

OCT 23 2017

MICHIGAN DEPARTMENT OF TREASURY
Bureau of Local Government and School Services
PO Box 30728
Lansing, Michigan 48909
RESTRUCTURED EMERGENCY MUNICIPAL LOAN APPLICATION

LOCAL AUDIT & FINANCE DIV.

Applicant:	Muskegon Heights Public Schools	Phone:	231-830-3219
County/Counties of:	Muskegon County	Phone:	231-830-3219
Mailing Address:	2603 Leahy St., Muskegon Heights, MI 49421		
Chief Financial Officer:	John Lewis		
Contact Person:	John Lewis		
Issuance date of loan:	April 28, 2014		
Current loan balance:	\$1,400,000.00		

1. Is the municipality in compliance with the terms of the loan and any other requirements applicable to the municipality under PA 243 of 1980? Yes

If no, provide explanation: [Redacted]

2. Does the municipality have a certified deficit elimination plan? Yes If yes, provide date of certification: October 9, 2017

If no, provide explanation: [Redacted]

3. Is the municipality in compliance with any applicable neutral evaluation process, settlement agreement, consent agreement, or order of an emergency manager under PA 436 of 2012? Yes

If no, provide explanation: [Redacted]

4. For School Districts only
Is the school district in compliance with all requirements for receipt of the foundation allowance and any other requirements applicable to the school district under PA 94 of 1979? Yes

If no, provide explanation: [Redacted]

5. For Municipalities other than School Districts
Is the municipality in compliance with all conditions for revenue distributed under PA 140 of 1971? Yes

If no, provide explanation: [Redacted]

6. Does the restructuring of payments comply with applicable laws? Yes

If no, provide explanation: [Redacted]

7. Has the loan been sold or transferred under PA 243 of 1980, Section 6a? No If yes, provide date of sale or transfer: [Redacted]

ADDITIONAL REQUIRED INFORMATION

8. Resolution adopted by the governing body of the municipality approving the submission of the restructuring application.

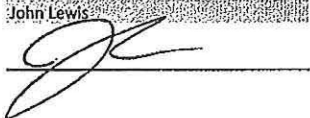
9. Budget for current fiscal year and preceding fiscal year(s) if available.

10. Projected monthly cash flows for the preceding 12 months.

11. Accounts Payable Aging Report.

12. Describe the need for the restructuring. To realign the interest and principal payments to coincide with the receipt of current taxes and purchase of delinquent taxes by the Treasurer of the County of Muskegon.

Chief Administrative Officer Name: John Lewis

Chief Administrative Officer Signature: 

Date: October 23, 2017

RESOLUTION AUTHORIZING RESTATEMENT OF 2014 EMERGENCY LOAN NOTE

Muskegon Heights Public Schools, Muskegon County, Michigan

A regular board meeting of the board of education of the school district (the "School Board") was held in the Board of Education, within the boundaries of the school district, on the 2nd day of October, 2017, at 6 o'clock in the p.m.

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

Present: Members Trinell Scott, Peggy Selmon, Marjorie Cook and Mark Glover

Absent: Members Franklin Brewer, Marianne Darnell and Estelita Rankin

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

WHEREAS:

1. The Muskegon Heights Public Schools, Muskegon County, Michigan ("School District") is a general powers school district under the Revised School Code, 1976 PA 451, MCL 380.1, *et seq.*, as amended ("Act 451"), and has the powers conferred upon the School District by Act 451, the State Constitution of 1963 ("Constitution"), and other applicable law; and

2. The Emergency Municipal Loan Act, 1980 PA 243, MCL 141.931, *et seq.*, as amended ("Act 243"), authorizes municipalities, including school districts, to borrow money and the State of Michigan ("State") to issue debt and securities as emergency loans, as well as to renegotiate terms and restructure payments of outstanding loans; and

3. The School District is a municipality under Act 243 with the power to borrow money and issue evidences of indebtedness for repayment of obligations, including, but not limited to, money advanced or previously advanced and approved or previously approved for advancement under The School Aid Act of 1979, 1979 PA 94, MCL 388.1601, *et seq.*, as amended ("Act 94"), or money borrowed under Section 1225 of Act 451; and

4. The Revised Municipal Finance Act, 2001 PA 34, MCL 141.2101, *et seq.*, as amended ("Act 34"), authorizes the borrowing of money and the issuance of certain debt and securities, provides for tax levies, authorizes the issuance of debt and securities, and generally governs municipal finance practices in the State; and

5. The School District is a municipality under Act 34 with the power to issue securities such as bonds, notes, contracts, obligations or other similar instruments; and

6. Pursuant to Act 243, on April 28, 2014, the School District issued its Emergency Loan Note, 2013-14 Series I ("2014 Note") under the name of "School District of the City of Muskegon Heights," an assumed name under which the School District does business from time to time, and which note currently is outstanding and in full force and effect in accordance with its terms;

7. Act 243 empowers the Local Emergency Financial Assistance Loan Board ("ELB") to restructure payments, but not the outstanding principal balance or interest, on certain loans, including the loan evidenced by the 2014 Note ("2014 Loan"), subject to conditions set forth in Act 243; and

8. As part of the financial and operating plan adopted for the School District, the School Board has determined that it is necessary and in the best interest of the School District to make application to the ELB to restructure the 2014 Loan as permitted by Act 243 (the "Restructuring"); and

9. The School Board has the power to exercise on behalf of the School District all authority and responsibilities affecting the School District that are prescribed by law; and

10. The School District is subject to a consent agreement under the Local Financial Stability and Choice Act, 2012 PA 436, MCL 141.1541, *et seq.*, and that loan authorization is necessary to implement a financial and operating plan under that act.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Superintendent of Schools (the "Superintendent") or the chief business official of the School District shall submit an application to the ELB requesting approval for the Restructuring of the 2014 Loan by the ELB as authorized by this resolution, which Restructuring shall be evidenced by an amended and restated note which shall be exchanged for the 2014 Note.

2. The President, Vice President, Secretary or Treasurer of the School Board and the Superintendent or chief business official, in consultation with the School District's Municipal Advisor, as defined herein, and any other official or employee of the School District or other individual authorized by the School Board (when applicable) to act on behalf of the School District for this purpose (each an "Authorized Officer") are authorized and ordered to take action, negotiate terms and execute documents and certificates as necessary or desirable and in the best interest of the School District in connection with the restructuring of the 2014 Loan by the School Board.

3. The Authorized Officer or her or his designee is hereby authorized to negotiate, approve and execute any additional agreement, instruments or other documents directly with the Michigan Department of Treasury, which are deemed necessary by the Authorized Officer, in order to satisfy any terms and conditions set forth by the ELB and the Michigan Department of Treasury.

4. An Authorized Officer, on behalf of the School District, shall execute any amended and restated 2014 Note, or a replacement for the 2014 Note, as may be necessary or desirable in order to accomplish the Restructuring of the 2014 Loan by the ELB. Restructured notes of the School District designated "Amended and Restated Emergency Loan Note (General Obligation - Limited Tax), 2013-14 Series I" (each a "Restructured Note"), shall be issued in one or more series in substantially the form attached hereto as Exhibit A to replace the 2014 Note, with sequential series references as determined by an Authorized Officer, each in an amount determined by an Authorized Officer, not to exceed the principal amount of the 2014 Loan, in the aggregate (each a "Restructured Loan" and collectively, the "Restructured Loans"). The Restructured Notes are issued on a *pari passu* basis with the prior emergency loan notes of the Issuer originally dated August 16, 2012 and January 18, 2013, and a new emergency loan expected to be issued in November 2017, maturing November 1, 2041 and November 1, 2041, and expected to mature on June 15, 2047, respectively, some or all of which themselves may be restructured. Each Restructured Note shall evidence the obligation of the School District to repay the applicable Restructured Loan to the State under Act

243. The Restructured Note shall be delivered to the ELB as agent for the State in exchange for the School District's receipt of the referenced 2014 Note marked "CANCELED"; and the Authorized Officer is authorized and directed then to destroy such canceled note.

5. Each Restructured Note shall be dated as of the date of delivery of the Restructured Note to the State. Each Restructured Note shall bear interest from the date of delivery of the Restructured Note and shall be payable as to principal and interest on the dates and in the amounts, at the rates, and subject to redemption before maturity, as determined by an Authorized Officer; provided that the final maturity shall not be later than June 15, 2043, and the interest rates, or the maximum interest rate if issued on a variable rate basis, shall not exceed 3.45% per annum. Principal and interest on each Restructured Note shall be payable to the State Treasurer.

6. Each Restructured Note shall be a limited tax general obligation of the School District, and the full faith and credit of the School District shall be pledged to the payment of the principal of and interest on the Restructured Note as and when due. The Restructured Note shall be payable out of the general funds of the School District, including collection of ad valorem taxes the School District may levy on property within the geographic boundaries of the School District under Section 1211 of Act 451, within constitutional and statutory limitations. As additional security for the payments when due and owing under each Restructured Note, the School District pledges, and acknowledges the State's statutory right to withhold, the amount of all delinquent payments due on each Restructured Note from State money appropriated to the School District, including, but not limited to, money appropriated under Act 94, and authorizes the State to withhold the funds and apply the funds to the repayment of principal of or interest on any Restructured Note delinquent according to the terms of the Restructured Note.

7. An Authorized Officer shall execute each Restructured Note on behalf of the School District, and upon acknowledgment of receipt of the principal amount of the applicable Loan, the fully executed applicable Restructured Note shall be delivered to the ELB as agent for the State.

8. Each Restructured Note shall be in substantially the form attached to this resolution as Exhibit A with changes as approved by an Authorized Officer not inconsistent with the terms of this resolution.

9. The School District also acknowledges that there may be conditions of the Restructured Loan and agrees to comply with the requirements of the ELB's Order of Approval of Loan ("ELB Order") as approved by an Authorized Officer not inconsistent with this resolution. Once accepted, the terms and conditions of any associated ELB Order shall be binding on the School District.

10. This School Board hereby appoints Thrun Law Firm, P.C., as legal counsel for the purpose of issuing the Restructured Note and the Restructured Loan and acknowledges that said counsel has represented to the School Board that it does not represent any other party in this transaction associated with the issuance of the Restructured Note or the Restructured Loan; however, Thrun Law Firm, P.C. periodically represents certain agencies of the State of Michigan and other potential parties to this transaction in other matters unrelated to this transaction.

