

School District of the City of Muskegon Heights
Receivership Transition Advisory Board Agenda
Wednesday, May 16, 2018, 4:00 PM
2603 Leahy St
Muskegon Heights, MI 49444

I. CALL TO ORDER

- A. Roll Call
- B. Approval of RTAB Meeting Minutes
 - i. March 21, 2018 (attachment #1)

II. OLD BUSINESS

III. NEW BUSINESS

- A. News and Updates
 - i. Emergency Loan Board
- B. Monthly Reports (attachment #2)
 - i. Liabilities report (attachment #3)
 - ii. Cash flow projections (attachment #4)
 - iii. Comparison of budgeted revenue and expenditure to actual (attachment #5)
- C. District Budget
 - i. FY 2018 amendment (attachment #6)
 - ii. FY 2019 adoption (attachment #7)
- D. Emergency Loan Board Resolutions
 - i. District resolutions for review (attachment #8)
 - ii. RTAB resolutions for adoption (attachment #9)

IV. PUBLIC COMMENT

V. ADJOURNMENT

School District of the City of Muskegon Heights
Receivership Transition Advisory Board Meeting

Wednesday, March 21, 2018
Conference Room
2603 Leahy St.
Muskegon Heights, MI 49444

MINUTES

I. Call to Order

Chair Michael Wrobel called the meeting to order at 4:02p.m.

A. Roll Call

Members Present – 3

Dale Nesbary
John Schrier
Michael Wrobel

Members Absent – 2

Patrice Johnson
Clinton Todd (arrived 4:07pm)

A quorum was present.

B. Approval of Minutes

Motion by Mr. Schrier to approve the draft minutes of the RTAB's February 21, 2018 meeting as presented. Motion moved and seconded by Dr. Nesbary. The RTAB approved the minutes of the February 21, 2018 meeting as presented.

II. Old Business

None

III. New Business

A. News and Updates

Chair Wrobel reported the Emergency Loan Board meeting has been scheduled for April 9, 2018. Mr. Lewis added the final interest rate is expected to be between 1.8 and 2.2%, but noted there is a clause that the State of Michigan can sell the loan at a different rate in the future.

B. Monthly Reports

i. Cash Flow Projections

Mr. Lewis reported approximately \$100 thousand in debt service tax collections but no general fund/operating taxes from the City. Communication with the city has indicated an incoming amount higher than projected as a result of reconciliations from previous years. Mr. Todd arrived at this time, 4:07p.m., and was present for the remainder of the meeting.

ii. Liabilities Report

Mr. Lewis reported slight increases in ORS in UIA liabilities. Chair Wrobel asked whether the two agencies have provided a final amount for payment. Mr. Lewis answered that he is communicating with both agencies and expects a final amount soon.

iii. Comparison of Budgeted Revenue and Expenditure to Actual

Mr. Lewis reported no major unexpected items. Operating taxes are expected to come in starting in March. Chair Wrobel asked about the \$200 in budgeted interest payments. Mr. Lewis identified it as belonging to the upcoming payments to ORS and UIA. These amounts will be higher than originally projected as a result of the ELB meeting date being later than originally expected.

IV. Public Comment

None

V. Adjournment

There being no further business or comment, Chair Wrobel adjourned the meeting at 4:11p.m.



Muskegon Heights Public Schools

2603 Leahy Street • Muskegon Heights, MI 49444 • Phone 231-830-3221 Fax 231-830-3560

Date: May 9, 2018

To: Receivership Transition Advisory Board (RTAB)
Muskegon Heights Public Schools Board of Education

From: John Lewis, Assistant Superintendent

Re: Board Meeting Packet for May 16, 2018

Attached, please find the Muskegon Heights Public Schools 2017/18 Budget Amendment, 2018/19 Proposed Budget, current year Budget to Actual Revenue and Expenditure Report, Cash Flow Statement, and Liabilities Report for your review.

2017/18 Budget Amendment

On May 7th, 2018, the Muskegon Heights Board of Education approved the 2017/18 budget amendment included in this packet. Changes from the original budget include:

- Revenue
 - Tax receipts are projected to be higher than originally projected. This looks to be from prior year adjustments and other recalculations performed by the City of Muskegon Heights.
 - Oversight fees will be slightly lower than projected due to a small decline in enrollment at Muskegon Heights Public School Academy.
 - Transfer and other revenue will be higher than projected. The reasons for this include receipt of funds from Highland Park Public Schools for shared business services performed in 2017/18 and additional rental income from our partnership with Orchard View Adult Education.
- Expenditures
 - Legal and audit services will be higher than projected.
 - Interest and fees expense will be lower than projected due to planned payment of ORS and UIA balances in May 2018.
 - Building services will be greater than originally projected because of unexpected boiler maintenance, increased insurance costs, and natural

gas expenses related to the colder weather. We will also be performing some other necessary repairs to the administration building before the end of the fiscal year.

- Emergency loan expenditures will be higher due to additional interest expense that the district will incur at the closing of the emergency loans in May 2018.

2018/19 Proposed Budget

On May 7th, 2018, the Muskegon Heights Board of Education approved the 2018/19 proposed budget included in this packet. Items to highlight include:

- Revenue
 - Taxes revenues will be lower than the amounts received in 2017/18. We do not expect the calculations performed by the City of Muskegon Heights to carry over to 2018/19.
 - Transfers and other revenue will be lower as we do not expect any shared business services in 2018/19.
- Expenditures
 - Executive Administration costs are projected to slightly increase due to a 1% increase charged by our staffing firm.
 - Interest and fees expense is projected to be significantly less when compared to 2017/18. This is due to the refinancing of the district's ORS and UIA balances.
 - Emergency Loan expenditures will increase due to the new emergency loans used to eliminate the district's ORS and UIA obligations.

Budget to Actual Revenue and Expenditure Report

Attached you will find the budget to actual reports as of May 4th, 2018.

The district has received all of its revenue from the City of Muskegon Heights for 2017/18 and we are now awaiting our delinquent tax revenues from the County of Muskegon. We are expecting these funds sometime in late May or early June. As mentioned in the previous sections of this report, tax revenue is projected to be higher than originally planned for 2017/18.

Expenditures for building services will be higher than projected in 2017/18. The budgeted amount has been increased in the district's 2017/18 budget amendment.

Cash Flow Statement

The cash flow of the district continues to remain stable. We now know the cash requirements necessary to satisfy our outstanding ORS and UIA obligations as the district will close on its restructured and new emergency loans May 23, 2018.

This is a huge step in restoring the financial stability of the district.

Liabilities Report

The district will be restructuring its ORS and UIA liabilities on May 23, 2018 as mentioned in the previous section. Reducing the interest associated with these balances will greatly benefit the district going forward.

