

7. Further Actions. The Authorized Officer and other officers, administrators, agents and attorneys of the School District are authorized and directed to execute and deliver all other agreements, documents and certificates and to take all other actions necessary relating to the Restructuring in accordance with this Resolution. The officers, administrators, agents and attorneys of the School District are authorized and directed to pay costs of issuance and any other costs necessary to accomplish the Restructuring.

8. Prior Actions. Any actions taken by an Authorized Officer prior to the date hereof to effectuate the transactions contemplated by this Resolution are hereby ratified.

9. Conflicts. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution be and the same hereby are rescinded.

Ayes: Members: JOSEPH TAYLOR, PATRICIA RUSH, DENISE WHATLEY-SEALS
LUE BULLIANA, MATTHEW BRADLEY, MICHELLE CROWDER

Nays: Members: _____

Resolution Declared Adopted.



Patricia Rush
Secretary, Board of Education

The undersigned duly qualified and acting Secretary of the Board of Education of the Benton Harbor Area Schools, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board at a regular meeting held on June 6, 2019, the original of which is a part of the Board's minutes and further certifies that notice of the meeting was given to the public pursuant to the provisions of the Open Meetings Act, being Act No. 267, Public Acts of Michigan, 1976, as amended.



Patricia Rush
Secretary, Board of Education

33787130

RESOLUTION AUTHORIZING APPLICATION FOR RESTRUCTURING OF 2017 EMERGENCY
LOAN, EMERGENCY LOAN NOTE 2016-17 SERIES I AND RELATED MATTERS

EXHIBIT A

FORM OF RESTRUCTURE 2017 NOTE

R-1

**UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF BERRIEN**

BENTON HARBOR AREA SCHOOLS

**AMENDED AND RESTATED EMERGENCY LOAN NOTE
(General Obligation Limited Tax)
2016-17 Series I**

Registered Owner: State of Michigan

Principal Amount: \$4,400,000

Date of Original Issue: November 1, 2019

The Benton Harbor Area Schools, County of Berrien, 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 in the amounts as set forth on the attached Exhibit A, incorporated herein by reference, unless modified by a written agreement with the State Treasurer of Michigan (the "State Treasurer"), on November 1 in each of the years ____ to _____, inclusive, unless prepaid 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 as set forth herein, first payable on November 1, 20____ and semiannually on each May 1 and November 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 November 1 or May 1 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 until paid, this Note shall bear interest at the rate of 1.85% per annum, which may be subsequently adjusted pursuant to Section 6, Section 6a or Section 7(2) of the Emergency Municipal Loan Act, Act 243, Public Acts of Michigan,

**RESOLUTION AUTHORIZING APPLICATION FOR RESTRUCTURING OF 2017 EMERGENCY
LOAN, EMERGENCY LOAN NOTE 2016-17 SERIES I AND RELATED MATTERS**

A-4

1980, as amended (“Act 243”). 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, under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 243, pursuant to a resolution of the Board of the Issuer, adopted on June 6, 2019. This Note amends, restates and supersedes entirely the \$4,400,000 Emergency Loan Note (General Obligation Limited Tax) 2016-17 Series I having a date of Original Issue of July 11, 2016, that was issued by the Issuer under Act 243 pursuant to a resolution adopted by the Board of Education of the Issuer on June 14, 2016, 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 any order, in whole or in part, as mutually agreed to by the Issuer and the State of Michigan.

In addition, should the State Treasurer require the Issuer to enter into a Tax Intercept Agreement as described below, on each November 1 commencing November 1, 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 Berrien, State of Michigan’s delinquent tax revolving fund, or from general ad valorem taxes imposed on all taxable property within the geographic boundaries of 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 the Conditions Upon School District provided in the Order of Approval, 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 a bank or trust company selected by the Authorized Officer, as depository (the "Depository"), the following local municipalities: Bainbridge Township, Benton Charter Township, Hagar Township, Pipestone Township, St. Joseph Charter Township, Sodus Township, the City of Benton Harbor, and the City of St. Joseph (each a "Local Government," collectively the "Local Governments") 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 emergency loan notes of the issuer originally dated September 17, 2012, December 12, 2013, July 22, 2015, and May 18, 2016, and currently maturing November 1, 2031, November 1, 2026, November 1, 2026, and November 1, 2031, 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 the Michigan Finance Authority one or more state aid notes, tax anticipation notes or other municipal securities 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 and credit resources of the Issuer are hereby pledged for the payment of the principal of 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 other municipal securities, state aid notes or tax anticipation notes sold to the Michigan Finance Authority, further subordinate to any first liens

RESOLUTION AUTHORIZING APPLICATION FOR RESTRUCTURING OF 2017 EMERGENCY
LOAN, EMERGENCY LOAN NOTE 2016-17 SERIES I AND RELATED MATTERS

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 obligations 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 with this Note 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.