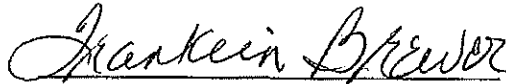
11. This School Board hereby appoints the firm of Robert W. Baird & Co. as Municipal Advisor for the purpose of issuing the Restructured Note and the Restructured Loan.

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


Ayes: Members 4

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 regular meeting held on October 2, 2017, 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/kmh

EXHIBIT A

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF MUSKEGON
MUSKEGON HEIGHTS PUBLIC SCHOOLS

AMENDED AND RESTATED EMERGENCY LOAN NOTE
(General Obligation - Limited Tax)
2013-14 Series I

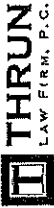
Registered Owner: State of Michigan
Principal Amount: \$ _____
Date of Original Issue: _____, 2017

The MUSKEGON HEIGHTS PUBLIC SCHOOLS, County of Muskegon, State of Michigan (the "Issuer"), acknowledges itself to owe and for value received hereby promises to pay to the State of Michigan the Principal Amount specified above, in lawful money of the United States of America, in ___ consecutive _____ installments as set forth on the attached Exhibit A, incorporated herein by reference, unless modified by written agreement of the State Treasurer each on November 1 in each of the years _____ to _____, inclusive, unless prepaid in whole or in part prior thereto as hereinafter provided, with interest on the unpaid principal balance hereof from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the rates per annum determined as set forth herein, payable first on _____ 1, _____ and semi-annually on each _____ 1 and _____ 1 thereafter. Both the principal of and interest on this note are payable at the Office of the State Treasurer in Lansing, Michigan, or such other place as may be designated in writing to the Issuer by the State Treasurer. In the event that an installment for the Principal Amount or interest due on _____ or _____ in any year falls on a Saturday, Sunday or any day in which banks in Michigan are generally not open, such payment shall be due on the next succeeding business day.

From the Date of Original Issue specified above, this note shall bear interest at the rate of _____% per annum. Interest on this note shall be computed on the basis of a 365- or 366-day year and the actual number of days elapsed.

This note is issued on the Date of Original Issue specified above in the name of the Issuer by the duly qualified and elected Board of Education of the Issuer under Act No. 243, Public Acts of 1980, as amended ("Act 243"), pursuant to a resolution approved by such Board of Education on _____, 2017, to evidence the obligation of the Issuer and to amend, restate and supersede entirely the \$ _____ Emergency Loan Note (General Obligation - Limited Tax) 20__ Series __, having a Date of Original Issue of _____, 20__ that was issued by the Issuer under Act 243 pursuant to a resolution adopted by the Board of Education of the Issuer on _____ 20__).

The Issuer shall have the right to pay at any time or times prior to maturity, without penalty or premium, all or any portion of this note. Prepayments shall be credited to principal payments in direct order of maturity.



In addition, should the State Treasurer require the Issuer to enter into a Tax Intercept Agreement as described below, on each _____ commencing _____, 20__, or on the next succeeding business day or such later date as described in the Tax Intercept Agreement, the Issuer shall have the obligation to prepay, without penalty or premium, an aggregate principal amount equal to the net amount on deposit in the Account (as defined in such Tax Intercept Agreement) as of the preceding business day, less an amount equal to the operating expenses retained by the Issuer as approved from time to time by the State Treasurer. Prepayments shall be credited to principal payments in inverse order of maturity.

This note and the interest hereon are payable, as a first budget obligation, from any funds of the Issuer available therefor including but not limited to any delinquent taxes payable to the Issuer from the County of Muskegon, State of Michigan's delinquent tax revolving fund, or from general ad valorem taxes imposed on all taxable property in the Issuer, and the Issuer is required, if necessary, to levy ad valorem taxes on all taxable property in the Issuer for the payment thereof, subject to applicable constitutional and statutory tax rate limitations.

The maturity of principal of and accrued and unpaid interest on this note may be accelerated by the State Treasurer on behalf of the State of Michigan upon the occurrence and during the continuance of any Event of Default under this note. Each of the following shall constitute an "Event of Default" under this note: (A) non-payment of any principal of or interest on this note, when due; and (B) failure of the Issuer to comply with the terms of paragraph 2 of the Funding Conditions Memorandum dated the date hereof between the Issuer and the State of Michigan.

The Issuer shall pledge to the State Treasurer a sufficient amount of the proceeds of the operating taxes levied for the Issuer and the delinquencies thereon that is necessary to pay the principal of and interest on this note, when due. At the sole discretion of and upon notice by the State Treasurer, the Issuer shall enter into a Tax Intercept Agreement with The Bank of New York Mellon Trust Company, N.A., located in Detroit, Michigan, as depository (the "*Depository*"), the City of Muskegon Heights (the "Local Government") and the County Treasurer of the County of Muskegon to provide for the payment to the Depository by such Local Government and County Treasurer of such operating taxes and the delinquencies thereon collected by them on behalf of the Issuer after the date of such agreement. As additional security for payment of this note and in the event of the delinquency of the Issuer in paying required principal of or interest on this note, the State Treasurer is authorized to intercept up to but not more than all delinquent amounts of principal and interest due on this note from state school aid payments to the Issuer otherwise required to be made to the Issuer pursuant to the provisions of the State School Aid Act, Act No. 94, Public Acts of 1979, as amended, and said intercepted state school aid payments shall be applied by the State Treasurer against said delinquent payments. The Issuer's pledge of the proceeds of operating taxes and state aid payments described in this paragraph shall be subordinate to all state aid notes and tax anticipation notes sold to the Michigan Finance Authority, regardless of the date of issue. However, this current pledge of operating taxes and state aid payments shall be senior to pledges for payment of state aid notes or lines of credit issued after the date of this note and sold to all other parties that are not the Michigan Finance Authority. This note is issued on a *pari passu* basis with the prior notes of the issuer originally dated August 16, 2012, January 18, 2013, and November __, 2017, and maturing _____, November 1, 2041, and _____, respectively, whether in their original form or as restructure as provided under Act 243.

If required by the State Treasurer pursuant to the immediately preceding paragraph, the Issuer shall enter into a Depository Agreement related to the Tax Intercept Agreement with the Depository

to provide for the manner in which the revenue from taxes collected will be deposited for use to repay the principal and interest due on this note.

While this note is outstanding, the Issuer has the right to issue to one or more financial institutions or to the Michigan Finance Authority one or more tax anticipation notes pursuant to Act 34, Public Acts of Michigan, 2001, as amended, and additional notes only to the State of Michigan in order to obtain additional emergency loans for the purpose of enabling the Issuer to meet its financial obligations.

Except as state law may require, the limited tax, full faith, credit and resources of the Issuer are hereby pledged for the payment of the principal and interest on this note. This note is payable primarily from ad valorem taxes, which will be levied within the authorized constitutional and statutory tax limitations of the Issuer and an irrevocable appropriation of a sufficient amount of such taxes will be made each year as a first operating budget obligation for the payment of the principal of and interest on this note as due, subordinate to all first liens on said funds pledged for the payment of state aid notes or tax anticipation notes sold to the Michigan Finance Authority, further subordinate to any first liens on said funds pledged for the payment of state aid notes, lines of credit or tax anticipation notes issued prior to the date of this note and sold to parties other than the Michigan Finance Authority, and subordinate to any statutory obligation to set aside operating tax collections for any tax anticipation notes issued subsequent to this note. If taxes are insufficient to pay this note when due, the Issuer has pledged to use any and all other resources available for the payment of this note. The Issuer does not have the power to levy taxes for the payment of this note in excess of its constitutional or statutory tax rate limitations. The Issuer may issue additional bonds or notes of equal standing only upon the approval of the State Treasurer.

The Issuer covenants that it shall perform and meet all requirements imposed upon the Issuer as a result of receiving this loan pursuant to Act 243 until this note is paid in full.

The Issuer waives presentment, demand, notice of dishonor, protest and notice of non-payment with respect to this note.

It is hereby certified and recited that all acts, conditions and things required by law to be done, precedent to and in the issuance of this note, exist and have been done and performed in regular and due form and time as required by law, and that the total indebtedness of the Issuer, including this note, does not exceed any constitutional or statutory debt limitation.

MUSKEGON HEIGHTS PUBLIC SCHOOLS
COUNTY OF MUSKEGON
STATE OF MICHIGAN

By _____

Its: _____



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD

ORDER 2018-3

ORDER OF APPROVAL OF EMERGENCY LOAN RESTRUCTURING

**THE LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD,
ACTING UPON THE APPLICATION OF**

**MUSKEGON HEIGHTS PUBLIC SCHOOLS
COUNTY OF MUSKEGON
STATE OF MICHIGAN**

Requesting approval for the restructuring of the Emergency Loan Note (General Obligation Limited Tax) 2013-14 Series I, for the purpose of enabling Muskegon Heights Public Schools, to meet its financial obligations as more fully set forth herein, the Board determines that:

1. A financial emergency exists within the Muskegon Heights Public Schools also at times operating under the assumed name of the School District of the City of Muskegon Heights (the "School District").
2. The School District is deemed to have complied with the provisions of Public Act 243 of 1980, the Emergency Municipal Loan Act, as amended, as follows:
 - (a) The School District is in compliance with the terms of the Emergency Loan Note (General Obligation Limited Tax) 2013-14 Series I and any other requirements applicable to the School District under the Emergency Municipal Loan Act, as amended.
 - (b) The School District is in compliance with any requirements relating to a deficit elimination plan under state law.
 - (c) The School District is in compliance with any applicable consent agreement or order of an emergency manager under the local financial stability and choice act, 2012 PA 436, MCL 141.1541 to 141.1575, or a successor statute.

- (d) The School District is in compliance with all requirements for receipt of the foundation allowance and any other requirements applicable to the School District under the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1896.
- (e) The restructuring of payments complies with applicable law.
- (f) The Emergency Loan Note (General Obligation Limited Tax) 2013-14 Series I has not been sold or transferred under Section 6a of the Emergency Municipal Loan Act, as amended.

NOW, THEREFORE, be it ordered by the Board that the application of the School District for the restructuring of the Emergency Loan Note (General Obligation Limited Tax) 2013-14 Series I is hereby approved, subject to the conditions set forth in this Order of Approval.

