

# DETROIT FINANCIAL REVIEW COMMISSION

## SCHOOL DISTRICT REGULAR MEETING

Monday, March 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: April 29, 2019**

#### **I. Call to Order**

Madam Chair, Rachael Eubanks called the meeting to order at 1: 08 p.m.

#### **II. Roll Call**

##### Members Present – 6

Rachael Eubanks  
Stacy Fox  
David Nicholson (via teleconference)  
Ron Rose  
Nicholai Vitti  
John Walsh

##### Members Absent – 5

Mike Duggan (non-voting)  
Brenda Jones (non-voting)  
Chris Kolb  
Ike McKinnon  
Iris Taylor

Let the record show that 6 Commission members eligible to vote were present. 5 participated in person, and 1 participated via teleconference. A quorum was present.

#### **III. Approval of Proposed Minutes from the February 25, 2019 School District Meeting**

Motion made to approve the draft minutes of the Commission's February 25, 2019 School District Meeting as presented. Motion moved and supported, the Commission approved the minutes of the February 25, 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 the District's cash and debt payment forecast report shows projected revenues for FY 2019 of \$67.4 million and expenditures related to emergency loan and bond payments of \$41.4 million. Tax collections for January were \$2.1 million from the 13 mills levy and \$2.0 million from the 18 mills levy. Expenditures for January were \$0.022 million which consisted of payments for audit and consultation services. As of January 31, 2019, DPS's cash balance is \$7.5 million. As of February 8, 2019, DPS's cash balance is \$6.1 million and the projected year-end cash balance for FY 2019 is \$5.4 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 January 2019, DPSCD has a surplus of \$62.6 million of revenues over expenditures, but the projected budget showed a \$63.6 million surplus, which is a \$1.0 million negative variance. The District is behind plan by \$12.2 million on the January YTD in the receipt of budgeted revenues. The variance is due to a delay from Wayne County for the enhancement millage payment and federal state reimbursement revenue was below based on lower than expected costs for purchased services and salaries.

Mr. Vidito also reported that DPSCD's cash balance as of January 31, 2019, is \$137.8 million and the projected year-end cash balance for FY 2019 is \$186.0 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. Consideration of the Community District's FY19 Capital Projects Budget Amendment #2 requests per MCL 141.1637 (c) (FRC School District Resolution 2019-6)**

Mr. Vidito presented the School District's Budget Amendment #2 for consideration. He stated that Budget Amendment No.2 transfers \$11.2 million from the general fund's surplus and \$6.5 million from the state transition funds to the capital projects fund. He further stated that the District will allocate \$9.7 million to address critical repair needs across 42 facilities and support high capacity schools with multiple repair needs. In addition, \$3.5 million will be allocated as a contingency to cover unanticipated expenses. He addressed questions from the Commission.

Motion made to approve the Community District's Resolution 2019-6 as presented. Motion moved and supported. The Commission approved School District Resolution 2019-6 as presented.

**d. Consideration of the Community District's March 2019 contract approval requests per MCL 141.1636 (6) (FRC School District Resolution 2019-7)**

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 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 3 Community District's March 2019 contract approval request (FRC School District Resolution 2019-7). Motion moved and supported. The Commission approve School District Resolution 2019-7 as presented.

**e. Consideration of the Community District's March 2019 out-of-state travel reimbursement requests per MCL 141.1637 (q) (FRC School Resolution 2019-8)**

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 6 requests for the month of March 2019 for the Community District.

Motion made to approve the Community District's March 2019 out-of- state travel reimbursement request (FRC School District Resolution 2019-8) as presented. Motion moved and supported. The Commission approved School District Resolution 2019-8 as presented.

**f. Public Comment**

Helen Moore  
Michelle George  
William Davis

**g. Next Meeting Date**

School District Regular Meeting: April 29, 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.

**h. 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 1:50 p.m.

**FRC Committee Monthly Meeting  
School District  
Resolution Roll Call  
Monday, March 25, 2019**

<b>FRC 3/25/2019 Meeting (DPSCD)</b>	<b>School District Resolution 2019-6 (consideration of the SD FY 19 Capital Projects Budget Admendment#2)</b>  <b>Roll Call</b>	<b>School District Resolution 2019-7 (Consideration of SD March Contracts Requests)</b>  <b>Roll Call</b>	<b>School District Resolution 2019-8 (Consideration of SD March out-of-state travel Requests)</b>  <b>Roll Call</b>
Ms. Eubanks	Yes	Yes	Yes
Ms. Fox	Yes	Yes	Yes
Mr. Kolb	Yes	Yes	Yes
Mr. McKinnon	Absent	Absent	Absent
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: 3-25-2019