Attachment #3

Fund	Rate	Description	Issuance Date	Original Amount	Term Length	Principal	Interest	Total Amount	Projected Maturity Date	As of Date
GF		ORS			Short			\$ 1,562,631	N/A	4/20/2018
GF		Payable to MDE - At-Risk Payback			Short			\$ 371,436	N/A	5/4/2018
GF		UIA			Short			\$ 1,028,631	N/A	5/4/2018
GF	2.45%	Emergency Loan #1 - 2012	8/16/2012	\$ 7,650,000	Long	\$ 6,990,000	\$ 2,466,783	\$ 9,456,783	11/1/2041	4/30/2018
GF	2.35%	Emergency Loan #2 - 2013	1/18/2013	\$ 3,500,000	Long	\$ 3,165,000	\$ 1,052,683	\$ 4,217,683	11/1/2041	4/30/2018
GF	3.45%	Emergency Loan #3 - 2014	4/28/2014	\$ 1,400,000	Long	\$ 1,400,000	\$ 953,235	\$ 2,353,235	4/3/2044	4/30/2018
GF	NA	2007 Energy Conservation Improvement Bonds	12/19/2007		Long	\$ 3,149,000	\$ -	\$ 3,149,000	12/19/2022	4/30/2018
DF	5.00%	2016 Refunding Bonds, Series A	3/29/2016		Long	\$ 12,845,000	\$ 3,953,172	\$ 16,798,172	5/1/2029	4/30/2018
DF	1.74%-2.61%	2016 Refunding Bonds, Series B	3/26/2016		Long	\$ 4,225,000	\$ 94,709	\$ 4,319,709	5/1/2021	4/30/2018
DF	3.41%	School Bond Loan Fund	Annual		Long	\$ 2,212	\$ 90	\$ 2,302	5/1/2035*	4/30/2018
DF	3.41%	School Loan Revolving Fund	Annual		Long	\$ 2,048,249	\$ 12,236	\$ 2,060,485	5/1/2035*	4/30/2018
				\$ 12,550,000		\$ 33,824,461	\$ 8,532,907	\$ 45,320,065		

Note: GF - General Fund (18 mill levy); DF - Debt Service Fund (13 mill levy)

*Indicates Mandatory Repayment Date

Liability

EL #1
EL #2
EL #3

Usage Explanation:

Majority of proceeds used to retire SAN received in August 2011. Remainder used for final payrolls and other prior year expenses
Legacy costs
Legacy costs
Total Emergency Loans issued: \$12,550,000

Projected Monthly Cash Flow - One Year Projection

Date
5/4/2018

Attachment #4

School District Muskegon Heights Public Schools	WITH EL PROCEEDS
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	May 18	June 18	July 18	August 18	September 18	October 18	November 18	December 18	January 19	February 19	March 19	April 19
Beginning Balance	\$ 596,881	\$ 636,192	\$ 631,429	\$ 572,285	\$ 810,034	\$ 832,384	\$ 870,234	\$ 866,475	\$ 475,373	\$ 653,323	\$ 737,473	\$ 913,433
Estimated Receipts												
Taxes	\$ 210,540			\$ 240,000	\$ 40,000	\$ 40,000			\$ 180,000	\$ 87,000	\$ 180,000	
Taxes - Tech Millage	\$ 1,500	\$ 21,187			\$ 15,000	\$ 15,000			\$ 27,000	\$ 25,000		
Authorizer Fees	\$ 15,400	\$ 15,400	\$ 15,400	\$ 15,400	\$ -	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500
ELN Proceeds	\$ 2,449,000											
Other Revenue	\$ 1,527	\$ 1,527	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,527	\$ 1,527
Total Available Funds	\$ 3,274,848	\$ 674,306	\$ 647,829	\$ 828,685	\$ 866,034	\$ 903,884	\$ 886,734	\$ 882,975	\$ 671,873	\$ 783,823	\$ 959,500	\$ 930,460
Less Estimated Expenditures:												
Payrolls	\$ 14,070	\$ 14,070	\$ 18,658	\$ 14,070	\$ 14,070	\$ 14,070	\$ 15,579	\$ 14,070	\$ 14,070	\$ 14,070	\$ 15,579	\$ 14,070
Other Expenditures	\$ 6,820	\$ 7,620	\$ 56,886	\$ 4,580	\$ 4,580	\$ 4,580	\$ 4,680	\$ 8,230	\$ 4,480	\$ 5,280	\$ 5,488	\$ 4,980
Emergency Loan Payment	\$ 17,849	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 203,209	\$ -	\$ -	\$ -	\$ -
Tech Millage to PSA	\$ 1,500	\$ 21,187	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -	\$ 27,000	\$ 25,000	\$ -
ORS Repayment	\$ 1,568,356	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
UIA Repayment	\$ 1,030,060	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Liens/Loans (Totals)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 182,092	\$ -	\$ -	\$ -	\$ -
Estimated Ending Balance	\$ 636,192	\$ 631,429	\$ 572,285	\$ 810,034	\$ 832,384	\$ 870,234	\$ 866,475	\$ 475,373	\$ 653,323	\$ 737,473	\$ 913,433	\$ 911,410

Expenses by Month

	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	Totals
Payrolls (including contracted staff)	\$ 14,070	\$ 14,070	\$ 18,658	\$ 14,070	\$ 14,070	\$ 14,070	\$ 15,579	\$ 14,070	\$ 14,070	\$ 14,070	\$ 15,579	\$ 14,070	\$ 176,448
Consumers - electric	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 700	\$ 500	\$ 500	\$ 500	\$ 510	\$ 500	\$ 8,010
DTE - natural gas	\$ 1,200	\$ 1,000	\$ 800	\$ 800	\$ 800	\$ 800	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,800	\$ 1,998	\$ 1,500	\$ 13,698
Waste & Water utility	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 2,640
Audit Fees													\$ -
Legal Fees	\$ 3,000	\$ 4,000	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 18,600
Property Insurance			\$ 52,306										\$ 52,306
MAISD Tech Fee								\$ 3,750					\$ 3,750
Epicenter													\$ -
Bank Fees	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 7,200
Misc.	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
EL Loan Payments	\$ 17,849							\$203,209					\$ 221,058
ORS Repayment	\$1,568,356												\$1,568,356
UIA Payment	\$1,030,060												\$1,030,060
Tech Millage Flowthrough	\$ 1,500	\$ 21,187	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -	\$ 27,000	\$ 25,000	\$ -	\$ 104,687
QZAB Energy Bonds								\$182,092					\$ 182,092
Totals	\$2,638,656	\$ 42,877	\$ 75,544	\$ 18,650	\$ 33,650	\$ 33,650	\$ 20,259	\$407,602	\$ 18,550	\$ 46,350	\$ 46,067	\$ 19,050	\$3,400,906

Muskegon Heights Public Schools
 Revenues, Expenditures, and Fund Balance
 GENERAL FUND
 2017-18
 As of 5/4/18