Terms of Restructured Emergency Loan

1. The restructured emergency loan shall be evidenced by a note to be designated as the "Amended and Restated Emergency Loan Note (General Obligation Limited Tax) 2013-14 Series I." The principal amount outstanding shall bear interest initially at the rate of 3.45 percent (3.45%) per annum, which may be subsequently adjusted pursuant to Section 6a or Section 7(2) of the Emergency Municipal Loan Act, as amended. Until the emergency loan is repaid, a payment of interest only then owing shall be remitted each December 15 and June 15, or the next succeeding business day, beginning December 15, 2018, and a payment of principal and interest then owing shall be remitted each June 15, or the next succeeding business day, beginning in 2019, with a date of final maturity of June 15, 2043, per attached payment schedule (Exhibit A).

Conditions Upon School District

1. As an initial condition of the restructuring of the emergency loan authorized by this Order of Approval, the Assistant Superintendent of Finance and Administration and Board of Education of the School District agree to perform the following:
 - (a) Pay all interest accrued under the original note evidencing the emergency loan due through May 23, 2018.
 - (b) Execute an amended and restated cognovit authorizing the Attorney General to confess a judgment against the School District in the event of a default upon the restructured emergency loan.

2. As a condition of the restructuring of the emergency loan authorized by this Order of Approval, the Assistant Superintendent of Finance and Administration and Board of Education of the School District agree to perform all of the following during the period that any portion of the emergency loan remains outstanding:

- (a) If determined necessary by the State Treasurer, in its sole discretion, obtain and deliver to the State Treasurer on behalf of the State of Michigan fully executed Tax Intercept, State Aid and Tax Pledge, and/or Depository Agreements, and/or amendments to any existing agreements thereof, within ninety (90) days of the School District receiving notice from the State Treasurer that such agreement(s), and/or amendments thereto, is needed or such longer period of time as may be approved by the State Treasurer.
- (b) Submit to the State Treasurer and Superintendent of Public Instruction on a monthly basis, and by the 20th day of each succeeding month, a statement of its current monthly cash flow projections encompassing all revenues and expenditures. Such statements shall examine a rolling 12 month period and shall include a comparison of the School District's projected cash flows to the actual cash flow realized by the School District.
- (c) Submit to the State Treasurer and Superintendent of Public Instruction on a monthly basis and by the 20th day of each succeeding month, a statement of the School District's current accounts payable aging.
- (d) Employ a full-time professional administrator or contract with a person with expertise in municipal finance and administration to direct or participate directly in the management of the School District's operations until otherwise ordered by the Board.
- (e) Submit biannually to the State Treasurer and Superintendent of Public Instruction an evaluation of performance of the School District against the five-year plan that was approved by the governing body of the School District on October 9, 2017, and that will balance future expenditures with anticipated revenues.
- (f) Submit to the State Treasurer and Superintendent of Public Instruction on a quarterly basis for the immediately preceding quarter all of the following:
 - (1) A statement of actual revenues received by the School District in the last quarter of the current fiscal year of the School District and in the current fiscal year of the School District to date.
 - (2) A statement of total revenues estimated to be received by the School District in the current fiscal year of the School District.

- (3) A statement of expenditures made and encumbrances entered into by the School District in the last quarter of the current fiscal year of the School District and in the current fiscal year of the School District to date.
 - (4) A statement of revenues which were estimated to be received by the School District and expenditures which were estimated to be made by the School District during the current fiscal year of the School District and through the end of the last quarter of the current fiscal year of the School District.
 - (5) A balance sheet indicating whether total estimated expenditures for the current fiscal year of the School District and for the last quarter exceed the total estimated revenues for the current fiscal year of the School District and for the last quarter, respectively.
 - (g) Submit annually by July 1 to the State Treasurer and Superintendent of Public Instruction the general appropriations act of the School District and submit forthwith any amendments to the general appropriations act of the School District adopted pursuant to Public Act 2 of 1968, as amended, the Uniform Budgeting and Accounting Act. An annual operating budget of the School District shall not become effective until approved by the State Treasurer, in consultation with the Superintendent of Public Instruction.
 - (h) Certify annually by July 1 that the School District has fully complied with all statutory requirements concerning the use of the uniform chart of accounts and audits promulgated by the Michigan Department of Education.
 - (i) To the extent applicable, comply with the requirements of both of the following:
 - (1) Section 3 or 4 of Public Act 152 of 2011, the Publicly Funded Health Insurance Contributions Act.
 - (2) Section 5 of Public Act 152 of 2011, the Publicly Funded Health Insurance Contributions Act.
3. Compliance with the conditions imposed upon the School District by this Order of Approval shall be the responsibility of the Assistant Superintendent of Finance and Administration and Board of Education of the School District.
 4. Failure of the School District to comply with the terms of this section of this Order of Approval shall constitute an Event of Default under the Amended and Restated Note and the terms and conditions of this section of this Order of Approval are incorporated in and made a part of the Amended and Restated Note.

5. This Order of Approval supersedes any Funding Conditions Memorandum dated prior to the date of this Order of Approval.

Conditions not Discharged by Contingencies

The conditions imposed upon the School District by this Order of Approval are not subject to release or discharge due to any contingencies, including, but not limited to, clerical errors, computer failures, late mailings, or the failure to comply with reporting due dates or other scheduled due dates due to adverse weather, acts of God, acts of third parties, or compliance with court orders.

Due Dates

A provision of this Order of Approval which requires the School District to submit to the Board, the State Treasurer, or the Superintendent of Public Instruction a report, listing, or other document by a specific due date shall not be deemed complied with unless the report, listing, or other document is received by the Board, the Michigan Department of Treasury, or the Michigan Department of Education by the due date specified. If the due date for a report, listing, or other document falls on a weekend or legal holiday, then the report, listing, or other document shall be due on the first day thereafter which is not a weekend or legal holiday.

Waiver of Provisions

To the extent permitted by Public Act 243 of 1980, the Emergency Municipal Loan Act, as amended, the Board may waive or modify a provision of this Order of Approval if, in its sole discretion, the Board concludes that the School District has demonstrated good cause shown for the waiver. However, the lack of a specific action by the Board shall not be construed as a waiver or modification of a provision of this Order of Approval.

Delegation of Ongoing Supervision

The Board delegates to the State Treasurer responsibility for the day-to-day supervision of the compliance by the School District with this Order of Approval.

Subordination of Loan

1. The pledge of the proceeds of operating taxes, revenue sharing and state aid payments, as applicable, to repayment of this loan, shall be subordinate to the pledge of those revenues to

all state aid notes, tax anticipation notes and other debt issuances sold to the Michigan Finance Authority.

2. The State Treasurer is hereby authorized to permit the subordination of the pledge of the proceeds of operating taxes, revenue sharing and state aid payments, as applicable, to repayment of this loan, to the pledge of those revenues to all state aid notes, tax anticipation notes and other debt issuances sold to parties other than the Michigan Finance Authority.
3. The State Treasurer is hereby authorized to execute on behalf of the Board any such agreements or documents as deemed necessary or appropriate to evidence the subordination approved herein.

IN WITNESS WHEREOF, the members of the Board, or their designees, have signed and executed this Order of Approval.

LOCAL EMERGENCY FINANCIAL ASSISTANCE
LOAN BOARD

By  _____

Eric Scorson, Deputy Treasurer for Finance
As Designee for Nick A. Khouri, State Treasurer

By  _____

John J. Walsh, State Budget Director
As Designee for David L. DeVries, Director
Department of Technology, Management and Budget

By  _____

Shelly Edgerton, Director
Department of Licensing and Regulatory Affairs

Date: April 9, 2018

Lansing, Michigan

EXHIBIT A

Muskegon Heights Public Schools, Michigan

Amended and Restated Emergency Loan Note (General Obligation Limited Tax), 2013-2014 Series I

Dated Date 5/23/2018
 Delivery Date 5/23/2018

Date	Principal	Coupon	Interest	Total
12/15/2018	-		27,259.73	27259.73
6/15/2019	45,000	3.45%	24,083.84	69,083.84
12/15/2019	-		23,437.79	23,437.79
6/15/2020	55,000	3.45%	23,373.75	78,373.75
12/15/2020	-		22,425.00	22,425.00
6/15/2021	55,000	3.45%	22,363.56	77,363.56
12/15/2021	-		21,535.09	21,535.09
6/15/2022	60,000	3.45%	21,417.41	81,417.41
12/15/2022	-		20,497.25	20,497.25
6/15/2023	60,000	3.45%	20,385.25	80,385.25
12/15/2023	-		19,459.42	19,459.42
6/15/2024	62,000	3.45%	19,406.25	81,406.25
12/15/2024	-		18,336.75	18,336.75
6/15/2025	64,000	3.45%	18,286.51	82,286.51
12/15/2025	-		17,279.96	17,279.96
6/15/2026	66,000	3.45%	17,185.54	83,185.54
12/15/2026	-		16,138.34	16,138.34
6/15/2027	67,000	3.45%	16,050.16	83,050.16
12/15/2027	-		14,979.43	14,979.43
6/15/2028	69,000	3.45%	14,938.50	83,938.50
12/15/2028	-		13,748.25	13,748.25
6/15/2029	42,000	3.45%	13,710.58	55,710.58
12/15/2029	-		13,059.43	13,059.43
6/15/2030	43,000	3.45%	12,988.07	55,988.07
12/15/2030	-		12,315.65	12,315.65
6/15/2031	44,000	3.45%	12,248.35	56,248.35
12/15/2031	-		11,554.57	11,554.57
6/15/2032	46,000	3.45%	11,523.00	57,523.00
12/15/2032	-		10,729.50	10,729.50
6/15/2033	48,000	3.45%	10,700.10	58,700.10
12/15/2033	-		9,928.63	9,928.63
6/15/2034	49,000	3.45%	9,874.37	58,874.37
12/15/2034	-		9,081.06	9,081.06
6/15/2035	51,000	3.45%	9,031.44	60,031.44
12/15/2035	-		8,198.90	8,198.90
6/15/2036	53,000	3.45%	8,176.50	61,176.50
12/15/2036	-		7,262.25	7,262.25
6/15/2037	54,000	3.45%	7,242.35	61,242.35
12/15/2037	-		6,348.09	6,348.09
6/15/2038	56,000	3.45%	6,313.41	62,313.41
12/15/2038	-		5,379.45	5,379.45
6/15/2039	58,000	3.45%	5,350.05	63,350.05

