

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT (January 28, 2019 Re-scheduled) REGULAR MEETING

Monday, February 11, 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

Approved: February 25, 2019

I. Call to Order

Madam Chair, Rachael Eubanks called the meeting to order at 1: 12 p.m.

II. Roll Call

Members Present – 7

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

Members Absent – 4

Mike Duggan (non-voting)
Brenda Jones (non-voting)
Stacy Fox
Ike Mckinnon

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 December 17, 2019 School District Meeting

Motion made to approve the draft minutes of the Commission's December 17, 2018 School District Meeting as presented. Motion moved and supported, the Commission approved the minutes of the December 17, 2018 meeting as presented.

Old Business – None

IV. New Business

a. DPS Financial Report

Chief Financial Officer Jeremy Vidito presented the Financial Report for DPS and stated that DPS is primarily a wind-down entity whose purpose is the satisfaction of legacy debt obligations.

He further stated that DPS's cash and debt payment forecast report shows projected revenues for FY 2019 of \$72.3 million and expenditures related to emergency loan and

bond payments of \$41.4 million. Tax collections for November were \$8.3 million from the 13 mills levy and \$0.73 million from the 18 mills levy. Expenditures for November were \$0.46 million which consisted of the bond payment due for the 13 mills debt obligation and \$15.0 million which consisted of processed legacy teacher incentive payments (TIP), the district will transfer funds from the TIP reserve to cover the costs. As of November 30, 2018, DPS's cash balance is \$6.2 million, and as of December 7, 2018, DPS's cash balance is \$6.5 million and the projected year-end cash balance for FY 2019 is \$5.7 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 November 2018, DPSCD have a surplus of \$43.8 million of revenues over expenditures, but the projected budget showed a \$31.8 million surplus, which is a \$12.0 million positive variance. The District is behind plan by \$11.8 million on the November YTD in the receipt of budgeted revenues, but was offset by expenditure savings in purchased services, due to contracted vendors not being able to provide adequate levels of staffing for special education services.

Mr. Vidito also reported that DPSCD's cash balance as of November 30, 2018, is \$138.8 million and the projected year-end cash balance for FY 2019 is \$161.6 million, the District's internal service and fiduciary account cash balance is \$25.3 million, and the projected year-end cash balance for FY 2019 is \$17.3 million. He addressed questions from the Commission.

c. Consideration of the Community District's FY 19 Budget Amendment #1 requests per MCL 141.1637 (c) (FRC School District 2019-1)

Mr. Vidito presented the School District's Budget Amendment request No. 1 for consideration. The amendments include various revenue corresponding expenditure increases, as well as realigning various costs between functions. He addressed questions from the Commission.

Motion made to consider and approve DPSCD's FY 19 Budget Amendment #1 requests (FRC School District Resolution 2019-1). Motion moved and supported. The Commission approve Detroit Public Schools Community District (DPSCD) Resolution 2019-1 as presented.

d. Consideration of the Community District's January 2019 contract approval requests per MCL 141.1636 (6) (FRC School District Resolution 2019-2)

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 2 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 2 Community District's January 2019 contract approval requests (FRC School District Resolution 2019-2). Motion moved and supported. The Commission approve School District Resolution 2019-2 as presented.

e. Consideration of the Community District's January 2019 out-of-state travel reimbursement requests per MCL 141.1637 (q) (FRC School Resolution 2019-3)

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 1 request for the month of January 2019 for the Community District.

Motion made to approve the Community District's January 2019 out-of- state travel reimbursement request (FRC School District Resolution 2019-3) as presented. Motion moved and supported. The Commission approved School District Resolution 2019-3 as presented.

V. Public Comment

None

VI. Next Meeting Date

School District Regular Meeting: February 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.

VII. 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 1:35 p.m.

FRC Committee Monthly Rescheduled (January 28, 2019) Meeting
School District
Resolution Roll Call
Monday, February 11, 2019

FRC 2/11/2019 Meeting (DPSCD)	School District Resolution 2019-1 (Consideration of SD FY 19 Budget Amendment #1 Requests) Roll Call	School District Resolution 2019-2 (Consideration of SD January Contracts Requests) Roll Call	School District Resolution 2019-3 (Consideration of SD January out-of-state travel Requests) Roll Call
Ms. Eubanks	Yes	Yes	Yes
Ms. Fox	Absent	Absent	Absent
Mr. Kolb	Yes	Yes	Yes
Mr. McKinnon	Absent	Absent	Absent
Mr. Nicholson	Yes	Yes	Yes
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: 2/11/2019