BENTON HARBOR AREA SCHOOLS
County of Berrien, State of Michigan

By: _____

Its: _____

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11 11 11
11 11 11

EXHIBIT A
TERMS OF THE LOAN

33787130.1\158103-00002



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD

ORDER 2019-5

ORDER OF APPROVAL OF EMERGENCY LOAN RESTRUCTURING

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

**BENTON HARBOR AREA SCHOOLS
COUNTY OF BERRIEN
STATE OF MICHIGAN**

Requesting approval for the restructuring of the Emergency Loan Note (General Obligation - Limited Tax) 2016-17 Series I, for the purpose of enabling Benton Harbor Area Schools (the "School District") to meet its financial obligations as more fully set forth herein, the Board determines that:

1. A financial emergency exists within 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) 2016-17 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) 2016-17 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) 2016-17 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) 2016-17 Series I." The principal amount outstanding shall bear interest initially at the rate of 1.85 percent (1.85%) 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 May 1 and November 1, or the next succeeding business day, beginning May 1, 2020, and a payment of principal and interest then owing shall be remitted each November 1, or the next succeeding business day, beginning in 2020, with a date of final maturity of November 1, 2045, per attached payment schedule (Exhibit A).
2. The School District shall abide by all conditions set contained herein in order to remain in compliance with the terms of the Amended and Restated Emergency Loan Note (General Obligation - Limited Tax) 2016-17 Series I. Such conditions shall be satisfied by the School District, including that all documents shall be in form and substance satisfactory to the State Treasurer on behalf of the State of Michigan, in the sole discretion of the State Treasurer, unless waived by the State Treasurer in writing.

Conditions Upon School District

1. As an initial condition of the restructuring of the emergency loan authorized by this Order of Approval, the Superintendent 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 October 22, 2019.
 - (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 Superintendent 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 enhanced deficit elimination plan that was certified by the Department of Treasury on September 20, 2019 and approved by the governing body of the School District on September 10,

2019. This plan indicates that the School District 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 Superintendent 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

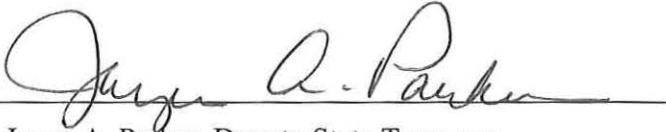
The Board delegates to the State Treasurer responsibility for the day-to-day supervision of the compliance by the School District with this Order of Approval.

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 

Joyce A. Parker, Deputy State Treasurer,
State and Local Finance
As Designee for Rachael Eubanks, State Treasurer
Department of Treasury

By 

Chris Kolb, State Budget Director, State Budget Office
As Designee for Tricia L. Foster, Director
Department of Technology, Management and Budget

By 

LeAnn Droste, Director, Finance and
Administrative Services
As Designee for Orlene Hawks, Director
Department of Licensing and Regulatory Affairs

Date: October 22, 2019

Lansing, Michigan

EXHIBIT A

Benton Harbor Area Schools, Michigan
 Amended and Restated Emergency Loan Note, 2016-17 Series I
 (General Obligation - Limited Tax)

Amended Exhibit Dated: October 22, 2019

Date	Principal	Coupon	Interest	Debt Service
5/1/2020	-		42,701.64	42,701.64
11/1/2020	95,000.00	1.850%	40,922.40	135,922.40
5/1/2021	-		39,493.95	39,493.95
11/1/2021	45,000.00	1.850%	40,148.55	85,148.55
5/1/2022	-		39,081.12	39,081.12
11/1/2022	280,000.00	1.850%	39,728.88	319,728.88
5/1/2023	-		36,512.41	36,512.41
11/1/2023	160,000.00	1.850%	37,117.59	197,117.59
5/1/2024	-		35,141.91	35,141.91
11/1/2024	155,000.00	1.850%	35,528.09	190,528.09
5/1/2025	-		33,622.61	33,622.61
11/1/2025	160,000.00	1.850%	34,179.89	194,179.89
5/1/2026	-		32,154.77	32,154.77
11/1/2026	165,000.00	1.850%	32,687.73	197,687.73
5/1/2027	-		30,641.07	30,641.07
11/1/2027	170,000.00	1.850%	31,148.93	201,148.93
5/1/2028	-		29,162.27	29,162.27
11/1/2028	75,000.00	1.850%	29,482.73	104,482.73
5/1/2029	-		28,393.45	28,393.45
11/1/2029	70,000.00	1.850%	28,864.05	98,864.05
5/1/2030	-		27,751.27	27,751.27
11/1/2030	75,000.00	1.850%	28,211.23	103,211.23
5/1/2031	-		27,063.22	27,063.22
11/1/2031	80,000.00	1.850%	27,511.78	107,511.78
5/1/2032	-		26,402.43	26,402.43
11/1/2032	85,000.00	1.850%	26,692.57	111,692.57
5/1/2033	-		25,549.51	25,549.51
11/1/2033	90,000.00	1.850%	25,972.99	115,972.99
5/1/2034	-		24,723.86	24,723.86
11/1/2034	200,000.00	1.850%	25,133.64	225,133.64
5/1/2035	-		22,889.06	22,889.06
11/1/2035	210,000.00	1.850%	23,268.44	233,268.44
5/1/2036	-		21,020.75	21,020.75
11/1/2036	210,000.00	1.850%	21,251.75	231,251.75
5/1/2037	-		19,035.99	19,035.99
11/1/2037	215,000.00	1.850%	19,351.51	234,351.51
5/1/2038	-		17,063.59	17,063.59
11/1/2038	215,000.00	1.850%	17,346.41	232,346.41
5/1/2039	-		15,091.18	15,091.18
11/1/2039	220,000.00	1.850%	15,341.32	235,341.32