EXHIBIT A

Muskegon Heights Public Schools, Michigan
Amended and Restated Emergency Loan Note (General Obligation Limited Tax), 2013-2014 Series I

Dated Date 5/23/2018
Delivery Date 5/23/2018

Date	Principal	Coupon	Interest	Total
12/15/2039	-		4,376.21	4,376.21
6/15/2040	60,000	3.45%	4,364.25	64,364.25
12/15/2040	-		3,329.25	3,329.25
6/15/2041	62,000	3.45%	3,320.13	65,320.13
12/15/2041	-		2,265.94	2,265.94
6/15/2042	64,000	3.45%	2,253.56	66,253.56
12/15/2042	-		1,158.92	1,158.92
6/15/2043	67,000	3.45%	1,152.58	68,152.58
	1,400,000		635,824.37	2,035,824.37



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD

ORDER 2018-3

ORDER DENYING EMERGENCY LOAN RESTRUCTURING

**THE LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD,
ACTING UPON THE APPLICATION OF**

**MUSKEGON HEIGHTS PUBLIC SCHOOLS
COUNTY OF MUSKEGON
STATE OF MICHIGAN**

For the purposes of this Order, the Local Emergency Financial Assistance Loan Board determines that:

1. A financial emergency exists within Muskegon Heights Public Schools also at times operating under the assumed name of the School District of the City of Muskegon Heights (the "School District").
2. The School District has requested a restructuring of the Emergency Loan Note (General Obligation Limited Tax) 2013-14 Series I.
3. The School District is deemed to have complied with the provisions of Public Act 243 of 1980, the Emergency Municipal Loan Act, as amended.
4. The merits of this request have been examined by the Local Emergency Financial Assistance Loan Board.
5. The Local Emergency Financial Assistance Loan Board has determined that the requested restructuring of the Emergency Loan Note (General Obligation Limited Tax) 2013-14 Series I is not in the best interests of the School District and the State of Michigan.

NOW, THEREFORE, it is ordered by the Board that the application of the School District for the restructuring of the Emergency Loan Note (General Obligation Limited Tax) 2013-14 Series I is hereby DENIED.

IN WITNESS WHEREOF, the members of the Board, or their designees, have signed and executed this Order of Denial.

LOCAL EMERGENCY FINANCIAL ASSISTANCE
LOAN BOARD

By _____

Eric Scorsone, Deputy Treasurer for Finance
As Designee for Nick A. Khouri, State Treasurer

By _____

John J. Walsh, State Budget Director
As Designee for David L. DeVries, Director
Department of Technology, Management and Budget

By _____

Shelly Edgerton, Director
Department of Licensing and Regulatory Affairs

Date: April 9, 2018

Lansing, Michigan

OCT 23 2017

MICHIGAN DEPARTMENT OF TREASURY
Bureau of Local Government and School Services
PO Box 30728
Lansing, Michigan 48909
EMERGENCY MUNICIPAL LOAN APPLICATION

LOCAL AUDIT & FINANCE DIV.

Applicant: Muskegon Heights Public Schools
County/Countries of: Muskegon County
Mailing Address: 2603 Leahy St, Muskegon Heights, MI 49441
Chief Financial Officer: John Lewis Phone: 231-830-3219
Contact Person: John Lewis Phone: 231-830-3219
Loan Amount Requested: \$2,449,000.00

1. Projected General Fund deficit for the current fiscal year: (\$2,426,696)

2. Date of last Tax Anticipation Note or date of last application made to Department of Treasury to issue a Tax Anticipation Note: 10/20/2017
For school districts, date of last State Aid Note:

3. Income Tax Revenue Growth Rate
A. Calendar year preceding application: 2016 Income tax revenue: \$0
B. Calendar year preceding above year: 2015 Income tax revenue: \$0
A/B #DIV/0!

4. Local and State Tax Base Growth Rates
C. Tax year of most recent municipal State Equalized Value: 2017 Municipal SEV (real and personal): \$93,018,250
D. Tax year five years preceding above year: 2012 Municipal SEV (real and personal): \$127,610,000
E. Tax year of most recent statewide State Equalized Value: 2017 Statewide SEV (real and personal): \$415,525,063,390
F. Tax year five years preceding above year: 2012 Statewide SEV (real and personal): \$349,319,988,609
C/D 0.73
E/F 1.19
((C/D)-1)/((E/F)-1) -143%

5 Debt Limitation
G. Municipal SEV (real and personal): \$93,018,250
H. Debt limit percentage: 5%
I. Legal debt limit G*H \$4,650,913
J. Total debt: \$33,849,000
K. Less debt not subject to limitation: \$30,700,000
L. Debt subject to limitation: J-K \$3,149,000
M. Unused debt limitation: I-L \$1,501,913

6. Decrease in State Equalized Value
N. Tax year of most recent municipal SEV: 2017 Municipal SEV (real and personal): \$93,018,250
O. Tax year preceding above year: 2016 Municipal SEV (real and personal): \$94,691,200

7. Ad valorem operating tax millage
P. Maximum levy per charter: 18.0000
Q. Maximum levy authorized as approved by voters: 18.0000
R. Current levy: 18.0000

8. Does the municipality have one or more delinquent special assessments? Yes or No. No

If yes, provide explanation:

9. Does the municipality have outstanding bonds, notes, or other evidences of indebtedness that were issued in anticipation of a contract obligation with, or an assessment obligation against, another municipality that has one or more delinquent special assessments that were levied to satisfy, in whole or in part, the contract or assessment obligation? Yes or No. No

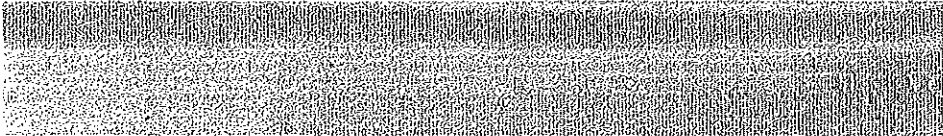
If yes, provide explanation:

10. School district enrollment
S. Current fiscal year: 2018 Enrollment: 0
T. Three years preceding above year: 2015 Enrollment: 0
(T-S)/T #DIV/0!

11. Is the municipality in receivership, in the neutral evaluation process, or subject to a consent agreement under the Local Financial Stability and Choice Act, Public Act 436 of 2012? Yes or No. Yes

ADDITIONAL REQUIRED INFORMATION

- 12. Resolution adopted by the governing body of the municipality approving the submission of the application.
- 13. Five year plan, that has been approved by the governing body of the municipality, and that will balance future expenditures with anticipated revenues.
- 14. Resolution adopted by the governing body of the municipality approving the five year plan.
- 15. Budget for current fiscal year and preceding fiscal year(s) if available.
- 16. Projected monthly cash flows for the preceding 12 months.
- 17. Accounts Payable Aging Report.
- 18. Additional comments.



Chief Administrative Officer Name:

John Lewis

Chief Administrative Officer Signature:

Date:

10/23/2017

RESOLUTION AUTHORIZING 2017 EMERGENCY LOAN NOTE

Muskegon Heights Public Schools, Muskegon County, Michigan

A regular board meeting of the board of education of the school district (the "School Board") was held in the Board of Education, within the boundaries of the school district, on the 2nd day of October, 2017, at 6 o'clock in the p.m.

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

Present: Members Trinell Scott, Peggy Selmon, Marjorie Cook and Mark Glover

Absent: Members Franklin Brewer, Marianne Darnell and Estelita Rankin

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

WHEREAS:

1. The Muskegon Heights Public Schools, Muskegon County, Michigan ("School District") is a general powers school district under the Revised School Code, 1976 PA 451, MCL 380.1, *et seq.*, as amended ("Act 451"), and has the powers conferred upon the School District by Act 451, the State Constitution of 1963 ("Constitution"), and other applicable law; and
2. The Emergency Municipal Loan Act, 1980 PA 243, MCL 141.931, *et seq.*, as amended ("Act 243"), authorizes municipalities, including school districts, to borrow money and the State of Michigan ("State") to issue debt and securities as emergency loans; and
3. The School District is a municipality under Act 243 with the power to borrow money and issue evidences of indebtedness for repayment of obligations, including, but not limited to, money advanced or previously advanced and approved or previously approved for advancement under The School Aid Act of 1979, 1979 PA 94, MCL 388.1601, *et seq.*, as amended ("Act 94"), or money borrowed under Section 1225 of Act 451; and
4. The Revised Municipal Finance Act, 2001 PA 34, MCL 141.2101, *et seq.*, as amended ("Act 34"), authorizes the borrowing of money and the issuance of certain debt and securities, provides for tax levies, authorizes the issuance of debt and securities, and generally governs municipal finance practices in the State; and
5. The School District is a municipality under Act 34 with the power to issue securities such as bonds, notes, contracts, obligations or other similar instruments; and
6. Act 451 allows school districts to levy taxes and Section 11a of Act 451 allows school districts to use the proceeds to repay an emergency loan under Act 243; and
7. The School Board has the power to exercise on behalf of the School District all authority and responsibilities affecting the School District that are prescribed by law; and
8. The School Board has determined that there exists or will exist a deficit in the School District's general fund for the 2017-2018 fiscal year; and

9. The School Board has submitted a five-year plan to balance future expenditures with anticipated revenues; and

10. As part of the financial and operating plan adopted for the School District, the School Board has determined that it is necessary and in the best interest of the School District to make a new application to the Local Emergency Financial Assistance Loan Board ("ELB") to borrow an additional sum of not to exceed \$2,449,000, to be evidenced by new notes issued in one or more series; and

11. An additional emergency loan to the School District under Act 243 will enable the School Board to cause public educational services to continue to be provided to residents of the School District, allow for the repayment of existing School District debt obligations, and assure the fiscal accountability of the School District; and

12. Pursuant to Act 451, Act 243, and Act 34, the School District may borrow money for permitted purposes and may issue notes or other evidences of indebtedness; and

13. Under Act 451, Act 243, and Act 34, the School Board may approve the issuance of municipal securities to finance the deficit within the School District and pay necessary expenditures of the School District; and

14. Under Act 451, Act 243, Act 34, and Act 94, the School Board may authorize the issuance of municipal securities, the resolution may contain an irrevocable provision for the levying of a tax within the applicable authorized constitutional and statutory limitations in order to repay the municipal security from the receipt of the taxes, the resolution may contain an irrevocable provision authorizing the withholding of all delinquent payments due on each municipal security from State money appropriated to the School District, including, but not limited to, money appropriated under Act 94, and the funds may be applied to the repayment of principal of or interest on each municipal security; and

15. The School Board seeks to make certain determinations for, and on behalf of, and in the best interest of the School District in writing, to be filed and included with all other documentation of any emergency loan under Act 243; and

16. The School Board asserts that a proposed loan will assist the School District in resolving, at least partially, fiscal stress within the School District; and

17. The School District is in the process of making application to issue one or more tax anticipation notes authorized under Act 34; and

18. The School District is subject to a consent agreement under the Local Financial Stability and Choice Act, 2012 PA 436, MCL 141.1541, *et seq.*, and that loan authorization is necessary to implement a financial and operating plan under that act.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Superintendent of Schools (the "Superintendent") or the individual acting in the capacity of chief school business official of the School District shall submit an application to the ELB requesting a loan in an amount not to exceed \$2,449,000, or such part of that amount authorized by the Michigan Department of Treasury, for which one or more notes of the School District shall be issued as evidence of the loan.

