

Financial Review Commission Minutes

May 18, 2015 – 2:30 p.m.  
Cadillac Place  
Conference Room L-150  
3062 W. Grand Boulevard  
Detroit, MI 48202

**APPROVED – JUNE 22, 2015**

**I. Call to Order**

Treasurer Nick Khouri called the meeting to order at 2:31 p.m.

**II. Roll Call**

Members Present - 9

Nick Khouri  
Mike Duggan  
Stacey Fox  
Lorron James  
Brenda Jones  
William Martin  
John Roberts (via teleconference)  
Tony Saunders

Members Absent - 0

Darrell Burks

Let the record show that 8 Commission members are present with one Commission member via teleconference and one Commission member absent. A quorum is present.

**III. Approval of Minutes**

Motion made to approve the draft minutes of April 20, 2015 meeting as presented.

Motion moved and supported, the Commission unanimously approved the minutes of April 20, 2015 as presented.

**IV. Approval of Various Contracts for Detroit Water and Sewerage Department Transaction - Resolutions 2015-8 and 2015-19**

Ron Rose gave an overview of the two resolutions. Resolution 2015-8 requests approval of the City of Detroit's request to approve certain transactions involving the Detroit Water and Sewerage Department and Great Lakes Water Authority. Resolution 2015-9 requests approval of the City of

Detroit's request of the issuance of certain Detroit Water and Sewerage Department Water Supply System Revenue Refunding and Sewage Disposal System Revenue Refunding Bonds.

Motion made to approve Resolution 2015-8 approving the City of Detroit's request to approve certain transactions involving the Detroit Water and Sewerage Department and Great Lakes Water Authority as presented.

Motion moved and supported, the Commission unanimously approved Resolution 2015-8 as presented.  
8 ayes, 0 nays

Motion made to approve Resolution 2015-9 requesting approval of the City of Detroit's request of the issuance of certain Detroit Water and Sewerage Department Supply System Revenue Refunding and Sewage Disposal System Revenue Refunding Bonds as presented.

Motion moved and supported, the Commission unanimously approved Resolution 2015-9 as presented.  
8 ayes, 0 nays

## **V. Administrative Reports**

1. The City's Chief Financial Officer John Hill gave an overview of the estimates from the City of Detroit's May 14, 2015 revenue estimating conference providing information that shows revenues are on track to meet or slightly exceed the February 2015 projections. Potential reductions in the state revenue sharing for the City are currently being discussed by state legislators that would have an impact on future fiscal years. The next statutorily required revenue estimating conference will be held during the second week of September 2015.
2. John Hill gave an update on the implementation of the new Financial Management system that included a chart with graphic representation for the entire process for the implementation of the system. He stated that the internal controls included in the new financial system will allow the City to change and improve certain processes which were considered as he begins to restructure the Office of the Chief Financial Officer. He anticipates the go-live date to be in October 2015. Michael Witt, the FRC's consultant from UHY, reported that based on their review of the new system implementation process, he agreed with Mr. Hill's update. Mr. Witt stated that the challenges that the City has faced to date are not ones that we did not anticipate.

3. John Naglik gave a presentation on the transmittal of the debt service requirements report, per Sec. 6(11) of PA 181 of 2014 that included a summary of the annual debt service requirements for all bonds, leases, and other municipal debt. The City has met all debt requirements for 2015 with one exception, which is not due until in June 2015. The city is working through the strategy to make the exit financing payments that are due in FY 2017 and FY 2018 so that they do not have to reduce the funding directed to the City's reinvestment initiatives which are required under the plan of adjustment.

## **VI. Consideration of Various Contract Approval Requests**

Public Act 181 of 2014 requires the Financial Review Commission to review and approve contracts meeting any of the three following 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. All contracts must be approved by the Mayor's Office and by Detroit City Council prior to consideration by the Financial Review Commission.

Boysie Jackson, Chief Procurement Officer gave an overview of the 33 contract approvals.

Motion made to approve the 33 Contract Approval Requests from the City of Detroit as presented.

Motion moved and supported, the Commission unanimously approved the 33 Contract Approval Requests from the City of Detroit as presented.

8 ayes, 0 nays

## **VII. Public Comment**

Two individuals addressed the Commission during the public comment period.

John Lauve, Detroit, MI  
Second individual – name unknown

## **VIII. Next Meeting Date**

Mr. Khouri notified the public that the next Financial Review Commission meeting is scheduled for Monday, June 22, 2015 - 2:30 p.m. at Cadillac Place, 3062 W. Grand Boulevard, Suite L-150, Detroit, MI 48202.

**IX. Adjournment**

Motion made to adjourn.

On a voice vote the Commission unanimously approved the motion to adjourn.

8 ayes 0 nays

There being no further business, the meeting adjourned at 3:31 p.m.