	Budget 2017-18	Actuals to Date	Under/(Over) to Date
Beginning Fund Balance	\$ (2,430,766)	\$ (2,430,766)	
Revenue			
Property taxes	\$ 1,170,890	\$ 1,051,288	\$ 119,602
Oversight fees	\$ 174,210	\$ 108,816	\$ 65,394
Transfers and Other	\$ 16,800	\$ 19,254	\$ (2,454)
Total Revenue	\$ 1,361,900	\$ 1,179,358	
Expenditures			
Data Technology	\$ 4,250	\$ 4,425	\$ (175)
Board of Education	\$ 27,060	\$ 22,668	\$ 4,392
Executive Administration	\$ 65,780	\$ 47,144	\$ 18,636
Business Services	\$ 99,300	\$ 83,627	\$ 15,673
Interest and Fees Expense	\$ 215,660	\$ 5,221	\$ 210,439
Unpaid Auction and Delinquent Tax Fees	\$ 50,000	\$ -	\$ 50,000
Building Services	\$ 82,680	\$ 88,011	\$ (5,331)
District Technology	\$ 900	\$ 1,470	\$ (570)
Emergency Loan Payments	\$ 506,470	\$ 506,470	\$ -
Transfers and Other	\$ 305,730	\$ 297,276	\$ 8,454
Total Expenditures	\$ 1,357,830	\$ 1,056,313	
Revenues Less Expenditures	\$ 4,070	\$ 123,045	
Projected Ending Fund Balance	\$ (2,426,696)	\$ (2,307,722)	

REVENUES	DESCRIPTION	ACTUAL
11-0111-0000-000-0000-000000-000000-	PROPERTY TAXES CURRENT	-928,368.44
11-0111-0000-100-0000-000000-000000-	OTHER TAXES	0.00
11-0121-0000-000-0000-000000-000000-	TECH MILLAGE FLOWTHROUGH	-115,184.02
11-0124-0000-000-0000-000000-000000-	PENALTY & INT ON DEL TAXES	0.00
11-0151-0000-000-0000-000000-000000-	EARNINGS ON INVEST & DEPOSITS	0.00
11-0191-0000-000-0000-000000-000000-	RENTALS	-5,100.00
11-0199-0000-000-0000-000000-000000-	MISCELLANEOUS	-16.00
11-0321-0000-000-0000-000000-000000-	PPT REIMBURSEMENT	-7,735.80
11-0519-0000-001-0000-000000-000000-	3% AUTHORIZER FEE - MHPSA	-108,815.64
11-0519-0000-100-0000-000000-000000-	SHARED BUSINESS SVCS	-14,137.86
		-1,179,357.76

EXPENDITURES	DESCRIPTION	ACTUAL	SUMS
11-1-225-7410-840-0000-00000-000000-	LICENSING FEES & RENEWALS	4,012.65	
11-1-226-4220-899-0000-00000-000000-	COPY MACHINE	412.00	\$ 4,424.65
11-1-231-3170-000-0000-00000-000000-	LEGAL SERVICES	8,108.16	
11-1-231-3180-000-0000-00000-000000-	AUDIT SERVICES	13,610.00	
11-1-231-7410-000-0000-00000-000000-	DUES & FEES	950.00	\$ 22,668.16
11-1-232-3150-000-0000-00000-000000-	CONTRACTED SERVICES	47,144.40	
11-1-232-3210-000-0000-00000-000000-	COST OF TRAVEL (MILEAGE)	0.00	
11-1-232-3430-000-0000-00000-000000-	MAILING	0.00	
11-1-232-7910-000-0000-00000-000000-	MISCELLANEOUS	0.00	\$ 47,144.40
11-1-252-1620-033-0000-00000-000000-	ACCOUNTING SPECIALIST	50,769.18	
11-1-252-2130-000-0000-00000-000000-	HOSPITALIZATION	15,076.02	
11-1-252-2820-033-0000-00000-000000-	CONTRIB TO ST&LOC RETIRE FUNDS	12,890.84	
11-1-252-2830-033-0000-00000-000000-	EMPLOYER SOCIAL SECURITY	3,883.88	
11-1-252-2840-033-0000-00000-000000-	WORKMAN'S COMPENSATION	1.54	
11-1-252-3150-030-0000-00000-000000-	CONTRACTED SERVICES	0.00	
11-1-252-3220-030-0000-00000-000000-	TRAVEL & CONFERENCE	115.00	
11-1-252-5910-030-0000-00000-000000-	OFFICE SUPPLIES	891.00	\$ 83,627.46
11-1-252-7410-000-0000-00000-000000-	INTEREST & FEES EXPENSE	5,220.51	\$ 5,220.51
11-1-259-7610-000-0000-00000-000000-	TAXES ABATED & WRITTEN OFF	0.00	\$ -
11-1-261-3190-100-0000-00000-000000-	CONTRACTED SERVICES	15,997.79	
11-1-261-3410-000-0000-00000-000000-	TELEPHONE CHARGES	0.00	
11-1-261-3830-000-0000-00000-000000-	WATER & SEWAGE	1,171.11	
11-1-261-3840-000-0000-00000-000000-	WASTE & TRASH DISPOSAL	584.00	
11-1-261-3910-000-0000-00000-000000-	INSURANCE	53,206.00	
11-1-261-4110-000-0000-00000-000000-	LAND AND BLDGS-REPAIRS & MAINT	0.00	
11-1-261-5510-000-0000-00000-000000-	HEATING FUEL	10,725.48	
11-1-261-5520-000-0000-00000-000000-	ELECTRICITY	6,327.00	\$ 88,011.38
11-1-284-3410-000-0000-00000-000000-	CELL PHONE CHARGES	1,470.26	\$ 1,470.26
11-1-411-8910-000-0000-00000-000000-	TRANSFERS TO MHPSA	115,184.02	
11-1-511-7110-994-0000-00000-000000-	PRINCIPAL PMT - EMERGENCY LOAN	210,000.00	
11-1-511-7230-994-0000-00000-000000-	INTEREST PMT - EMERGENCY LOANS	296,470.00	\$ 506,470.00
11-1-634-8110-000-0000-00000-000000-	QZAB TRANSFER - DEBT RETIREMEN	182,092.42	\$ 297,276.44
		\$ 1,056,313.26	\$ 1,056,313.26

Muskegon Heights Public Schools
 Revenues, Expenditures, and Fund Balance
 DEBT SERVICE - 2016 REFUNDING BONDS
 2017-18
 As of 5/4/18

	Actuals to Date
Beginning Fund Balance	\$ 236,108
Revenue	
Tax Revenues	\$ 1,081,997
SBLF/SLRF (State Bond Loan Programs)	\$ 1,347,237
Total Revenue	\$ 2,429,234
Expenditures	
Tax Chargebacks & Auction Property	\$ -
Principal Payments	\$ 1,865,000
Interest Payments	\$ 800,230
Total Expenditures	\$ 2,665,230
Revenues Less Expenditures	\$ (235,996)
Projected Ending Fund Balance	\$ 113

