

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT REGULAR MEETING

Monday, January 27, 2020
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 24, 2020

I. Call to Order

Madame Chair, Rachael Eubanks called the meeting to order at 1:29 p.m.

II. Roll Call

Members Present – 6

Rachael Eubanks
Chris Kolb (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 Seven (6) Commission members eligible to vote were present. Five (5) participated in person, and One (1) participated via teleconference. A quorum was present.

III. Approval of Proposed Minutes from the December 19, 2019 School District Meeting

Motion made to approve the draft minutes of the Commission's December 19, 2019 School District Meeting as presented. Motion moved and supported; the Commission approved the minutes of the December 16, 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 in October, the District received \$323K in 13 mills receipts bringing the year-to-date total to \$44.5 million. The current 13 mill tax receipt reserves are \$21.8M.

The District also received \$671K in 18mills receipts bringing the year to date total to \$35.6M. The ending general fund cash balance for November is \$5.9 million, and the

projected ending balance on June 30, 2020 is \$2.9 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 year to date revenues through November are running 9% (\$25.4M) ahead of budget; local revenue is higher due to sale of real estate, and Medicaid reimbursements continue to run higher than budgeted. He further stated that while maintaining a surplus, year-to-date expenses are running ahead of budget (5.8M) due to a more robust collection system. He further stated that salaries and benefits continue to run slightly higher due to a faster than anticipated reduction in vacancies.

Mr. Vidito reported that As of November 30, 2019, the District's cash balance is \$47.5 million and the projected year-end cash balance for FY 2020 is \$77.7 million. He stated that the District's Rainy-Day Fund was 36.0M; the Capital Projects Fund was \$16.7M; and other remaining funds were \$40.9M. He also stated that the November State Aid payment was received in December and the General Fund level has returned to its forecasted level; a transfer to a MILAF reserve account of \$13M was made in November with additional future transfers scheduled based on expected cash availability-maximizes interest income and balances cash on-hand requirements to meet daily obligations. The current General Fund balance is estimated to be equivalent to 4.0 weeks of average expenditures. He addressed questions from the Commission.

c. Consideration of the Community District's FY 20 budget amendment #1 requests per MCL 141.1637(c) (FRC School District Resolution 2020-1)

Mr. Vidito presented the School District's FY20 Budget Amendment No. 1 for consideration. He stated that the District is projecting a 3.8% increase in funding based on the State's adopted budget, fall enrollment and additional grants; and an overall 3.4% increase in expenses which includes \$26.1M in one-time expenditures. He addressed questions from the Commission.

Motion made to approve the Community District's FY 20 budget amendment #1 (FRC Resolution 2020-1) as presented. Motion moved and supported. The Commission approved School District Resolution 2020-1 as presented.

d. Consideration of the Community District's January 2020 Contract approval requests per MCL 141.1636 (6) (FRC School District Resolution 2020-2)

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 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 January 2020 contract approval requests (FRC School District Resolution 2020-2). Motion moved and supported. The Commission approve School District Resolution 2020-2 as presented.

VI. Public Comment

Michelle George

VII. Next Meeting Date

School District Regular Meeting: February 24, 2020, 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 1:50 p.m.

FRC Committee Monthly Meeting

School District

Resolution Roll Call

Monday, January 27, 2020

<p>FRC 1/27/2020 Meeting (DPSCD)</p>	<p>School District Resolution 2020 -1 Consideration of the District's FY 20 Budget Amendment #1 Roll Call</p>	<p>School District Resolution 2020- 2 (Consideration of SD January Contracts Requests) Roll Call</p>
Ms. Eubanks	Yes	Yes
Ms. Fox	Absent	Absent
Mr. Kolb	Yes	Yes
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: 1-27-2020