

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

Wednesday, October 17, 2018
Conference Room
2603 Leahy St.
Muskegon Heights, MI 49444

MINUTES

I. Call to Order

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

A. Roll Call

Members Present – 3

Dale Nesbary (via phone)
John Schrier
Michael Wrobel

Members Absent – 1

Patrice Johnson
Clinton Todd

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 September 19, 2018 meeting as presented. Motion moved and seconded by Dr. Nesbary. The RTAB approved the minutes.

II. Old Business

None

III. New Business

A. News and Updates

Chair Wrobel provided background on uncertainty behind the System's FY 2018 budget in which was estimated a \$900 thousand operating deficit. The System has now issued a press release identifying the audit has found the operating deficit to be much less than originally anticipated at approximately down \$112 thousand. This amounts to approximately 14% as a percent of total revenue for the general fund.

For next month, Chair Wrobel noted the next meeting is scheduled to occur the day before Thanksgiving and opened discussion on whether to keep the meeting or reschedule. It was determined that a quorum will be able to attend and therefore no action was taken to move the meeting at this time.

B. Monthly Reports

i. Liabilities Report

Mr. Lewis reported no change in Liabilities for the previous month. Liabilities are expected to decrease next month as the result of payments.

ii. Cash Flow Projections

Mr. Lewis noted the City of Muskegon Heights overpaid property taxes to the district. The District is not at fault but will need to pay back an amount estimated around \$130 thousand.

Chair Wrobel followed up with clarifying questions. Mr. Lewis noted the auditors are working to get an exact amount from the City but will estimate the amount for the audit if no answer is received in time. There is a deadline to submit annual financial statements by November 1st of each year.

iii. Comparison of Budgeted Revenue and Expenditure to Actual

Mr. Lewis reported the FY 2018 budget numbers do not include the adjustment for property taxes at this moment. A surplus fund balance is still expected for the year, but revenues will be less than budgeted. For FY 2019, expenses are currently greater than revenues due to the timing of income and expenditures for the beginning of the fiscal year.

Mr. Schrier noted legal expenses for FY 2019 were \$5 thousand compared to \$14 thousand for all of FY 2018. Mr. Lewis reported this includes payments from July to present and that he can provide a breakdown of the legal fees incurred if requested. This amount also includes audit fees.

IV. Public Comment

Dorothy Gill-Jackson, Treasurer, Muskegon Heights Alumni Association.

Joseph Warren, President, Muskegon Heights Alumni Association.

Mark Glover, Vice President, School District of the City of Muskegon Heights Board of Education.

V. Adjournment

There being no further business, the Chair Wrobel adjourned the meeting at 4:26p.m.