Account	Description	2018 Actual
32-0111-0000-000-0000-000000-000000-	PROPERTY TAX LEVY	-977,254.48
32-0111-0000-100-0000-000000-000000-	OTHER TAXES-HSBF	0.00
32-0124-0000-000-0000-000000-000000-	PENALTY & INT ON DEL TAXES	0.00
32-0151-0000-000-0000-000000-000000-	EARNINGS ON INVESTMENTS-HSBF	-327.35
32-0321-0000-000-0000-000000-000000-	PPT REIMBURSEMENT	-104,415.35
32-0591-0000-000-0000-000000-000000-	BOND PROCEEDS	0.00
32-0595-0000-000-0000-000000-000000-	STATE LOAN PROGRAM-HSBF	-1,347,237.00
32-0596-0000-000-0000-000000-000000-	PROCEEDS FROM REFINANCING DEBT	0.00
32-0596-0000-001-0000-000000-000000-	PREMIUM ON REFUNDING BONDS	0.00
32-0599-9000-000-0000-000000-000000-	DUE TO/FROM	0.00
32-0631-0000-000-0000-000000-000000-	TRANSFER IN	0.00
		-2,429,234.18

Account	Description	2018 Actual
32-1-252-3180-000-0000-000000-000000-	AUDIT SERVICES	0.00
32-1-252-7410-000-0000-000000-000000-	PAYING AGENT FEES	0.00
32-1-259-3610-000-0000-000000-000000-	PRINTING	0.00
32-1-259-7610-000-0000-000000-000000-	TAXES ABATED & WRITTEN OFF	0.00
32-1-511-7110-000-0000-000000-000000-	PRINCIPAL - 2006 REF BDS	1,865,000.00
32-1-511-7230-000-0000-000000-000000-	INTEREST-HSBF	800,230.00
32-1-511-7310-000-0000-000000-000000-	OTHER BOND ISSUANCE COSTS	0.00
32-1-511-7330-000-0000-000000-000000-	BOND DISCOUNT	0.00
32-1-511-7410-000-0000-000000-000000-	PAYING AGENT FEES-HSBF	0.00
32-1-512-7320-000-0000-000000-000000-	PAYMENTS TO BOND ESCROW AGENT	0.00

Muskegon Heights Public Schools
 Revenues, Expenditures, and Fund Balance
 QZAB Fund
 2017-18
 As of 5/4/18

	Actuals to Date
Beginning Fund Balance	\$ 1,796,294
Revenue	
Earnings on Investment	\$ 27,982
Transfers In	\$ 182,092
Total Revenue	\$ 210,075
Expenditures	\$ -
Total Expenditures	\$ -
Revenues Less Expenditures	\$ 210,075
Projected Ending Fund Balance	\$ 2,006,369

Account	Description	2018 Actual
34-0151-0000-000-0000-000000-000000-	EARNINGS ON INVESTMENTS	-27,982.34
34-0611-0000-000-0000-000000-000000-	QZAB TRANSFER	-182,092.42

Muskegon Heights Public Schools

Budget Amendment

2017-18

5/4/2018

	Proposed Budget		
	Original Budget 2017-18	Amendment 2017-18	Increase/(Decrease)
Beginning Fund Balance	\$ (2,430,766)	\$ (2,430,766)	
Revenue			
Property taxes	\$ 1,170,890	\$ 1,313,930	\$ 143,040
Oversight fees	\$ 174,210	\$ 171,150	\$ (3,060)
Transfers and Other	\$ 16,800	\$ 22,730	\$ 5,930
Total Revenue	\$ 1,361,900	\$ 1,507,810	\$ 145,910
Expenditures			
Data Technology	\$ 4,250	\$ 4,520	\$ 270
Board of Education	\$ 27,060	\$ 30,170	\$ 3,110
Executive Administration	\$ 65,780	\$ 65,480	\$ (300)
Business Services	\$ 99,300	\$ 100,710	\$ 1,410
Interest and Fees Expense	\$ 215,660	\$ 186,850	\$ (28,810)
Unpaid Auction and Delinquent Tax Fees	\$ 50,000	\$ 50,670	\$ 670
Building Services	\$ 82,680	\$ 98,170	\$ 15,490
District Technology	\$ 900	\$ 920	\$ 20
Emergency Loan Payments	\$ 506,470	\$ 524,320	\$ 17,850
Transfers and Other	\$ 305,730	\$ 305,730	\$ -
Total Expenditures	\$ 1,357,830	\$ 1,367,540	\$ 9,710
Revenues Less Expenditures	\$ 4,070	\$ 140,270	
Projected Ending Fund Balance	\$ (2,426,696)	\$ (2,290,496)	

Muskegon Heights Public Schools

Proposed Budget

2018-19

5/4/2018

	Proposed Budget Amendment 2017-18	Proposed Budget 2018-19	Increase/(Decrease)
Beginning Fund Balance	\$ (2,430,766)	\$ (2,290,496)	
Revenue			
Property taxes	\$ 1,313,930	\$ 1,181,020	\$ (132,910)
Oversight fees	\$ 171,150	\$ 176,310	\$ 5,160
Transfers and Other	\$ 22,730	\$ 9,500	\$ (13,230)
Total Revenue	\$ 1,507,810	\$ 1,366,830	\$ (140,980)
Expenditures			
Data Technology	\$ 4,520	\$ 4,520	\$ -
Board of Education	\$ 30,170	\$ 30,170	\$ -
Executive Administration	\$ 65,480	\$ 68,770	\$ 3,290
Business Services	\$ 100,710	\$ 101,960	\$ 1,250
Interest and Fees Expense	\$ 186,850	\$ 6,400	\$ (180,450)
Unpaid Auction and Delinquent Tax Fees	\$ 50,670	\$ 50,670	\$ -
Building Services	\$ 98,170	\$ 98,170	\$ -
District Technology	\$ 920	\$ 920	\$ -
Emergency Loan Payments	\$ 524,320	\$ 570,750	\$ 46,430
Transfers and Other	\$ 305,730	\$ 305,730	\$ -
Total Expenditures	\$ 1,367,540	\$ 1,238,060	\$ (129,480)
Revenues Less Expenditures	\$ 140,270	\$ 128,770	
Projected Ending Fund Balance	\$ (2,290,496)	\$ (2,161,726)	

AMENDING RESOLUTION RELATED TO THE
AMENDED AND RESTATED 2012 EMERGENCY LOAN NOTE

Muskegon Heights Public Schools, Muskegon County, Michigan

A regular meeting of the board of education of the school district (the "School Board") was held in the Conference Room at the Muskegon Heights Board of Education, within the boundaries of the school district, on the 7th day of May, 2018, at 6:07 o'clock in the p.m.

The meeting was called to order by Trinell Scott, President.

