

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT REGULAR MEETING

Monday, February 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

Approved: March 25, 2019

I. Call to Order

Madam Chair, Rachael Eubanks called the meeting to order at 1: 03 p.m.

II. Roll Call

Members Present – 7

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

Members Absent – 4

Mike Duggan (non-voting)
Brenda Jones (non-voting)
Ike McKinnon
David Nicholson

Let the record show that 7 Commission members eligible to vote were present. 4 participated in person, and 3 participated via teleconference. A quorum was present.

III. Approval of Proposed Minutes from the February 11, 2019 School District Meeting

Motion made to approve the draft minutes of the Commission's February 11, 2019 School District Meeting as presented. Motion moved and supported, the Commission approved the minutes of the February 11, 2019 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 December were \$0.6 million from the 13 mills levy and \$1.2 million from the 18 mills levy. Expenditures for December were \$0.008 million which consisted of banking charges the District paid. As of December 31, 2018, DPS's cash balance is \$6.0 million. As of January 11, 2019, DPS's cash balance is \$5.5 million and the projected year-end cash balance for FY 2019 is \$4.7 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 December 2018, DPSCD have a surplus of \$67.2 million of revenues over expenditures, but the projected budget showed a \$54.0 million surplus, which is a \$13.3 million positive variance. The District is behind plan by \$6.6 million on the December 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 December 31, 2018, is \$121.4 million and the projected year-end cash balance for FY 2019 is \$159.0 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. Transmittal of the Community District/DPS debt service requirements per MCL 141.1636 (11)

Jeremy Vidito stated that the Debt Service Requirements Report is a statutorily required report from the School District. He reported that the Community District has no debt requirement to report at this time. He further stated that DPS is financially able to meet the debt service requirements through the end of the fiscal year 2019, and estimates that it will borrow approximately \$100M from the School Loan Revolving Fund in the Fourth Quarter to meet the remaining debt service requirements through the end of the Fiscal Year 2019.

d. Consideration of the Community District's February 2019 contract approval requests per MCL 141.1636 (6) (FRC School District Resolution 2019-4)

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 1 contract approval request 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 1 Community District's February 2019 contract approval request (FRC School District Resolution 2019-4). Motion moved and supported. The Commission approve School District Resolution 2019-4 as presented.

e. Consideration of the Community District's February 2019 out-of-state travel reimbursement requests per MCL 141.1637 (q) (FRC School Resolution 2019-5)

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 February 2019 for the Community District.

Motion made to approve the Community District's February 2019 out-of- state travel reimbursement request (FRC School District Resolution 2019-5) as presented. Motion moved and supported. The Commission approved School District Resolution 2019-5 as presented.

V. Public Comment

Michelle George

VI. Next Meeting Date

School District Regular Meeting: March 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. Closed Session

Madam Chair, Rachael Eubanks notified the public that the Commission will now go into closed session, at the School District's request, to discuss confidential updates regarding negotiations on collective bargaining agreements, together with the financial impact that would follow such negotiations. She noted that it is the last order of business except for the motion to adjourn, which will be done when the Commission returns to open session.

Motion made to go into closed session. Motion moved and supported, the Commission approved the motion to go into closed session.

Motion made to come out of closed session. Motion moved and supported, the Commission approved the motion to come out of closed session. The Commission did not make any decisions in the closed session.

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 1:45 p.m.

FRC Committee Monthly Rescheduled (January 28, 2019) Meeting
School District
Resolution Roll Call
Monday, February 25, 2019

FRC 2/25/2019 Meeting (DPSCD)	School District Resolution 2019-4 (Consideration of SD February Contracts Requests) Roll Call	School District Resolution 2019-5 (Consideration of SD February out-of-state travel Requests) Roll Call
Ms. Eubanks	Yes	Yes
Ms. Fox	Yes	Yes
Mr. Kolb	Yes	Yes
Mr. McKinnon	Absent	Absent
Mr. Nicholson	Absent	Absent
Mr. Rose	Yes	Yes
Ms. Taylor	Yes	Yes
Mr. Vitti	Yes	Yes
Mr. Walsh	Yes	Yes

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

Date: 2/25/2019