

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT REGULAR MEETING

Monday, October 28, 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

Madam Chair, Rachael Eubanks called the meeting to order at 1:10 p.m.

II. Roll Call

Members Present – 7

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

Members Absent – 4

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

Let the record show that 7 Commission members eligible to vote were present. 5 participated in person, and 2 participated via teleconference. A quorum was present.

III. Approval of Proposed Minutes from the September 30, 2019 School District Meeting

Motion made to approve the draft minutes of the Commission's September 30, 2019 School District Meeting as presented. Motion moved and supported; the Commission approved the minutes of the September 30, 2019 meeting as presented.

IV. Old Business - None

V. New Business

a. DPS Financial Report

Chief Financial Officer Jeremy Vidito presented the Financial Report for DPS. He noted that DPS's cash and debt payment forecast report shows projected revenues for FY 2020 of \$89.0 million from the 13 mills levy and \$69.4 million from the 18 mills levy. Expenditures related to emergency loan and bond payments of \$45.3 million and expenditures related to supplemental ORS payments of \$17.5 million. Tax collections for

August were \$5.8 million from the 13 mills levy. Tax collections for August were \$4.8 million from the 18 mills levy. As of August 31, 2019, DPS's cash balance is \$6.0 million and the projected year-end cash balance for FY 2020 is \$3.0 million. He addressed questions from the Commission.

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

Chief Financial Officer Jeremy Vidito presented the monthly financial report and stated that based on actual results through August 2020, Detroit Public Schools Community District (DPSCD) has a surplus of \$19.8 million of revenues over expenditures; the projected budget showed a \$20.4 million surplus, which is a \$0.6 million negative variance. The District is ahead of plan by \$0.8 million on the August YTD in the receipt of budgeted revenues.

Mr. Vidito also reported that the District's cash balance is \$133.9 million and the projected year-end cash balance for FY 2020 is \$106.5 million. As of August 31, 2019, the District's internal service fund cash balance is \$17.7 million and the projected year-end cash balance for FY 2020 is \$15.1 million. The District's capital projects fund cash balance is \$17.6 million. The District's rainy-day fund cash balance is \$35.9 million. The District's MILAF investment account cash balance is \$6.5 million. The District's food service fund cash balance is \$21.8 million. The District's legal reserve fund cash balance is \$1.2 million. He addressed questions from the Commission.

c. Consideration of Community District's Letters of Agreement with:

Detroit Federation of Para-Professionals Local no. 2350 (SSAS;NHA); American Federation of State, County, and Municipal Employees (AFSCME) Council 25, Local no. 345; International Union of Operating Engineers – Non-Instructional Supervisory Personnel (NISP), Local no. 324; Detroit Association of Educational Office Employees (DAEOE), Local no. 4168; International Brotherhood of Teamsters, Local no. 214; (police officers and campus security police, police lien operators, security officers) and Organization of School Administrators and Supervisors (OSAS), local no. 28 – wage reopener – Per MCL 141.1636 (9) (FRC Resolution 2019-24)

Mr. Vidito gave an overview of the proposed wage reopener agreements. He noted that the school district reached preliminary agreements with all the bargaining units listed above for FY 2020. He further noted that all the FY20 contracts, other than the Center Based Schools step acceleration, are scheduled to take effect in the second semester of FY 20. Accordingly, incremental recurring costs represent ½ of the annual recurring costs under the agreements, which includes police, LIEN operators and security guards bargaining units. He addressed questions from the Commission.

Motion made to consider and approve the Community District's Letters of Agreement with the above-mentioned unions, wage reopener agreements (FRC School District Resolution 2019-24) as presented. Motion moved and supported. The Commission approved School District Resolution 2019-24 as presented.

d. Consideration of the Community District's October 2019 contract approval requests per MCL 141.1636 (6) (FRC School District Resolution 2019-25)

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 3 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 October 2019 contract approval requests (FRC School District Resolution 2019-25). Motion moved and supported. The Commission approve School District Resolution 2019-25 as presented.

e. Consideration of the Community District's October out-of-state travel reimbursement requests per MCL 141.1637 (q) (FRC School Resolution 2019-26)

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 3 requests for the month of October 2019 for the Community District.

Motion made to approve the Community District's October 2019 out-of-state travel reimbursement request (FRC School District Resolution 2019-26) as presented. Motion moved and supported. The Commission approved School District Resolution 2019-26 as presented.

VI. Any Other Business

Madame Chair, Rachael Eubanks addressed a letter from Dr. Vitti dated October 14, 2019, as well as her response to Dr. Vitti's letter dated October 18, 2019 relating to: Waiver of Financial Review Commission Oversight. She invited the Commission to review both letters and share any comments or concerns they may have on the subject matter.

VII. Public Comment

Michelle George
Edy Peeples

VIII. Next Meeting Date

School District Regular Meeting: November 25, 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.

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 1:48 p.m.

FRC Committee Monthly Meeting
 School District
Resolution Roll Call
 Monday, October 28, 2019

FRC 10/28/2019 Meeting (DPSCD)	School District Resolution 2019-24 (Approving SD/ DFP; AFSCME; NISP; DAEOE; OSAS and International Brotherhood of Teamsters) 2019-20 Wage reopener Letters of Agreement Roll Call	School District Resolution 2019-25 (Consideration of SD August Contracts Requests) Roll Call	School District Resolution 2019-26 (Consideration of SD August out-of-state travel) Roll Call
Ms. Eubanks	Yes	Yes	Yes
Ms. Fox	Absent	Absent	Absent
Mr. Kolb	Yes	Yes	Yes
Mr. McKinnon	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: 10-28-2019