Present: Members 5 Brewer, Scott, Cook, Glover, Rankin

Absent: Members 2 Selmon, Darnell

The following preamble and resolution were offered by Member Estelita Rankin and supported by Member Mark Glover:

WHEREAS:

1. The School Board approved a resolution on October 2, 2017, authorizing the restatement of the Muskegon Heights Public Schools, Muskegon County, Michigan ("School District") Emergency Loan Note, 2012-13 Series I ("2012 Note"); and

2. Paragraph 5 of that resolution identified a maximum interest rate for the amended and restated 2012 Note; and

3. The State of Michigan desires to have statutory language included in the amended and restated 2012 Note that would allow the adjustment of the interest rate pursuant to Section 6a or Section 7(2) of the Emergency Municipal Loan Act, as amended, 1980 PA 243, MCL 141.931, *et seq.*

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Chief Business Official of the School District shall have the authority to approve and deliver an amended and restated 2012 Note to the State of Michigan that provides for the adjustment of the interest rate on that note pursuant to Section 6a or Section 7(2) of the Emergency Municipal Loan Act, as amended.

2. All resolutions and parts of resolutions conflicting with this resolution are rescinded.

Ayes: Members 5

Nays: Members 0

Resolution declared adopted.


Secretary, Board of Education

I, the undersigned, the duly qualified and acting Secretary of the Board of Education of Muskegon Heights Public Schools, Muskegon County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board at a regular meeting held on May 7, 2018, the original of which is a part of the Board's minutes. The undersigned also certifies that notice of the meeting was given to the public pursuant to the "Open Meetings Act" (Act 267 Public Acts of Michigan, 1976, as amended).


Secretary, Board of Education

CJI/klg

AMENDING RESOLUTION RELATED TO THE
AMENDED AND RESTATED 2013 EMERGENCY LOAN NOTE

Muskegon Heights Public Schools, Muskegon County, Michigan

A regular meeting of the board of education of the school district (the "School Board") was held in the Conference Room at the Muskegon Heights Board of Education, within the boundaries of the school district, on the 7th day of May, 2018, at 6:07 o'clock in the p.m.

The meeting was called to order by Trinell Scott, President.

Present: Members 5 Brewer, Scott, Cook Glover, Rankin

Absent: Members 2 Selmon, Darnell

The following preamble and resolution were offered by Member Marjorie Cook and supported by Member Estelita Rankin:

WHEREAS:

1. The School Board approved a resolution on October 2, 2017, authorizing the restatement of the Muskegon Heights Public Schools, Muskegon County, Michigan ("School District") Emergency Loan Note, 2012-13 Series II ("2013 Note"); and

2. Paragraph 5 of that resolution identified a maximum interest rate for the amended and restated 2013 Note; and

3. The State of Michigan desires to have statutory language included in the amended and restated 2013 Note that would allow the adjustment of the interest rate pursuant to Section 6a or Section 7(2) of the Emergency Municipal Loan Act, as amended, 1980 PA 243, MCL 141.931, *et seq.*

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Chief Business Official of the School District shall have the authority to approve and deliver an amended and restated 2013 Note to the State of Michigan that provides for the adjustment of the interest rate on that note pursuant to Section 6a or Section 7(2) of the Emergency Municipal Loan Act, as amended.

2. All resolutions and parts of resolutions conflicting with this resolution are rescinded.

Ayes: Members 5

Nays: Members 0

Resolution declared adopted.


Secretary, Board of Education

I, the undersigned, the duly qualified and acting Secretary of the Board of Education of Muskegon Heights Public Schools, Muskegon County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board at a regular meeting held on May 7, 2018, the original of which is a part of the Board's minutes. The undersigned also certifies that notice of the meeting was given to the public pursuant to the "Open Meetings Act" (Act 267 Public Acts of Michigan, 1976, as amended).


Secretary, Board of Education

AMENDING RESOLUTION RELATED TO THE
AMENDED AND RESTATED 2014 EMERGENCY LOAN NOTE

Muskegon Heights Public Schools, Muskegon County, Michigan

A regular meeting of the board of education of the school district (the "School Board") was held in the Conference Room, Muskegon Heights Board of Education, within the boundaries of the school district, on the 7th day of May, 2018, at 6:07 o'clock in the p.m.

The meeting was called to order by Trinell Scott, President.

Present: Members Brewer, Scott, Cook, Glover, Rankin, Selmon (late)

Absent: Members Darnell

The following preamble and resolution were offered by Member Mark Glover and supported by Member Franklin Brewer:

WHEREAS:

1. The School Board approved a resolution on October 2, 2017, authorizing the restatement of the Muskegon Heights Public Schools, Muskegon County, Michigan ("School District") Emergency Loan Note, 2013-14 Series I ("2014 Note"); and

2. Paragraph 5 of that resolution identified a maximum interest rate for the amended and restated 2014 Note; and

3. The State of Michigan desires to have statutory language included in the amended and restated 2014 Note that would allow the adjustment of the interest rate pursuant to Section 6a or Section 7(2) of the Emergency Municipal Loan Act, as amended, 1980 PA 243, MCL 141.931, *et seq.*

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Chief Business Official of the School District shall have the authority to approve and deliver an amended and restated 2014 Note to the State of Michigan that provides for the adjustment of the interest rate on that note pursuant to Section 6a or Section 7(2) of the Emergency Municipal Loan Act, as amended.

2. All resolutions and parts of resolutions conflicting with this resolution are rescinded.

Ayes: Members 6

Nays: Members 0

Resolution declared adopted.


Secretary, Board of Education

I, the undersigned, the duly qualified and acting Secretary of the Board of Education of Muskegon Heights Public Schools, Muskegon County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board at a regular meeting held on May 7, 2018, the original of which is a part of the Board's minutes. The undersigned also certifies that notice of the meeting was given to the public pursuant to the "Open Meetings Act" (Act 267 Public Acts of Michigan, 1976, as amended).


Secretary, Board of Education



AMENDING RESOLUTION RELATED TO ISSUANCE
OF 2018 EMERGENCY LOAN NOTE

Muskegon Heights Public Schools, Muskegon County, Michigan

A regular meeting of the board of education of the school district (the "School Board") was held in the Board of Education, Muskegon Heights Board of Education, within the boundaries of the school district, on the 7th day of May, 2018, at 6:07 o'clock in the p.m.

The meeting was called to order by Trinell Scott, President.

Present: Members Brewer, Scott, Cook, Glover, Rankin,
Selmon (late)

Absent: Members Darnell

The following preamble and resolution were offered by Member Mark Glover and supported by Member Marjorie Cook:

WHEREAS:

1. The School Board approved a resolution on October 2, 2017, authorizing the issuance of the Muskegon Heights Public Schools, Muskegon County, Michigan ("School District") Emergency Loan Note, 2017-18 Series I (the "2018 Note"); and

2. Paragraph 3 of that resolution identified a maximum interest rate for the 2018 Note; and

3. The State of Michigan desires to have statutory language included in the 2018 Note that would allow the adjustment of the interest rate pursuant to Section 6a or Section 7(2) of the Emergency Municipal Loan Act, as amended, 1980 PA 243, MCL 141.931, *et seq.*

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Chief Business Official of the School District shall have the authority to approve and deliver a 2018 Note to the State of Michigan that provides for the adjustment of the interest rate on that note pursuant to Section 6a or Section 7(2) of the Emergency Municipal Loan Act, as amended.