2. The President, Vice President, Secretary or Treasurer of the School Board and the Superintendent or chief business official, and any other official or employee of the School District or other individual authorized by the School Board (when applicable) (each an "Authorized Officer") are authorized and ordered to take action or execute documents and certificates as necessary or desirable and in the best interest of the School District in connection with the delivery of the notes authorized by this order and resolution and the School District's receipt of the proceeds of the loans authorized by this order and resolution.

3. Notes of the School District designated "Emergency Loan Note (General Obligation - Limited Tax), 2017-18 Series I" (each a "Note"), shall be issued in one or more series, with sequential series references as determined by an Authorized Officer, each in an amount determined by an Authorized Officer, not to exceed \$2,449,000, in the aggregate, not including any series issued prior to the date of this resolution (each a "Loan" and collectively, the "Loans"). The Notes are issued on a *pari passu* basis with the prior notes of the issuer dated August 16, 2012, January 18, 2013, and April 28, 2014, maturing November 1, 2041, November 1, 2041 and April 30, 2044, respectively, which prior notes may be restructured. Each Note shall evidence the obligation of the School District to repay the applicable Loan to the State under Act 243. Each Note shall be dated as of the date of delivery of the Note to the State. Each Note shall bear interest from the date of delivery of the Note and shall be payable as to principal and interest on the dates and in the amounts, at the rates, and subject to redemption before maturity, as determined by an Authorized Officer; provided that the final maturity shall not exceed 30 years from the applicable date of issuance, and the interest rates, or the maximum interest rate if issued on a variable rate basis, shall not exceed ten percent (10%). Principal and interest on each Note shall be payable to the State Treasurer.

4. Each Note shall be a limited tax general obligation of the School District, and the full faith and credit of the School District shall be pledged to the payment of the principal of and interest on the Note as and when due. The Note shall be payable out of the general funds of the School District, including collection of ad valorem taxes the School District may levy on property within the geographic boundaries of the School District under Section 1211 of Act 451, within constitutional and statutory limitations. As additional security for the payments when due and owing under each Note, the School District pledges, and acknowledges the State's statutory right to withhold, the amount of all delinquent payments due on each Note from State money appropriated to the School District, including, but not limited to, money appropriated under Act 94, and authorizes the State to withhold the funds and apply the funds to the repayment of principal of or interest on any Note delinquent according to the terms of the Note.

5. An Authorized Officer shall execute each Note on behalf of the School District, and upon acknowledgment of receipt of the principal amount of the applicable Loan, the fully executed applicable Note shall be delivered to the ELB as agent for the State.

6. Each Note shall be in substantially the form attached to this resolution as Exhibit A with changes as approved by an Authorized Officer not inconsistent with the terms of this resolution.

7. The School District also acknowledges that there will be conditions of the Loan and agrees to comply with the requirements of the ELB's Order of Approval of Loan ("ELB Order") as approved by an Authorized Officer not inconsistent with this resolution. Once accepted, the terms and conditions of the ELB Order shall be binding on the School District.

8. The proceeds of each Loan shall be disbursed in accordance with a Use of Proceeds of Emergency Loan Table to be completed by an Authorized Officer at the time of issuance of the Loan.

9. This School Board hereby appoints Thrun Law Firm, P.C., as legal counsel for the purpose of issuing the Note and the Loan and acknowledges that said counsel has represented to the School Board that it does not represent any other party in this transaction associated with the issuance of the Note or the Loan; however, Thrun Law Firm, P.C. periodically represents certain agencies of the State of Michigan and other potential parties to this transaction in other matters unrelated to this transaction.

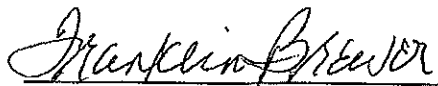
10. This School Board hereby appoints the firm of Robert W. Baird & Co. as Municipal Advisor for the purpose of issuing the Note and the Loan.

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

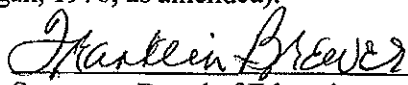
Ayes: Members 4

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 School Board at a regular meeting held on October 2, 2017, the original of which is a part of the School 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/kmh

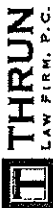


EXHIBIT A

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF MUSKEGON
MUSKEGON HEIGHTS PUBLIC SCHOOLS

EMERGENCY LOAN NOTE
(General Obligation - Limited Tax)
2017-18 Series I

Registered Owner: State of Michigan
Principal Amount: \$ _____
Date of Original Issue: _____, 2017

The MUSKEGON HEIGHTS PUBLIC SCHOOLS, County of Muskegon, State of Michigan (the "Issuer"), acknowledges itself to owe and for value received hereby promises to pay to the State of Michigan the Principal Amount specified above, in lawful money of the United States of America, in ___ consecutive annual installments as set forth on the attached Exhibit A, incorporated herein by reference, unless modified by written agreement of the State Treasurer each on November 1 in each of the years 20__ to 20__, inclusive, unless prepaid in whole or in part prior thereto as hereinafter provided, with interest on the unpaid principal balance hereof from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the rates per annum determined as set forth herein, payable first on _____ 1, 20__ and semi-annually on each _____ 1 and _____ 1 thereafter. Both the principal of and interest on this note are payable at the Office of the State Treasurer in Lansing, Michigan, or such other place as may be designated in writing to the Issuer by the State Treasurer. In the event that an installment for the Principal Amount or interest due on _____ or _____ in any year falls on a Saturday, Sunday or any day in which banks in Michigan are generally not open, such payment shall be due on the next succeeding business day.

From the Date of Original Issue specified above, this note shall bear interest at the rate of ___% per annum. Interest on this note shall be computed on the basis of a 365- or 366-day year and the actual number of days elapsed.

This note is issued on the Date of Original Issue specified above in the name of the Issuer by the duly qualified and elected Board of Education of the Issuer under Act No. 243, Public Acts of 1980, as amended ("Act 243"), pursuant to a resolution approved by such Board of Education on _____, 2017, to evidence the obligation of the Issuer to repay an emergency loan made to it by the State of Michigan for the purpose of enabling the Issuer to meet its financial obligations.

The Issuer shall have the right to pay at any time or times prior to maturity, without penalty or premium, all or any portion of this note. Prepayments shall be credited to principal payments in direct order of maturity.

In addition, should the State Treasurer require the Issuer to enter into a Tax Intercept Agreement as described below, on each _____ commencing _____, 20__, or on the next succeeding business day or such later date as described in the Tax Intercept Agreement, the Issuer shall have the obligation to prepay, without penalty or premium, an aggregate principal amount equal to the net amount on deposit in the Account (as defined in such Tax Intercept Agreement) as of the preceding business day, less an amount equal to the operating expenses retained by the Issuer as approved from time to time by the State Treasurer. Prepayments shall be credited to principal payments in inverse order of maturity.

This note and the interest hereon are payable, as a first budget obligation, from any funds of the Issuer available therefor including but not limited to any delinquent taxes payable to the Issuer from the County of Muskegon, State of Michigan's delinquent tax revolving fund, or from general ad valorem taxes imposed on all taxable property in the Issuer, and the Issuer is required, if necessary, to levy ad valorem taxes on all taxable property in the Issuer for the payment thereof, subject to applicable constitutional and statutory tax rate limitations.

The maturity of principal of and accrued and unpaid interest on this note may be accelerated by the State Treasurer on behalf of the State of Michigan upon the occurrence and during the continuance of any Event of Default under this note. Each of the following shall constitute an "Event of Default" under this note: (A) non-payment of any principal of or interest on this note, when due; and (B) failure of the Issuer to comply with the terms of paragraph 2 of the Funding Conditions Memorandum dated the date hereof between the Issuer and the State of Michigan.

The Issuer shall pledge to the State Treasurer a sufficient amount of the proceeds of the operating taxes levied for the Issuer and the delinquencies thereon that is necessary to pay the principal of and interest on this note, when due. At the sole discretion of and upon notice by the State Treasurer, the Issuer shall enter into a Tax Intercept Agreement with The Bank of New York Mellon Trust Company, N.A., located in Detroit, Michigan, as depository (the "*Depository*"), the City of Muskegon Heights (the "Local Government") and the County Treasurer of the County of Berrien to provide for the payment to the Depository by such Local Government and County Treasurer of such operating taxes and the delinquencies thereon collected by them on behalf of the Issuer after the date of such agreement. As additional security for payment of this note and in the event of the delinquency of the Issuer in paying required principal of or interest on this note, the State Treasurer is authorized to intercept up to but not more than all delinquent amounts of principal and interest due on this note from state school aid payments to the Issuer otherwise required to be made to the Issuer pursuant to the provisions of the State School Aid Act, Act No. 94, Public Acts of 1979, as amended, and said intercepted state school aid payments shall be applied by the State Treasurer against said delinquent payments. The Issuer's pledge of the proceeds of operating taxes and state aid payments described in this paragraph shall be subordinate to all state aid notes and tax anticipation notes sold to the Michigan Finance Authority, regardless of the date of issue. However, this current pledge of operating taxes and state aid payments shall be senior to pledges for payment of state aid notes or lines of credit issued after the date of this note and sold to all other parties that are not the Michigan Finance Authority. This note is issued on a *pari passu* basis with the prior notes of the issuer dated August 16, 2012, January 18, 2013, and April 28, 2014, maturing November 1, 2041, November 1, 2041, and April 30, 2044, respectively, which prior notes may be restructured.

