/CFO Marios Demetriou gave a brief overview of the resolution, which is an annual FRC certification required by statute. He noted that in accordance with PA 181 of 2014, the FRC requests the Deputy Superintendent/CFO, Detroit Public Schools Community District (DPSCD) to verify compliance with certain statutory requirements, and that DPSCD is in compliance with the provisions outlined in section 1.1 of the DPSCD’s certification statement.

Motion made to approve the Community District’s Resolution 2016-13 as presented. Motion moved and supported. The Commission unanimously approved School District Resolution 2016-13 as presented.

**b. Presentation of the Community District’s Budget Review**

Deputy Superintendent/CFO Marios Demetriou presented the Detroit Public Schools Community District’s budget review. He highlighted items regarding the increase and decrease in revenues, increase expenditures, and initial enrollment, noting that even with lagging counts on the adopted budget, enrollments are trending in the right direction. He also discussed potential risks to the budget that could impact revenue and expenditures, such as enrollment loss, building maintenance costs, and wages/benefits. He addressed questions and comments from the Commission.

**c. Consideration of the Community District’s bargaining agreement with the Detroit Federation of Teachers per MCL 141.1636(9) (FRC School District Resolution 2016-14)**

Transition Manager Judge Steven Rhodes and Deputy Superintendent/CFO Marios Demetriou presented the Community District’s collective bargaining agreement with the Detroit Federation of Teachers. Judge Rhodes presented the strategy and thanked everyone who participated in the process. Mr. Demetriou presented the agreement’s fiscal impact, indicating that there is substantial additional revenue to cover the additional expenses that will be incurred because of the terms of the collective bargaining agreement (CBA). They addressed questions and comments from the Commission.

Motion made to approve the Community District’s bargaining agreement with the Detroit Federation of Teachers (FRC SD Resolution 2016-14) as presented. Motion moved and supported. The Commission unanimously approved School District Resolution 2016-14, including the revised budget, and the collective bargaining agreement (CBA).

d. **Consideration of the Community District's September 2016 contract approval requests per MCL 141.1636(6) (FRC School District Resolution 2016-15)**

Public Act 181 of 2014 requires the Financial Review Commission to review and approve contracts meeting any of the three following criteria: 1) the contract exceeds \$750,000; 2) the contract has a term exceeding 2 years; and 3) multiple contracts within a single entity that exceed \$750,000 in aggregate.

Mr. Demetriou gave an overview of the Community District's 1 contract approval requests and addressed questions from the Commission.

Motion made to approve the Community District's 1 September 2016 contract approval requests (FRC School District Resolution 2016-15) as presented. Motion moved and supported. The Commission unanimously approved School District Resolution 2016-15.

e. **Consideration of the Community District's September 2016 out-of-state travel reimbursement requests per MCL 141.1637(q) (FRC School District Resolution 2016-16)**

Public Act 181 of 2014 requires the Financial Review Commission to review and approve the Community District's out-of-state travel reimbursements to school board members, officials, and employees. Mr. Demetriou presented 1 September 2016 request for the Community District.

Motion made to approve the Community District's September 2016 out-of- state travel reimbursement requests (FRC School District Resolution 2016-16) as presented. Motion moved and supported. The Commission approved School District Resolution 2016-16 as presented.

**VII. Public Comment**

Representative of the Michigan Education Task Force  
William M. Davis  
Ray Mac  
Yolanda-Parent

**VIII. Next Meeting Date**

School District Regular Meeting: **(Date will be posted in due course)**, following the City Meeting, beginning no earlier than 2:00 p.m. at Cadillac Place, 3062 West Grand Boulevard, Suite L-150, Detroit, MI 48202.

**IX. Adjournment**

Motion made to adjourn. Motion moved and supported, the Commission approved the motion to adjourn.

There being no further business, the meeting adjourned at 3:05 p.m.