2. All resolutions and parts of resolutions conflicting with this resolution are rescinded.


Ayes: Members 6

Nays: Members 0

Resolution declared adopted.


Secretary, Board of Education

I, the undersigned, the duly qualified and acting Secretary of the Board of Education of Muskegon Heights Public Schools, Muskegon County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board at a regular meeting held on May 7, 2018, the original of which is a part of the Board's minutes. The undersigned also certifies that notice of the meeting was given to the public pursuant to the "Open Meetings Act" (Act 267 Public Acts of Michigan, 1976, as amended).


Secretary, Board of Education

AMENDING RESOLUTION CONCERNING THE
2012 EMERGENCY LOAN NOTE OF
MUSKEGON HEIGHTS PUBLIC SCHOOLS

Receivership Transition Advisory Board for the School District of the City of Muskegon Heights, Muskegon County, Michigan (the “Board”)

A _____ meeting of the Board was held in the _____, within the boundaries of Muskegon Heights Public Schools, Muskegon County, Michigan (the “Issuer”), on the _____ day of May, 2018, at _____ o’clock in the __.m.

The meeting was called to order by _____, Chairperson.

Present: Members

Absent: Members

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS:

1. The Emergency Municipal Loan Act, 1980 PA 243, as amended (the “Act”), permits the Local Emergency Financial Assistance Loan Board (the “ELB”) to restructure payments but not the outstanding principal balance or interest on certain loans, including the loan to the Issuer designated as Emergency Loan Note, 2012-13 Series I (the “2012 Note”), including the loan evidenced by the 2012 Note (the “2012 Loan”); and

2. The Issuer has at times operated under the name of the “School District of the City of Muskegon Heights”; and

3. The school board of the Issuer has established a financial and operating plan for the Issuer and the Issuer’s school board has determined that it is necessary and in the best interest of the Issuer to make application to the ELB to restructure the 2012 Loan as permitted by the Act; and

4. This Board determines that it is in the best interest of the Issuer to consider restructuring the 2012 Loan as proposed by the Issuer’s school board; and

5. Pursuant to Section 23(1) of the Act 436, Public Acts of Michigan, 2012, as amended, the Local Financial Stability and Choice Act, this Board has been appointed to monitor the affairs of the Issuer until the Issuer’s receivership is terminated; and

6. Attached to this resolution as Attachment 1 is the Issuer’s Amending Resolution Related to the Amended and Restated 2012 Emergency Loan Note (the “Resolution”), which authorizes the inclusion of statutory language in the amended and restated 2012 Note that would allow the adjustment of the interest rate for that note pursuant to Section 6a and 7(2) of the Act.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. This Board hereby authorizes and approves the inclusion of language that provides for the adjustment of the interest rate on the amended and restated 2012 Note, as provided in the Resolution in substantially the form attached hereto as Attachment 1, and authorizes the Issuer to undertake all actions necessary and prudent to facilitate that inclusion.

2. All resolutions and parts of resolutions conflicting with this resolution are rescinded.

Ayes: Members

Nays: Members

Resolution declared adopted.

Secretary
Receivership Transition Advisory Board

I, the undersigned, the duly qualified and acting Secretary of the Receivership Transition Advisory Board for the School District of the City of Muskegon Heights, Muskegon County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board at a _____ meeting held on May ____, 2018, the original of which is a part of the Board's minutes. The undersigned also certifies that notice of the meeting was given to the public pursuant to the "Open Meetings Act" (Act 267 Public Acts of Michigan, 1976, as amended).

Secretary
Receivership Transition Advisory Board

CJI/klg

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ATTACHMENT 1

District 2012 Note

AMENDING RESOLUTION RELATED TO THE AMENDED AND RESTATED 2012 EMERGENCY LOAN NOTE

Muskegon Heights Public Schools, Muskegon County, Michigan

A regular meeting of the board of education of the school district (the "School Board") was held in the _____, within the boundaries of the school district, on the 7th day of May, 2018, at ____ o'clock in the __.m.

The meeting was called to order by _____, President.

Present: Members

Absent: Members

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS:

- 1. The School Board approved a resolution on October 2, 2017, authorizing the restatement of the Muskegon Heights Public Schools, Muskegon County, Michigan ("School District") Emergency Loan Note, 2012-13 Series I ("2012 Note"); and
2. Paragraph 5 of that resolution identified a maximum interest rate for the amended and restated 2012 Note; and
3. The State of Michigan desires to have statutory language included in the amended and restated 2012 Note that would allow the adjustment of the interest rate pursuant to Section 6a or Section 7(2) of the Emergency Municipal Loan Act, as amended, 1980 PA 243, MCL 141.931, et seq.

NOW, THEREFORE, BE IT RESOLVED THAT:

- 1. The Chief Business Official of the School District shall have the authority to approve and deliver an amended and restated 2012 Note to the State of Michigan that provides for the adjustment of the interest rate on that note pursuant to Section 6a or Section 7(2) of the Emergency Municipal Loan Act, as amended.
2. All resolutions and parts of resolutions conflicting with this resolution are rescinded.

Ayes: Members

Nays: Members

Resolution declared adopted.

Secretary, Board of Education

I, the undersigned, the duly qualified and acting Secretary of the Board of Education of Muskegon Heights Public Schools, Muskegon County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board at a regular meeting held on May 7, 2018, the original of which is a part of the Board's minutes. The undersigned also certifies that notice of the meeting was given to the public pursuant to the "Open Meetings Act" (Act 267 Public Acts of Michigan, 1976, as amended).

Secretary, Board of Education

CJI/klg



AMENDING RESOLUTION CONCERNING THE
2013 EMERGENCY LOAN NOTE OF
MUSKEGON HEIGHTS PUBLIC SCHOOLS

Receivership Transition Advisory Board for the School District of the City of Muskegon Heights, Muskegon County, Michigan (the "Board")

A _____ meeting of the Board was held in the _____, within the boundaries of Muskegon Heights Public Schools, Muskegon County, Michigan (the "Issuer"), on the _____ day of May, 2018, at _____ o'clock in the __.m.

The meeting was called to order by _____, Chairperson.