If required by the State Treasurer pursuant to the immediately preceding paragraph, the Issuer shall enter into a Depository Agreement related to the Tax Intercept Agreement with the Depository to

It is hereby certified and recited that all acts, conditions and things required by law to be done, precedent to and in the issuance of this note, exist and have been done and performed in regular and due form and time as required by law, and that the total indebtedness of the Issuer, including this note, does not exceed any constitutional or statutory debt limitation.

MUSKEGON HEIGHTS PUBLIC SCHOOLS
COUNTY OF MUSKEGON
STATE OF MICHIGAN

By _____

Its:



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD

ORDER 2018-4

ORDER OF APPROVAL OF LOAN

**THE LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD,
ACTING UPON THE APPLICATION OF**

**MUSKEGON HEIGHTS PUBLIC SCHOOLS
COUNTY OF MUSKEGON
STATE OF MICHIGAN**

For the permission to borrow the principal amount of \$2,449,000.00 for the purpose of enabling the School District to meet its financial obligations as more fully set forth herein, the Board determines that:

1. A financial emergency exists within Muskegon Heights Public Schools also at times operating under the assumed name of the School District of the City of Muskegon Heights (the "School District").
2. The School District is deemed to have complied with the provisions of Public Act 243 of 1980, the Emergency Municipal Loan Act, as amended, as follows:
 - (a) The School District has provided by resolution for, and has applied to, the Board for a loan pursuant to the Act.
 - (b) A deficit in the general fund of the School District is projected for the fiscal year ending June 30, 2018.
 - (c) The Department of Treasury has acted upon a request by the School District to issue Tax anticipation notes pursuant to Public Act 34 of 2001, the Revised Municipal Finance Act.
 - (d) The local tax base growth rate is 75% or less of the statewide tax base growth rate.
 - (e) The state equalized valuation of real and personal property within the School District at the time the loan application was made is less than the state equalized valuation of

real and personal property within the School District in the immediately preceding year.

- (f) The Department of Treasury has determined that the loan will assist the School District in resolving a financial emergency or fiscal stress within the School District.
- (g) The School District meets the condition set forth in Section 4(1)(c)(vi) of Public Act 243 of 1980, the Emergency Municipal Loan Act, as amended, in that the School District is in receivership or is subject to a consent agreement and loan authorization by the board is necessary to implement a consent agreement, financial, operating, or recovery plan or agreement pursuant to Public Act 436 of 2012, the Local Financial Stability and Choice Act.
- (h) As part of its loan application, the School District submitted a five-year plan, that was approved by the governing body of the School District on October 9, 2017, and that will balance future expenditures with anticipated revenues.
- (i) The School District has satisfied the requirements set forth in Section 7 of Public Act 243 of 1980, the Emergency Municipal Loan Act, as amended, insofar as they apply to the School District as a result of prior emergency loans made by the Board to the School District and the School District has submitted a progress report to the Board detailing the steps that have been taken by the School District to achieve the long-range plan submitted with its prior emergency loan application and the management measures that have been taken to improve fiscal management of the School District.

NOW, THEREFORE, be it ordered by the Board that the application of the School District for an emergency loan in the amount of Two Million Four Hundred Forty-Nine Thousand Dollars (\$2,449,000.00) for the fiscal year of the School District ending June 30, 2018 is hereby approved, subject to the conditions set forth in this Order of Approval.

Terms of Emergency Loan

1. The emergency loan shall be evidenced by a note to be designated as the “Emergency Loan Note (General Obligation - Limited Tax) 2017-18 Series I.” The principal amount outstanding shall bear interest initially at the rate of 2.70 percent (2.70%) per annum which may be subsequently adjusted pursuant to Section 6a or Section 7(2) of the Emergency Municipal Loan Act, as amended. Until the emergency loan is repaid, a payment of interest only then owing shall be remitted each December 15 and June 15, or the next succeeding business day, beginning December 15, 2018, and a payment of principal then owing shall be

remitted each June 15, or the next succeeding business day, beginning June 15, 2022, with a date of final maturity of June 15, 2047, per attached payment schedule (Exhibit A).

Use of Proceeds of Emergency Loan

1. The School District shall use the proceeds of the emergency loan, together with monies deposited by the School District, solely to pay the following expenses in the following amounts:

	<u>Amount</u>
Michigan Unemployment Insurance Agency:	\$1,030,060.41
Office of Retirement Services:	\$1,568,356.41
Total:	\$2,598,416.82

2. Within not more than 90 days after the emergency loan is disbursed to the School District, the Assistant Superintendent of Finance and Administration of the School District shall file with the Board an accounting of the use of the emergency loan proceeds.

Conditions Upon School District

1. As an initial condition of receiving the emergency loan authorized by this Order of Approval, the Assistant Superintendent of Finance and Administration and Board of Education of the School District agree to perform the following:
 - (a) Execute a cognovit related to the emergency loan authorizing the Attorney General to confess a judgment against the School District in the event of a default upon the emergency loan.
 - (b) Contribute \$149,416.82 on the day of closing to be used and disbursed as set forth above.
2. As a condition of receiving the emergency loan authorized by this Order of Approval, the Assistant Superintendent of Finance and Administration and Board of Education of the School District agree to perform all of the following during the period that any portion of the emergency loan remains outstanding:
 - (a) If determined necessary by the State Treasurer, in its sole discretion, obtain and deliver to the State Treasurer on behalf of the State of Michigan fully executed Tax Intercept, State Aid and Tax Pledge, and/or Depository Agreements, and/or amendments to any existing agreements thereof, within ninety (90) days of the School District receiving notice from the State Treasurer that such agreement(s), and/or

amendments thereto, is needed or such longer period of time as may be approved by the State Treasurer.

- (b) If determined necessary by the State Treasurer, in its sole discretion, obtain and deliver to the State Treasurer on behalf of the State of Michigan fully executed Tax Intercept, State Aid, and Tax Pledge and/or Depository Agreements, and/or amendments to any existing agreements, within ninety (90) days of the School District receiving notice from the State Treasurer that such Tax Intercept Agreement, and/or amendment thereto, is needed or such longer period of time as may be approved by the State Treasurer.
- (c) Enter into a Third Supplemental Agreement dated as of the date hereof between the School District and the Depository supplementing the Disbursement Depository Agreement.
- (d) Submit to the State Treasurer and Superintendent of Public Instruction on a monthly basis, and by the 20th day of each succeeding month, a statement of its current monthly cash flow projections encompassing all revenues and expenditures. Such statements shall examine a rolling 12 month period and shall include a comparison of the School District's projected cash flows to the actual cash flow realized by the School District.
- (e) Submit to the State Treasurer and Superintendent of Public Instruction on a monthly basis and by the 20th day of each succeeding month, a statement of the School District's current accounts payable aging.
- (f) Employ a full-time professional administrator or contract with a person with expertise in municipal finance and administration to direct or participate directly in the management of the School District's operations until otherwise ordered by the Board.
- (g) Not later than six months after the date upon which the emergency loan is disbursed to the School District, and every six months after that date for the period that the emergency loan is outstanding, submit to the State Treasurer and Superintendent of Public Instruction an evaluation of performance of the School District against the five-year financial and operating plan, which was submitted pursuant to this Order of Approval.
- (h) Submit to the State Treasurer and Superintendent of Public Instruction on a quarterly basis beginning July 15, 2018 for the immediately preceding quarter all of the following:

- (1) A statement of actual revenues received by the School District in the last quarter of the current fiscal year of the School District and in the current fiscal year of the School District to date.
 - (2) A statement of total revenues estimated to be received by the School District in the current fiscal year of the School District.
 - (3) A statement of expenditures made and encumbrances entered into by the School District in the last quarter of the current fiscal year of the School District and in the current fiscal year of the School District to date.
 - (4) A statement of revenues which were estimated to be received by the School District and expenditures which were estimated to be made by the School District during the current fiscal year of the School District and through the end of the last quarter of the current fiscal year of the School District.
 - (5) A balance sheet indicating whether total estimated expenditures for the current fiscal year of the School District and for the last quarter exceed the total estimated revenues for the current fiscal year of the School District and for the last quarter, respectively.
- (i) Submit annually by July 1 to the State Treasurer and Superintendent of Public Instruction the general appropriations act of the School District and submit forthwith any amendments to the general appropriations act of the School District adopted pursuant to Public Act 2 of 1968, as amended, the Uniform Budgeting and Accounting Act. An annual operating budget of the School District, or any change to a prior approved annual operating budget of the School District, shall not become effective until approved by the State Treasurer, in consultation with the Superintendent of Public Instruction.
 - (j) Certify annually by July 1 that the School District has fully complied with all statutory requirements concerning the use of the uniform chart of accounts and audits promulgated by the Michigan Department of Education.
 - (k) To the extent applicable, comply with the requirements of both of the following:
 - (1) Section 3 or 4 of Public Act 152 of 2011, the Publicly Funded Health Insurance Contributions Act.
 - (2) Section 5 of Public Act 152 of 2011, the Publicly Funded Health Insurance Contributions Act.

3. Compliance with the conditions imposed upon the School District by this Order of Approval shall be the responsibility of the Assistant Superintendent of Finance and Administration and Board of Education of the School District.
4. Failure of the School District to comply with the terms of this section of this Order of Approval shall constitute an Event of Default under the Note and the terms and conditions of this section of this Order of Approval are incorporated in and made a part of the Note.

Conditions not Discharged by Contingencies

The conditions imposed upon the School District by this Order of Approval are not subject to release or discharge due to any contingencies, including, but not limited to, clerical errors, computer failures, late mailings, or the failure to comply with reporting due dates or other scheduled due dates due to adverse weather, acts of God, acts of third parties, or compliance with court orders.

