

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT REGULAR MEETING

Monday, March 30, 2020
Following the City's Regular Meeting
(Begins no earlier than 1:05 p.m.)
Using Microsoft Teams

MINUTES

Approved: April 27, 2020

I. Call to Order

Madame Chair, Rachael Eubanks called the meeting to order at 1:25 p.m.

II. Roll Call

Members Present – 7

Rachael Eubanks
Stacy Fox
Brenda Jones(non-voting)
Chris Kolb
Ron Rose
Nicholai Vitti
John Walsh

Members Absent – 3

Dave Massaron (non-voting)
David Nicholson
Iris Taylor

Let the record show that Six (6) Commission members eligible to vote were present. A quorum was present.

III. Approval of Proposed Minutes from the February 24, 2020 School District Meeting

Motion made to approve the draft minutes of the Commission's February 24, 2020 School District Meeting as presented. Motion moved and supported; the Commission approved the minutes of the February 24, 2020 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 January the District received \$2.1 million in 13 mills receipts bringing the year-to-date total to \$47.6 million. The current 13 mill tax receipt reserves are \$22.7M.

The District also received \$11.9 million in 18mills receipts bringing the year to date total to \$48.0M. The ending general fund cash balance for January is \$8.0 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 January are running \$1.5M ahead of budget; local revenue is higher due to unanticipated philanthropic donations received in January and additional state revenue. He further stated that the January YTD in the receipt of budgeted revenues mainly due to an increase in state sources revenue as the District received an increase in foundation allowance funding and an increase in local sources revenue as the District received grant revenue from the Kellogg Company and the Ballmer Group.

Mr. Vidito reported that as of January 31, 2020, the District's cash balance is \$73.4 million and the projected year-end cash balance for FY 2020 is \$64.6 million. He further stated that the District's internal service fund cash balance is \$17.9 million and the projected year-end cash balance for FY 2020 is \$15.0 million; the rainy-day fund cash balance is \$36.2 million; the MILAF investment account cash balance is \$82.1 million, and the total available general fund cash is \$210.7 million. He also noted that the District's capital projects fund cash balance is \$12.7 million; the food service fund cash balance is \$22.0 million, and the legal reserve fund cash balance is \$1.2 million. He addressed questions from the Commission.

c. Consideration of the Community District's FY 19 Capital Projects Budget Amendment approval requests per MCL 141.1637 (c) (FRC School District Resolution 2020-5)

Mr. Vidito presented the School District's FY19 Capital Projects Budget Amendment for consideration. He stated that for FY 2019, \$13.0 million was allocated to the capital projects fund to address roof replacements, hydration stations, parking lot repairs, HVAC overhaul and playground OCR transition projects. Eighty-seven percent of the projects have been completed and twelve percent are in progress to be completed by June 30, 2020. For FY 2020, \$17.6 million was allocated to the capital projects fund to address roof replacements, paving, boilers, chillers, heat exchanger, windows and A/C unit projects. Thirty-four percent of the projects have been completed, thirty-eight percent are in progress and twenty-eight percent are in the assessment and design phase. For FY 2021, the District plans to transfer \$25.3 million to the capital projects fund from the \$139.5 million general fund, \$16.8 million will address projects associated with the facility assessment and \$8.5 million will address the District's plan to shift 7 schools in order to improve utilization rates and move students to facilities with higher FCI scores. He presented a cost breakdown of the capital improvement recommendations and addressed questions from the Commission.

Motion made to approve the Community District's FY 19 capital projects budget amendment (FRC Resolution 2020-5) as presented. Motion moved and supported. The Commission approved School District Resolution 2020-5 as presented.

d. Consideration of the Community District's March 30, 2020 Contract approval requests per MCL 141.1636 (6) (FRC School District Resolution 2020-6)

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 Twelve (12) 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 March contract approval requests (FRC School District Resolution 2020-6). Motion moved and supported. The Commission approve School District Resolution 2020-6.

e. Presentation by Dr. Nikolai Vitti (DPSCD's Superintendent)

Dr. Nikolai Vitti gave an overview of some of the measures that will be implemented during this time. He stated that in order to address the health concerns highlighted by the Governor's "shelter in place" mandate to protect the health of employees, the original student and family distribution plan will be restructured; a new learning platform will be released that will focus on student's learning and their social and emotional needs during this time; the district is actively working with the business community to implement a strategy to provide all DPSCD families with a tablet and internet access. He further stated that although feedback will be given to assignments they will not be graded, and grades will not be issued; the District is in the process of developing the details regarding senior graduation and grade level promotions. In addition, teachers will be reaching out to parents and students during the week of April 14 via phone calls and online interaction tools, and the District will work to ensure that employees continue to receive their full pay and expected income as long as they participate in this learning and engagement shift with the students and families. He addressed questions from the Commission.

VI. Public Comment - None

VII. Next Meeting Date

School District Regular Meeting: Monday, April 27, 2020, following the City Meeting, beginning no earlier than 1:05 p.m. (Venue: to be determined)

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 2:20 p.m.