Present: Members

Absent: Members

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS:

1. The Emergency Municipal Loan Act, 1980 PA 243, as amended (the "Act"), permits the Local Emergency Financial Assistance Loan Board (the "ELB") to restructure payments but not the outstanding principal balance or interest on certain loans, including the loan to the Issuer designated as Emergency Loan Note, 2012-13 Series II (the "2013 Note"), including the loan evidenced by the 2013 Note (the "2013 Loan"); and

2. The Issuer has at times operated under the name of the "School District of the City of Muskegon Heights"; and

3. The school board of the Issuer has established a financial and operating plan for the Issuer and the Issuer's school board has determined that it is necessary and in the best interest of the Issuer to make application to the ELB to restructure the 2013 Loan as permitted by the Act; and

4. This Board determines that it is in the best interest of the Issuer to consider restructuring the 2013 Loan as proposed by the Issuer's school board; and

5. Pursuant to Section 23(1) of the Act 436, Public Acts of Michigan, 2012, as amended, the Local Financial Stability and Choice Act, this Board has been appointed to monitor the affairs of the Issuer until the Issuer's receivership is terminated; and

6. Attached to this resolution as Attachment 1 is the Issuer's Amending Resolution Related to the Amended and Restated 2013 Emergency Loan Note (the "Resolution"), which authorizes the inclusion of statutory language in the amended and restated 2013 Note that would

allow the adjustment of the interest rate for that 2013 Note pursuant to Section 6a and Section 7(2) of that Act.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. This Board hereby authorizes and approves the inclusion of language that provides for the adjustment of the interest rate on the amended and restated 2013 Note, as provided in the Resolution in substantially the form attached hereto as Attachment 1, and authorizes the Issuer to undertake all actions necessary and prudent to facilitate that inclusion.

2. All resolutions and parts of resolutions conflicting with this resolution are rescinded.

Ayes: Members

Nays: Members

Resolution declared adopted.

Secretary
Receivership Transition Advisory Board

I, the undersigned, the duly qualified and acting Secretary of the Receivership Transition Advisory Board for the School District of the City of Muskegon Heights, Muskegon County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board at a _____ meeting held on May ___, 2018, the original of which is a part of the Board's minutes. The undersigned also certifies that notice of the meeting was given to the public pursuant to the "Open Meetings Act" (Act 267 Public Acts of Michigan, 1976, as amended).

Secretary
Receivership Transition Advisory Board

CJI/klg

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ATTACHMENT 1

District 2013 Note

**AMENDING RESOLUTION RELATED TO THE
AMENDED AND RESTATED 2013 EMERGENCY LOAN NOTE**

Muskegon Heights Public Schools, Muskegon County, Michigan

A regular meeting of the board of education of the school district (the "School Board") was held in the _____, within the boundaries of the school district, on the 7th day of May, 2018, at ____ o'clock in the __.m.

The meeting was called to order by _____, President.

Present: Members

Absent: Members

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS:

1. The School Board approved a resolution on October 2, 2017, authorizing the restatement of the Muskegon Heights Public Schools, Muskegon County, Michigan ("School District") Emergency Loan Note, 2012-13 Series II ("2013 Note"); and
2. Paragraph 5 of that resolution identified a maximum interest rate for the amended and restated 2013 Note; and
3. The State of Michigan desires to have statutory language included in the amended and restated 2013 Note that would allow the adjustment of the interest rate pursuant to Section 6a or Section 7(2) of the Emergency Municipal Loan Act, as amended, 1980 PA 243, MCL 141.931, *et seq.*

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Chief Business Official of the School District shall have the authority to approve and deliver an amended and restated 2013 Note to the State of Michigan that provides for the adjustment of the interest rate on that note pursuant to Section 6a or Section 7(2) of the Emergency Municipal Loan Act, as amended.
2. All resolutions and parts of resolutions conflicting with this resolution are rescinded.

Ayes: Members

Nays: Members

Resolution declared adopted.

Secretary, Board of Education

I, the undersigned, the duly qualified and acting Secretary of the Board of Education of Muskegon Heights Public Schools, Muskegon County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board at a regular meeting held on May 7, 2018, the original of which is a part of the Board's minutes. The undersigned also certifies that notice of the meeting was given to the public pursuant to the "Open Meetings Act" (Act 267 Public Acts of Michigan, 1976, as amended).

Secretary, Board of Education

CJI/klg



AMENDING RESOLUTION CONCERNING THE
2014 EMERGENCY LOAN NOTE OF
MUSKEGON HEIGHTS PUBLIC SCHOOLS

Receivership Transition Advisory Board for the School District of the City of Muskegon Heights, Muskegon County, Michigan (the "Board")

A _____ meeting of the Board was held in the _____, within the boundaries of Muskegon Heights Public Schools, Muskegon County, Michigan (the "Issuer"), on the _____ day of May, 2018, at _____ o'clock in the __.m.

The meeting was called to order by _____, Chairperson.

Present: Members

Absent: Members

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS:

1. The Emergency Municipal Loan Act, 1980 PA 243, as amended (the "Act"), permits the Local Emergency Financial Assistance Loan Board (the "ELB") to restructure payments but not the outstanding principal balance or interest on certain loans, including the loan to the Issuer designated as Emergency Loan Note, 2013-14 Series I (the "2014 Note"), including the loan evidenced by the 2014 Note (the "2014 Loan"); and

2. The Issuer has at times operated under the name of the "School District of the City of Muskegon Heights"; and

3. The school board of the Issuer has established a financial and operating plan for the Issuer and the Issuer's school board has determined that it is necessary and in the best interest of the Issuer to make application to the ELB to restructure the 2014 Loan as permitted by the Act; and

4. This Board determines that it is in the best interest of the Issuer to consider restructuring the 2014 Loan as proposed by the Issuer's school board; and

5. Pursuant to Section 23(1) of the Act 436, Public Acts of Michigan, 2012, as amended, the Local Financial Stability and Choice Act, this Board has been appointed to monitor the affairs of the Issuer until the Issuer's receivership is terminated; and

6. Attached to this resolution as Attachment 1 is the Issuer's Amending Resolution Related to the Amended and Restated 2014 Emergency Loan Note (the "Resolution"), which authorizes the inclusion of statutory language in the amended and restated 2014 Note that would

allow the adjustment of the interest rate for that note pursuant to Section 6a and Section 7(2) of that Act.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. This Board hereby authorizes and approves the inclusion of language that provides for the adjustment of the interest rate on the amended and restated 2014 Note, as provided in the Resolution in substantially the form attached hereto as Attachment 1, and authorizes the Issuer to undertake all actions necessary and prudent to facilitate that inclusion.

2. All resolutions and parts of resolutions conflicting with this resolution are rescinded.

Ayes: Members

Nays: Members

Resolution declared adopted.

Secretary
Receivership Transition Advisory Board

I, the undersigned, the duly qualified and acting Secretary of the Receivership Transition Advisory Board for the School District of the City of Muskegon Heights, Muskegon County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board at a _____ meeting held on May ___, 2018, the original of which is a part of the Board's minutes. The undersigned also certifies that notice of the meeting was given to the public pursuant to the "Open Meetings Act" (Act 267 Public Acts of Michigan, 1976, as amended).