Due Dates

A provision of this Order of Approval which requires the School District to submit to the Board, the State Treasurer, or the Superintendent of Public Instruction a report, listing, or other document by a specific due date shall not be deemed complied with unless the report, listing, or other document is received by the Board, the Michigan Department of Treasury, or the Michigan Department of Education by the due date specified. If the due date for a report, listing, or other document falls on a weekend or legal holiday, then the report, listing, or other document shall be due on the first day thereafter which is not a weekend or legal holiday.

Waiver of Provisions

To the extent permitted by Public Act 243 of 1980, the Emergency Municipal Loan Act, as amended, the Board may waive or modify a provision of this Order of Approval if, in its sole discretion, the Board concludes that the School District has demonstrated good cause shown for the waiver. However, the lack of a specific action by the Board shall not be construed as a waiver or modification of a provision of this Order of Approval.

Delegation of Ongoing Supervision

The Board delegates to the State Treasurer responsibility for the day-to-day supervision of the compliance by the School District with this Order of Approval.

Delegation of Supervision of Disbursement of Loan Proceeds

The Board delegates to the State Treasurer the authority to require that the proceeds from the emergency loan authorized by this Order of Approval be drawn upon by School District officials in one or more installments upon such dates and subject to the satisfaction of such conditions as the State Treasurer may establish.

Subordination of Loan

1. The pledge of the proceeds of operating taxes, revenue sharing and state aid payments, as applicable, to repayment of this loan, shall be subordinate to the pledge of those revenues to all state aid notes, tax anticipation notes and other debt issuances sold to the Michigan Finance Authority.
2. The State Treasurer is hereby authorized to permit the subordination of the pledge of the proceeds of operating taxes, revenue sharing and state aid payments, as applicable, to repayment of this loan, to the pledge of those revenues to all state aid notes, tax anticipation notes and other debt issuances sold to parties other than the Michigan Finance Authority.
3. The State Treasurer is hereby authorized to execute on behalf of the Board any such agreements or documents as deemed necessary or appropriate to evidence the subordination approved herein.

IN WITNESS WHEREOF, the members of the Board, or their designees, have signed and executed this Order of Approval.

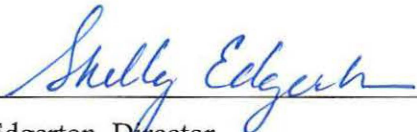
LOCAL EMERGENCY FINANCIAL ASSISTANCE
LOAN BOARD

By  _____

Eric Scorsone, Deputy Treasurer for Finance
As Designee for Nick A. Khouri, State Treasurer

By  _____

John J. Walsh, State Budget Director
As Designee for David L. DeVries, Director
Department of Technology, Management and Budget

By  _____

Shelly Edgerton, Director
Department of Licensing and Regulatory Affairs

Date: April 9, 2018
Lansing, Michigan

EXHIBIT A

Muskegon Heights Public Schools, Michigan
Emergency Loan Note (General Obligation - Limited Tax) 2017-18 Series I

Dated Date 5/23/2018
Delivery Date 5/23/2018

Date	Principal	Coupon	Interest	Total
12/15/2018	-		37,318.73	37318.73
6/15/2019	-		32,970.92	32,970.92
12/15/2019	-		33,152.08	33,152.08
6/15/2020	-		33,061.50	33,061.50
12/15/2020	-		33,061.50	33,061.50
6/15/2021	-		32,970.92	32,970.92
12/15/2021	-		33,152.08	33,152.08
6/15/2022	1,000	2.70%	32,970.92	33,970.92
12/15/2022	-		33,138.54	33,138.54
6/15/2023	1,000	2.70%	32,957.46	33,957.46
12/15/2023	-		33,125.01	33,125.01
6/15/2024	1,000	2.70%	33,034.50	34,034.50
12/15/2024	-		33,021.00	33,021.00
6/15/2025	1,000	2.70%	32,930.53	33,930.53
12/15/2025	-		33,097.93	33,097.93
6/15/2026	1,000	2.70%	32,917.07	33,917.07
12/15/2026	-		33,084.39	33,084.39
6/15/2027	1,000	2.70%	32,903.61	33,903.61
12/15/2027	-		33,070.86	33,070.86
6/15/2028	1,000	2.70%	32,980.50	33,980.50
12/15/2028	-		32,967.00	32,967.00
6/15/2029	1,000	2.70%	32,876.68	33,876.68
12/15/2029	-		33,043.78	33,043.78
6/15/2030	1,000	2.70%	32,863.22	33,863.22
12/15/2030	-		33,030.25	33,030.25
6/15/2031	1,000	2.70%	32,849.75	33,849.75
12/15/2031	-		33,016.71	33,016.71
6/15/2032	1,000	2.70%	32,926.50	33,926.50
12/15/2032	-		32,913.00	32,913.00
6/15/2033	1,000	2.70%	32,822.83	33,822.83
12/15/2033	-		32,989.64	32,989.64
6/15/2034	1,000	2.70%	32,809.36	33,809.36
12/15/2034	-		32,976.10	32,976.10
6/15/2035	1,000	2.70%	32,795.90	33,795.90
12/15/2035	-		32,962.56	32,962.56
6/15/2036	1,000	2.70%	32,872.50	33,872.50
12/15/2036	-		32,859.00	32,859.00
6/15/2037	1,000	2.70%	32,768.98	33,768.98
12/15/2037	-		32,935.49	32,935.49
6/15/2038	1,000	2.70%	32,755.51	33,755.51
12/15/2038	-		32,921.95	32,921.95
6/15/2039	1,000	2.70%	32,742.05	33,742.05

EXHIBIT A

Muskegon Heights Public Schools, Michigan
Emergency Loan Note (General Obligation - Limited Tax) 2017-18 Series I

Dated Date 5/23/2018
Delivery Date 5/23/2018

Date	Principal	Coupon	Interest	Total
12/15/2039	-		32,908.41	32,908.41
6/15/2040	1,000	2.70%	32,818.50	33,818.50
12/15/2040	-		32,805.00	32,805.00
6/15/2041	1,000	2.70%	32,715.12	33,715.12
12/15/2041	-		32,881.34	32,881.34
6/15/2042	1,000	2.70%	32,701.66	33,701.66
12/15/2042	-		32,867.80	32,867.80
6/15/2043	460,000	2.70%	32,688.20	492,688.20
12/15/2043	-		26,640.79	26,640.79
6/15/2044	473,000	2.70%	26,568.00	499,568.00
12/15/2044	-		20,182.50	20,182.50
6/15/2045	485,000	2.70%	20,127.21	505,127.21
12/15/2045	-		13,672.36	13,672.36
6/15/2046	498,000	2.70%	13,597.64	511,597.64
12/15/2046	-		6,930.94	6,930.94
6/15/2047	512,000	2.70%	6,893.06	518,893.06
	2,449,000		1,785,617.34	4,234,617.34



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD

ORDER 2017-4

ORDER DENYING EMERGENCY LOAN

**THE LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD,
ACTING UPON THE APPLICATION OF**

**MUSKEGON HEIGHTS PUBLIC SCHOOLS
COUNTY OF MUSKEGON
STATE OF MICHIGAN**

For the purposes of this Order, the Local Emergency Financial Assistance Loan Board determines that:

1. A financial emergency exists within Muskegon Heights Public Schools also at times operating under the assumed name of the School District of the City of Muskegon Heights (the "School District").
2. The School District has requested an emergency loan in the amount of \$2,449,000.00.
3. The School District is deemed to have complied with the provisions of Public Act 243 of 1980, the Emergency Municipal Loan Act, as amended.
4. The merits of this request have been examined by the Local Emergency Financial Assistance Loan Board.
5. The Local Emergency Financial Assistance Loan Board has determined that the requested emergency loan is not in the best interests of the School District and the State of Michigan.

NOW, THEREFORE, it is ordered by the Board that the application of the School District for an emergency loan in the amount of Two Million Four Hundred Forty Nine Thousand Dollars (\$2,449,000.00) is hereby DENIED.

IN WITNESS WHEREOF, the members of the Board, or their designees, have signed and executed this Order of Denial.

LOCAL EMERGENCY FINANCIAL ASSISTANCE
LOAN BOARD

By _____

Eric Scorsone, Deputy Treasurer for Finance
As Designee for Nick A. Khouri, State Treasurer

By _____

John J. Walsh, State Budget Director
As Designee for David L. DeVries, Director
Department of Technology, Management and Budget

By _____

Shelly Edgerton, Director
Department of Licensing and Regulatory Affairs

Date: April 9, 2018

Lansing, Michigan

Muskegon Heights Public Schools
 Five Year Plan
 FY 2017-18 to FY 2021-2022
WITH EMERGENCY LOAN PROCEEDS

	General Fund Budget				
	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	\$ (2,430,766)	\$ 5,730	\$ 73,110	\$ 159,330	\$ 266,740
Revenue					
Property taxes	\$ 1,170,890	\$ 1,194,300	\$ 1,218,190	\$ 1,242,550	\$ 1,267,400
Oversight fees	\$ 174,210	\$ 174,210	\$ 174,210	\$ 174,210	\$ 174,210
Emergency Loan Proceeds	\$ 2,449,000				
Transfers and Other	\$ 30,930	\$ 16,800	\$ 16,800	\$ 16,800	\$ 16,800
Total Revenue	\$ 3,825,030	\$ 1,385,310	\$ 1,409,200	\$ 1,433,560	\$ 1,458,410
Expenditures					
Data Technology	\$ 4,250	\$ 4,250	\$ 4,250	\$ 4,250	\$ 4,250
Board of Education	\$ 27,060	\$ 26,060	\$ 25,060	\$ 24,560	\$ 24,060
Executive Administration	\$ 65,780	\$ 65,780	\$ 65,780	\$ 65,780	\$ 65,780
Business Services	\$ 99,300	\$ 99,920	\$ 100,560	\$ 101,220	\$ 101,900
Interest and Fees Expense	\$ 100,014	\$ 3,840	\$ 3,840	\$ 3,840	\$ 3,840
Unpaid Auction and Delinquent Tax Fees	\$ 50,000	\$ 51,000	\$ 52,020	\$ 53,060	\$ 54,120
Building Services	\$ 82,680	\$ 83,060	\$ 83,440	\$ 83,840	\$ 84,250
District Technology	\$ 900	\$ 920	\$ 940	\$ 960	\$ 980
Emergency Loan Payments	\$ 652,820	\$ 674,900	\$ 676,370	\$ 675,350	\$ 674,440
Transfers and Other	\$ 305,730	\$ 308,200	\$ 310,720	\$ 313,290	\$ 315,910
Total Expenditures	\$ 1,388,534	\$ 1,317,930	\$ 1,322,980	\$ 1,326,150	\$ 1,329,530
Revenues Less Expenditures	\$ 2,436,496	\$ 67,380	\$ 86,220	\$ 107,410	\$ 128,880
Projected Ending Fund Balance	\$ 5,730	\$ 73,110	\$ 159,330	\$ 266,740	\$ 395,620



