

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT REGULAR MEETING

Monday, December 19, 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 – January 30, 2017

I. Call to Order

Chairman Nick A. Khouri called the meeting to order at 2:02 p.m.

II. Roll Call

Members Present – 7

Darrell Burks
Stacy Fox
Brenda Jones (non-voting)
Nick A. Khouri
Alycia Meriweather
John Roberts
Tony Saunders

Members Absent – 3

Mike Duggan (non-voting)
Lorron James
Bill Martin

Let the record show that 6 Commission members eligible to vote were present and participated in person. A quorum was present. One non-voting member was also present.

III. Approval of Proposed Minutes from the November 21, 2016 School District Meeting

Motion made to approve the draft minutes of the Commission's November 21, 2016 School District Meeting as presented. Motion moved and supported, the Commission approved the minutes of the November 21, 2016 meeting as presented.

IV. Executive Director's Report

Executive Director Romaneir Johnson thanked Marios Demetriou and his team for their work in providing the information needed for Budget Amendment #3 from FY17 adopted budget, which will be brought to the Commission for approval at today's meeting.

Old Business – None

V. New Business

a. Proposed Budget Amendment #3 from FY 17 Adopted Budget

Deputy Superintendent/CFO Marios Demetriou presented the key changes that made up the budget amendment, which included: decrease to the special education millage provided by Wayne RESA, Wayne RESA enhancement millage, EAA agreement of 2.5 million and the removal of renaissance zone funding. He further stated that the budget amendment reflects projected revenues from the Wayne RESA enhancement millage and the estimate is based on student count. He addressed questions from the Commission.

b. Consideration of the Community District's December 2016 budget amendment requests per MCL 141.1637 (c) (FRC School District Resolution 2016-23)

Mr. Demetriou presented the School District's Budget Amendment Request No. 3 for consideration.

Motion made to approve the Community District's December 2016 budget amendment (Resolution 2016-23) as presented. Motion moved and supported. The Commission approved School District Resolution 2016-23 as presented.

c. FY18 Budget Projection

Mr. Demetriou presented the FY18 budget projection and highlighted the following items: the district anticipates an enrollment increase in FY18 of approximately 2,800 students; the proposed increase assumes a gain of 4,000 EAA students and a loss of 1,200 traditional DPSCD students; and the initial FY18 budget projection has assumed a foundation allowance increase of approximately \$75 per student. He stated that the district is refining the transition costs of EAA students being enrolled in DPSCD. A discussion ensued and it was agreed that a draft FY18 budget will be presented to the Commission in March, 2017. He addressed questions from the Commission.

d. Presentation of the Community District's Monthly Financial Report

Deputy Superintendent/CFO Marios Demetriou presented his monthly financial report and addressed questions from the Commission. Highlights from his summary include:

- DPSCD recorded a surplus of revenues over expenditures of \$84M through October 2016. The surplus is due primarily to higher revenue resulting from one-time transfers
- YTD revenues were higher than the previous year because of one-time transfers, which is lower than budget by \$7M.
- YTD expenses were lower than prior year due to lower summer school participation and because there is no debt in DPSCD lower than budget due to vacancies.
- YTD net cash flow through October was \$29M due to one-time transfers and low summer expenditures.
- Net cash flow was lower than the revenue surplus due to timing differences between cash and accruals, and the State foundation allowance which is accrued but not received until October.

Financial Review Commission
Monthly Meeting
School District
Resolution Roll Call Vote
Monday, December 19, 2016

FRC School District 12/19/2016 Meeting	FRC SD Resolution 2016-23 (Consideration of SD December 2016 Budget amendments) Roll Call	FRC SD Resolution 2016-24 (Consideration of SD December 2016 contracts approval requests) Roll Call	FRC SD Resolution 2016-25 (Consideration of SD December 2016 Amended out-of-state travel reimbursement) (Category A – out-of-state travel reimbursement seeking FRC’s Approval) (Category B –out-of-state (completed) travel reimbursement seeking FRC’s Approval) Roll Call
Mr. Burks	Yes	Yes	Category A (out-of- state travel reimbursement seeking FRC’s Approval) – Yes Category B – (out-of-state (completed) travel reimbursement seeking FRC’s Approval) - Abstain
Ms. Fox	Yes	Yes	Category A (out-of- state travel reimbursement seeking FRC’s Approval) – Yes Category B – (out-of-state (completed) travel reimbursement seeking FRC’s Approval) - Yes
Mr. James	Absent	Absent	Absent
Mr. Khouri	Yes	Yes	Category A (out-of- state travel reimbursement seeking FRC’s Approval) – Yes Category B – (out-of-state (completed) travel reimbursement seeking FRC’s Approval) - Yes
Mr. Martin	Absent	Absent	Absent
Ms. Meriweather	Yes	Yes	Category A (out-of- state travel reimbursement seeking FRC’s Approval) – Yes Category B – (out-of-state (completed) travel reimbursement seeking FRC’s Approval) - Yes
Mr. Roberts	Yes	Yes	Category A (out-of- state travel reimbursement seeking FRC’s Approval) – Yes Category B – (out-of-state (completed) travel reimbursement seeking FRC’s Approval) - Yes
Mr. Saunders	Yes	Yes	Category A (out-of- state travel reimbursement seeking FRC’s Approval) – Yes Category B – (out-of-state (completed) travel reimbursement seeking FRC’s Approval) - Yes

Signed by: *B. Greaves*
Beverly C. Greaves, Secretary

Date: December 19, 2016