

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT REGULAR MEETING

Monday, November 25, 2019
Following the City Regular Meeting
(Begins no earlier than 1:05 p.m.)
Cadillac Place, Suite L-150
3062 West Grand Boulevard
Detroit, MI 48202

MINUTES

I. Call to Order

Madame Chair, Rachael Eubanks called the meeting to order at 1:09 p.m.

II. Roll Call

Members Present – 7

Rachael Eubanks
Stacy Fox
Chris Kolb (via teleconference)
Ron Rose
Iris Taylor
Nicholai Vitti
John Walsh

Members Absent – 3

Brenda Jones (non-voting)
Dave Massaron (non-voting)
David Nicholson

Let the record show that Seven (7) Commission members eligible to vote were present. Six (6) participated in person, and One (1) participated via teleconference. A quorum was present.

III. Approval of Proposed Minutes from the October 28, 2019 School District Meeting

Motion made to approve the draft minutes of the Commission's October 28, 2019 School District Meeting as presented. Motion moved and supported; the Commission approved the minutes of the October 28, 2019 meeting as presented.

IV. Old Business - None

V. New Business

a. Consideration of 2020 Regular Meeting Schedule (FRC School District Resolution 2019-27)

Motion made to approve the FRC's 2020 Regular Meeting schedule (FRC School District Resolution 2019-27) as presented. Motion moved and supported. The Commission approved School District's Resolution 2019-27 as presented.

b. DPS Financial Report

Chief Financial Officer Jeremy Vidito presented the Financial Report for DPS. He noted that in September, the District received \$29.7 million in 13 mills receipts bringing the year-to-date total to \$33.8 million and total tax receipt reserves to \$51.2 million. The District will pay its scheduled capital debt obligations of \$41.1 million in October. The District also received \$28.8 million in 18 mills receipts in August bringing the year-to-date total to \$33.7 million, and the operating debt (18 Mills) payments of \$15.9 million were paid in September as scheduled. He informed the meeting that the District transferred the final \$6.1 million in transition funds from Bank of New York (BONY) to Detroit Public Schools (DPS) and stated that this amount will subsequently be transferred to Detroit Public Schools Community District (DPSCD) in October. He further stated that the ending general fund cash balance for September was \$13.0 million, and the projected ending balance for FY2020 is \$2.6 million. He addressed questions from the Commission

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

Chief Financial Officer Jeremy Vidito presented the monthly financial report and stated that year to date revenue through September is running 9% (\$13.0M) ahead of budget; local revenue is higher due to additional reimbursements from the State; Federal revenue is higher due to higher than forecasted grant receipts in September. While remaining a surplus, year to date expenses are running slightly ahead of budget and salaries and benefits continue to run slightly higher due to increased workshop payments as well as a reduction in vacancies. He further stated that with the beginning of the school year, functional expenditures have normalized and are largely following historical trends. Student instruction is running higher than last year due to increased hiring rates and a one-time investment in 1 to 1 computer equipment for students, and maintenance and operations are lower in September as the efforts to prep school buildings for classes has concluded.

Mr. Vidito also reported that As of September 30, 2019, the District's ending cash balances are as follows: General Fund is \$119.3 million; Rainy Day Fund is \$36.0 million; capital projects fund is \$17.7million and the other remaining funds are; \$47.2 million. He stated that Grants Revenue was above forecast and brings YTD receipts in line with forecasts; Accounts Payable is running higher than forecast due to final grant performance period timing and is expected to stabilize in November. The current General Fund balance is estimated to be equivalent to 9.1 weeks of average expenditures. He addressed questions from the Commission.

d. Transmittal of the Community District/DPS debt service requirements per MCL 141.1636 (11)

Chief Financial Officer, Jeremy Vidito, stated that the Debt Service Requirements Report is a statutorily required report from the School District. He further stated that the Community District has no debt requirements to report at this time, however he presented a report outlining all bonds, leases and other debt for DPS and stated that DPS is projected to be financially able to meet the debt service requirements through the end of the third quarter in FY20.

e. Consideration of the Community District's November 2019 contract approval requests per MCL 141.1636 (6) (FRC School District Resolution 2019-28)

Public Act 181 of 2014 requires the Financial Review Commission to review and approve contracts meeting any of the three 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.

Chief Financial Officer, Jeremy Vidito gave a brief overview of the Community District's Four (4) contract approval requests and addressed questions from the Commission. All contracts have been reviewed by the FRC Advisory Subcommittee on Contracts and Procurement.

Motion made to consider and approve the Community District's November 2019 contract approval requests (FRC School District Resolution 2019-28). Motion moved and supported. The Commission approve School District Resolution 2019-28 as presented.

f. Consideration of the Community District's November 2019 out-of-state travel reimbursement requests per MCL 141.1637 (q) (FRC School Resolution 2019-29)

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. Vidito presented One (1) request for the month of November 2019 for the Community District

Motion made to approve the Community District's November 2019 out-of-state travel reimbursement request (FRC School District Resolution 2019-29) as presented. Motion moved and supported. The Commission approved School District Resolution 2019-29 as presented.

VI. Public Comment

**Helen Moore
Michelle George**

VII. Next Meeting Date

School District Regular Meeting: December 16, 2019, following the City Meeting, beginning no earlier than 1:05 p.m. at Cadillac Place, 3062 West Grand Boulevard, Suite L-150, Detroit, MI 48202.

VIII. 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 1:48 p.m.

FRC Committee Monthly Meeting

School District

Resolution Roll Call

Monday, November 25, 2019

FRC 11/25/2019 Meeting (DPSCD)	School District Resolution 2019-27 (Approving FRC's 2020 Regular Meeting Schedule) Roll Call	School District Resolution 2019-28 (Consideration of SD August Contracts Requests) Roll Call	School District Resolution 2019-29 (Consideration of SD August out-of-state travel) Roll Call
Ms. Eubanks	Yes	Yes	Yes
Ms. Fox	Yes	Yes	Yes
Mr. Kolb	Yes	Yes	Yes
Mr. Nicholson	Absent	Absent	Absent
Mr. Rose	Yes	Yes	Yes
Ms. Taylor	Yes	Yes	Yes
Mr. Vitti	Yes	Yes	Yes
Mr. Walsh	Yes	Yes	Yes

Signed by: B. Greaves
Beverly C. Greaves- Secretary

Date: 11-25-2019