Secretary
Receivership Transition Advisory Board

CJI/klg

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ATTACHMENT 1

District 2014 Note

AMENDING RESOLUTION RELATED TO THE AMENDED AND RESTATED 2014 EMERGENCY LOAN NOTE

Muskegon Heights Public Schools, Muskegon County, Michigan

A regular meeting of the board of education of the school district (the "School Board") was held in the _____, within the boundaries of the school district, on the 7th day of May, 2018, at ____ o'clock in the __.m.

The meeting was called to order by _____, President.

Present: Members

Absent: Members

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS:

1. The School Board approved a resolution on October 2, 2017, authorizing the restatement of the Muskegon Heights Public Schools, Muskegon County, Michigan ("School District") Emergency Loan Note, 2013-14 Series I ("2014 Note"); and

2. Paragraph 5 of that resolution identified a maximum interest rate for the amended and restated 2014 Note; and

3. The State of Michigan desires to have statutory language included in the amended and restated 2014 Note that would allow the adjustment of the interest rate pursuant to Section 6a or Section 7(2) of the Emergency Municipal Loan Act, as amended, 1980 PA 243, MCL 141.931, *et seq.*

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Chief Business Official of the School District shall have the authority to approve and deliver an amended and restated 2014 Note to the State of Michigan that provides for the adjustment of the interest rate on that note pursuant to Section 6a or Section 7(2) of the Emergency Municipal Loan Act, as amended.

2. All resolutions and parts of resolutions conflicting with this resolution are rescinded.

Ayes: Members

Nays: Members

Resolution declared adopted.

Secretary, Board of Education

I, the undersigned, the duly qualified and acting Secretary of the Board of Education of Muskegon Heights Public Schools, Muskegon County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board at a regular meeting held on May 7, 2018, the original of which is a part of the Board's minutes. The undersigned also certifies that notice of the meeting was given to the public pursuant to the "Open Meetings Act" (Act 267 Public Acts of Michigan, 1976, as amended).

Secretary, Board of Education

CJI/klg



AMENDING RESOLUTION CONCERNING THE
2018 EMERGENCY LOAN NOTE OF
MUSKEGON HEIGHTS PUBLIC SCHOOLS

Receivership Transition Advisory Board for the School District of the City of Muskegon Heights, Muskegon County, Michigan (the "Board")

A _____ meeting of the Board was held in the _____, within the boundaries of Muskegon Heights Public Schools, Muskegon County, Michigan (the "Issuer"), on the _____ day of May, 2018, at _____ o'clock in the __.m.

The meeting was called to order by _____, Chairperson.

Present: Members

Absent: Members

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS:

1. The Emergency Municipal Loan Act, 1980 PA 243, as amended (the "Act"), permits the Local Emergency Financial Assistance Loan Board (the "ELB") to issue emergency loans to municipalities, including general powers school districts, and authorizes the State of Michigan to issue debt and securities for such emergency loans; and

2. The Issuer has at times operated under the name of the "School District of the City of Muskegon Heights" and the Issuer is a general powers school district; and

3. The school board of the Issuer has established a financial and operating plan for the Issuer and the Issuer's school board has determined that it is necessary and in the best interest of the Issuer to make application to the ELB to issue a 2018 Emergency Loan Note, 2017-18 Series I (the "2018 Note"), including a loan evidenced by the 2018 Note (the "2018 Loan"); and

4. Pursuant to Section 23(1) of the Act 436, Public Acts of Michigan, 2012, as amended, the Local Financial Stability and Choice Act, this Board has been appointed to monitor the affairs of the Issuer until the Issuer's receivership is terminated; and

5. This Board determines that it is in the best interest of the Issuer to consider issuance of the 2018 Loan as proposed by the Issuer's school board; and

6. Attached to this resolution as Attachment 1 is the Issuer's Amending Resolution Related to Issuance of 2018 Emergency Loan Note (the "Resolution"), which authorizes the inclusion of statutory language in the 2018 Note that would allow the adjustment of the interest rate for that note pursuant to Section 6a and Section 7(2) of the Act.



NOW, THEREFORE, BE IT RESOLVED THAT:

1. This Board hereby authorizes and approves the inclusion of language in the 2018 Note that provides for the adjustment of the interest rate on the that note, as provided in the Resolution in substantially the form attached hereto as Attachment 1, and authorizes the Issuer to undertake all actions necessary and prudent to facilitate that inclusion.

2. All resolutions and parts of resolutions conflicting with this resolution are rescinded.

Ayes: Members

Nays: Members

Resolution declared adopted.

Secretary
Receivership Transition Advisory Board

I, the undersigned, the duly qualified and acting Secretary of the Receivership Transition Advisory Board for the School District of the City of Muskegon Heights, Muskegon County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board at a _____ meeting held on May ___, 2018, the original of which is a part of the Board's minutes. The undersigned also certifies that notice of the meeting was given to the public pursuant to the "Open Meetings Act" (Act 267 Public Acts of Michigan, 1976, as amended).

Secretary
Receivership Transition Advisory Board

CJI/klg

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ATTACHMENT 1

District 2018 Note

AMENDING RESOLUTION RELATED TO ISSUANCE OF 2018 EMERGENCY LOAN NOTE

Muskegon Heights Public Schools, Muskegon County, Michigan

A regular meeting of the board of education of the school district (the "School Board") was held in the _____, within the boundaries of the school district, on the 7th day of May, 2018, at ___ o'clock in the __.m.

The meeting was called to order by _____, President.

Present: Members

Absent: Members

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS:

- 1. The School Board approved a resolution on October 2, 2017, authorizing the issuance of the Muskegon Heights Public Schools, Muskegon County, Michigan ("School District") Emergency Loan Note, 2017-18 Series I (the "2018 Note"); and
2. Paragraph 3 of that resolution identified a maximum interest rate for the 2018 Note; and
3. The State of Michigan desires to have statutory language included in the 2018 Note that would allow the adjustment of the interest rate pursuant to Section 6a or Section 7(2) of the Emergency Municipal Loan Act, as amended, 1980 PA 243, MCL 141.931, et seq.

NOW, THEREFORE, BE IT RESOLVED THAT:

- 1. The Chief Business Official of the School District shall have the authority to approve and deliver a 2018 Note to the State of Michigan that provides for the adjustment of the interest rate on that note pursuant to Section 6a or Section 7(2) of the Emergency Municipal Loan Act, as amended.
2. All resolutions and parts of resolutions conflicting with this resolution are rescinded.

Ayes: Members

Nays: Members

Resolution declared adopted.

Secretary, Board of Education

I, the undersigned, the duly qualified and acting Secretary of the Board of Education of Muskegon Heights Public Schools, Muskegon County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board at a regular meeting held on May 7, 2018, the original of which is a part of the Board's minutes. The undersigned also certifies that notice of the meeting was given to the public pursuant to the "Open Meetings Act" (Act 267 Public Acts of Michigan, 1976, as amended).

Secretary, Board of Education

CJI/klg

