

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

Wednesday, October 18, 2017
Conference Room
2603 Leahy St.
Muskegon Heights, MI 49444

MINUTES

I. Call to Order

Chair Michael Wrobel called the meeting to order at 4:01p.m.

A. Roll Call

Members Present – 4

Patrice Johnson (via phone)

Dale Nesbary

John Schrier

Michael Wrobel

Members Absent – 1

Clinton Todd (arrived 4:10p.m.)

One RTAB member participated via phone as provided in Article IV, Section 5 of Board Resolution 2016-2. A quorum was present.

B. Approval of Minutes

Motion by Mr. Schrier to approve the draft minutes of the RTAB's September 20, 2017 meeting as presented. Motion moved and seconded by Dr. Nesbary. The RTAB approved the minutes of the September 20, 2017 meeting as presented.

II. Old Business

None

III. New Business

A. News and Updates

None

B. Monthly Reports

i. Liabilities Report

Mr. Lewis reported increases to ORS and UIA liabilities. Other liabilities will decrease in the following month as a result of scheduled payments. The District will not have to borrow from the School Bond Loan Fund until spring.

ii. Cash Flow Projections

Mr. Lewis provided two cash flow scenarios for whether or not an emergency loan is approved. Mr. Lewis reported the District will have to pay interest on close but the long term outlook is cash positive.

iii. Comparison of Budgeted Revenue and Expenditure to Actual

Chair Wrobel asked what is included in the “Transfers and Other” expenditure line. Mr. Lewis answered that the line includes the District’s annual QZAB payment and the technology millage which is offset in property tax revenue. Mr. Lewis confirmed the QZAB amount to be approximately \$180,000 and the remainder of the “Transfers and Other” expenditure line is the technology millage.

C. Emergency Loan and Tax Anticipation Note Approval

i. Five Year Plan

Mr. Lewis provided two 5 year plan scenarios for whether or not an emergency loan is approved. Mr. Lewis reported the District Board approved the 5 year plan that includes an emergency loan.

The scenario not including an emergency loan still shows small improvement with increasing interest over time. The scenario including an emergency loan results in lower interest and eliminates the District’s general fund deficit.

Mr. Schrier moved to approve the 5 year plan scenario including the emergency loan proceeds as approved by the District Board. Dr. Nesbary seconded. The RTAB voted to approve the 5 year plan.

ii. Nomination of RTAB Secretary

Chair Wrobel reported that the resolutions to be approved require signing by an acting Secretary. As provided in Article III, Section 2 of RTAB Resolution 2016-2, Chair Wrobel nominated Jake Brower from the Michigan Department of Treasury to be the acting Secretary. Clinton Todd entered at this time, 4:10p.m., and was present for the remainder of the meeting. Dr. Nesbary moved the nomination. Mr. Schrier seconded. The RTAB approved the nomination.

iii. Emergency loan Resolutions

Mr. Schrier motioned to adopt the resolution authorizing restructuring of the District's 2012 emergency loan note. Dr. Nesbary seconded. The RTAB voted to adopt the resolution.

Mr. Schrier motioned to adopt the resolution authorizing restructuring of the District's 2013 emergency loan note. Dr. Nesbary seconded. The RTAB voted to adopt the resolution.

Dr. Nesbary motioned to adopt the resolution authorizing restructuring of the District's 2014 emergency loan note. Mr. Schrier seconded. The RTAB voted to adopt the resolution.

Mr. Schrier motioned to adopt the resolution authorizing a 2017 emergency loan note. Dr. Nesbary seconded. The RTAB voted to adopt the resolution.

iv. Tax Anticipation Note Resolutions

Dr. Nesbary motioned to adopt the resolution authorizing a 2017 tax anticipation note. Mr. Schrier seconded. The RTAB voted to adopt the resolution.

IV. Public Comment

Rene Garcia, Superintendent of the Muskegon Heights Public School Academy System, provided public comment.

V. Adjournment

There being no further business, Chair Wrobel adjourned the meeting at 4:19p.m.