Muskegon Heights Public Schools

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

AGENDA

SPECIAL BOARD MEETING

BOARD OF EDUCATION
2603 LEAHY STREET
MUSKEGON HEIGHTS, MICHIGAN

MUSKEGON HEIGHTS BOARD OF EDUCATION

MONDAY, OCTOBER 9, 2017
6:00 PM

1. Call to Order
2. Roll Call
3. Action Items
 - a. Reappointment of Marvin Nash – PSA Board Member
 - b. 5 Year Plan
4. Report from the Assistant Superintendent
5. From the Board
6. Concerns of Parents/Citizens and Recognition of Guests
7. Adjournment

BOARD OF EDUCATION
of the
SCHOOL DISTRICT
of the
CITY OF MUSKEGON HEIGHTS, MICHIGAN
SPECIAL BOARD MEETING
OCTOBER 9, 2017
6:00 PM

OFFICIAL PROCEEDINGS

1. **The Special Board Meeting, Muskegon Heights Board of Education, 2603 Leahy Street, Muskegon Heights, Michigan, was called to order by President Scott at 6:05 p.m.**
2. **President Scott, instructed Secretary Brewer, to call the roll and note Board Members and Administrative Staff present.**

BOARD MEMBERS: Mrs. Trinell Scott, President; Mr. Mark Glover, Vice-President; Mr. Franklin Brewer, Secretary; Mrs. Estelita Rankin, Treasurer; Mrs. Peggy Selmon, Trustee; Mrs. Marianne Darnell, Trustee; Mrs. Marjorie Cook, Trustee

BOARD MEMBERS ABSENT: Marjorie Cook joined by phone

ADMINISTRATIVE STAFF: Mr. John Lewis, Assistant Superintendent

ADMINISTRATIVE STAFF ABSENT:

Roll Call:

 P Scott P Brewer P Darnell P Selmon P Rankin P Cook P Glover

3. ACTION ITEMS

a. Discussion to vote on Reappointment of Marvin Nash – PSA Board Member

BE IT RESOLVED, that the Reappointment of Marvin Nash – PSA Board Member be approved and placed on file.

M Mark Glover MOVED and m Trinell Scott SECONDED the adoption of the resolution

Roll Call:

N Scott N Brewer Y Darnell N Selmon N Rankin Y Cook Y Glover

3 YEAS 4 NAYS

b. Discussion to vote on the 5 Year Plan

BE IT RESOLVED, that the 5 Year Plan be approved and placed on file.

M Mark Glover MOVED and m Marjorie Cook SECONDED the adoption of the resolution

Roll Call:

Y Scott Y Brewer Y Darnell Y Selmon Y Rankin Y Cook Y Glover

7 YEAS 0 NAYS

4. REPORT FROM THE ASSISTANT SUPERINTENDENT

None

5. FROM THE BOARD

None

6. CONCERNS OF PARENTS/CITIZENS AND RECOGNITION OF GUESTS

None

7. ADJOURNMENT

RESOLVED, that the Special Board Meeting for Monday, October 9, 2017, adjourned at 6:14 p.m.

M Estelita Rankin MOVED and m Trinell Scott SECONDED the adoption of the resolution.

7 YEAS 0 NAYS

Respectfully submitted,

Franklin Brewer, Secretary

Muskegon Heights Public Schools
Board Approved Budget
2017-18

	Budget <u>2017-18</u>
Beginning Fund Balance	\$ (2,430,766)
Revenue	
Property taxes	\$ 1,170,890
Oversight fees	\$ 174,210
Transfers and Other	\$ 16,800
Total Revenue	\$ 1,361,900
Expenditures	
Data Technology	\$ 4,250
Board of Education	\$ 27,060
Executive Administration	\$ 65,780
Business Services	\$ 99,300
Interest and Fees Expense	\$ 215,660
Unpaid Auction and Delinquent Tax Fees	\$ 50,000
Building Services	\$ 82,680
District Technology	\$ 900
Emergency Loan Payments	\$ 506,470
Transfers and Other	\$ 305,730
Total Expenditures	\$ 1,357,830
Revenues Less Expenditures	\$ 4,070
Projected Ending Fund Balance	\$ (2,426,696)

School District of the City of Muskegon Heights
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
 General Fund
 For the year ended June 30, 2017

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources	\$ 1,353,029	\$ 1,457,430	\$ 1,426,267	\$ (31,163)
State sources	-	-	6,832	6,832
Total revenues	1,353,029	1,457,430	1,433,099	(24,331)
EXPENDITURES				
Support services				
Instructional staff	-	8,180	8,194	(14)
General administration	169,500	133,100	128,026	5,074
Business	294,216	800,770	807,723	(6,953)
Operations and maintenance	67,100	102,570	100,505	2,065
Central	2,000	1,780	1,522	258
Debt service				
Principal	205,000	205,000	205,000	-
Interest and other charges	301,484	301,490	301,484	6
Outgoing transfers and other transactions	182,092	305,740	303,493	2,247
Total expenditures	1,221,392	1,858,630	1,855,947	2,683
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 131,637</u>	<u>\$ (401,200)</u>	(422,848)	<u>\$ (21,648)</u>
Fund balance (deficit) at beginning of year			(2,007,918)	
Fund balance (deficit) at end of year			<u>\$ (2,430,766)</u>	

Projected Monthly Cash Flow - One Year Projection

Date
10/23/2017

School District Muskegon Heights Public Schools	Emergency Loan Notes Amended & Restated ELN #1, #2, and #3 with New ELN #4
--	---

	October 17	November 17	December 17	January 18	February 18	March 18	April 18	May 18	June 18	July 18	August 18	September 18
Beginning Balance	\$ 748,156	\$ 724,427	\$ 437,927	\$ 265,312	\$ 263,988	\$ 442,363	\$ 619,230	\$ 617,906	\$ 827,552	\$ 577,478	\$ 523,721	\$ 762,270
Estimated Receipts												
Taxes		\$ 50,000	\$ 56,720		\$ 180,000	\$ 180,000		\$ 210,540			\$ 240,000	\$ 40,000
Taxes - Tech Millage	\$ 15,000	\$ 12,432		\$ 6,511	\$ 27,000	\$ 25,000		\$ 1,500	\$ 21,187			\$ 15,000
Authorizer Fees	\$ 15,837	\$ 15,837	\$ 15,837	\$ 15,837	\$ 15,837	\$ 15,837	\$ 15,837	\$ 15,837	\$ 15,837	\$ 15,837	\$ 15,837	\$ 15,837
Note Proceeds												
ELN Proceeds		\$ -	\$ 2,449,000									
Other Revenue	\$ 1,527	\$ 1,527	\$ 1,527	\$ 1,527	\$ 1,527	\$ 1,527	\$ 1,527	\$ 1,527	\$ 1,527	\$ 1,000	\$ 1,000	\$ 1,000
Total Available Funds	\$ 780,520	\$ 804,223	\$ 2,961,011	\$ 289,187	\$ 488,352	\$ 664,727	\$ 636,594	\$ 847,310	\$ 866,103	\$ 594,315	\$ 780,558	\$ 834,107
Less Estimated Expenditures:												
Payrolls	\$ 10,629	\$ 13,708	\$ 18,296	\$ 13,708	\$ 13,708	\$ 15,217	\$ 13,708	\$ 13,708	\$ 18,296	\$ 13,708	\$ 13,708	\$ 13,708
Other Expenditures	\$ 6,248	\$ 3,980	\$ 8,230	\$ 4,980	\$ 5,280	\$ 5,280	\$ 4,980	\$ 4,550	\$ 4,580	\$ 56,886	\$ 4,580	\$ 4,580
Emergency Loan #1 Payment	\$ -	\$ 227,343	\$ 14,271	\$ -	\$ -	\$ -			\$ 132,287	\$ -	\$ -	\$ -
Emergency Loan #2 Payment		\$ 108,834	\$ 3,198						\$ 50,081			
Emergency Loan #3 Payment	\$ 24,216		\$ 4,235						\$ 26,028			
Emergency Loan #4 Payment									\$ 36,165			
Tech Millage to PSA	\$ 15,000	\$ 12,432	\$ -	\$ 6,511	\$ 27,000	\$ 25,000	\$ -	\$ 1,500	\$ 21,187	\$ -	\$ -	\$ 15,000
ORS Repayment	\$ -		\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
UIA Repayment			\$ 965,377									
TAN Set Asides		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Liens/Loans (Totals)	\$ -	\$ -	\$ 182,092	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Estimated Expenditures	\$ 56,093	\$ 366,296	\$ 2,695,699	\$ 25,199	\$ 45,988	\$ 45,497	\$ 18,688	\$ 19,758	\$ 288,625	\$ 70,594	\$ 18,288	\$ 33,288
Estimated Ending Balance	\$ 724,427	\$ 437,927	\$ 265,312	\$ 263,988	\$ 442,363	\$ 619,230	\$ 617,906	\$ 827,552	\$ 577,478	\$ 523,721	\$ 762,270	\$ 800,819

10/12/2017 15:12
1727jlewis

MUSKEGON HEIGHTS PUBLIC SCHOOLS
INVOICE AGING REPORT

P 1
apinvage

AGING DATE: 10/12/2017 FOR ALL BALANCES

VENDOR NAME	BALANCE	CURRENT	30 - 60	60 - 90	90 & OVER	HELD ITEMS
297 MICHIGAN DEPT. OF EDUCA	371,435.77				371,435.77	
TOTALS:	371,435.77				371,435.77	

** END OF REPORT - Generated by John Lewis **