EXHIBIT A

Benton Harbor Area Schools, Michigan
 Amended and Restated Emergency Loan Note, 2016-17 Series I
 (General Obligation - Limited Tax)

Amended Exhibit Dated: October 22, 2019

Date	Principal	Coupon	Interest	Debt Service
5/1/2040	-		13,109.22	13,109.22
11/1/2040	230,000.00	1.850%	13,253.28	243,253.28
5/1/2041	-		10,962.90	10,962.90
11/1/2041	230,000.00	1.850%	11,144.60	241,144.60
5/1/2042	-		8,852.88	8,852.88
11/1/2042	235,000.00	1.850%	8,999.62	243,999.62
5/1/2043	-		6,697.00	6,697.00
11/1/2043	240,000.00	1.850%	6,808.00	246,808.00
5/1/2044	-		4,507.73	4,507.73
11/1/2044	245,000.00	1.850%	4,557.27	249,557.27
5/1/2045	-		2,247.62	2,247.62
11/1/2045	245,000.00	1.850%	2,284.88	247,284.88
	4,400,000.00		1,246,811.54	5,646,811.54



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD

ORDER 2019-5

ORDER DENYING EMERGENCY LOAN RESTRUCTURING

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

**BENTON HARBOR AREA SCHOOLS
COUNTY OF BERRIEN
STATE OF MICHIGAN**

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

1. A financial emergency exists within the Benton Harbor Area Schools (the “School District”).
2. The School District has requested a restructuring of the Emergency Loan Note (General Obligation - Limited Tax) 2016-17 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) 2016-17 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) 2016-17 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 _____

Joyce A. Parker, Deputy State Treasurer,
State and Local Finance
As Designee for Rachael Eubanks, State Treasurer
Department of Treasury

By _____

Chris Kolb, State Budget Director, State Budget Office
As Designee for Tricia L. Foster, Director
Department of Technology, Management and Budget

By _____

LeAnn Droste, Director, Finance and
Administrative Services
As Designee for Orlene Hawks, Director
Department of Licensing and Regulatory Affairs

Date: October 22, 2019

Lansing, Michigan

Budget Resolutions

**2018-19 Year-end Budget Revision
2019-20 Initial Budget**

**2018-19 Year-end Budget Revision
General Appropriations Resolution
Benton Harbor Area Schools**

RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriation in the **General Fund** for the 2018-19 fiscal year is as follows:

Revenue:	Local	\$ 7,004,571
1XX	Intermediate	\$ -
2XX	State	\$ 14,515,277
3XX	Federal	\$ 6,150,234
4XX	Incoming Transfers & Other	\$ 1,157,476
5XX	Fund Modifications	\$ -
6XX	Total Revenue	<u>\$ 28,827,557</u>
	Fund Balance July 1, 2018 (actual)	<u>\$ (4,425,383)</u>
	Total Available to appropriate	\$ 24,402,174

BE IT FURTHER RESOLVED, that \$24,402,174 of the total available to appropriate in the **General Fund** is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures:		
Instruction	Basic Program	\$ 7,568,470
11X	Added Needs	\$ 5,183,409
12X	Adult and Continuing Education	\$ 90,000
13X		
Support Services	Pupil	\$ 816,140
21X	Instructional Staff	\$ 2,295,542
22X	General Administration	\$
23X	School Administration	975,079 \$
24X	Business	1,126,572
25X	Operations/Maintenance	\$ 1,029,600
26X	Transportation	\$ 4,325,456
27X	Central Services	\$ 1,783,458
28X	Other	\$ 881,686 \$
29X	Community Services	620,113 \$
3XX	Facility Acq./Prior Period Adjustments	225,910 \$
4XX	Long-term Debt	1,146,113 \$
5XX	Fund Modifications	<u>591,150 \$</u>
6XX	Total Appropriated	165,619
	Estimated Fund Balance on June 30, 2018	\$ 28,824,317
		\$ (4,422,143)

June 30, 2019 Year-end Budget Revision

RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriation in the **Food Service Fund** for the 2018-19 fiscal year is as follows:

Revenue:	Local	\$	74,726-
1XX	Intermediate	\$	-
2XX	State	\$	46,716-
3XX	Federal	\$	1,671,609-
4XX	Incoming Transfers & Other	\$	-
5XX	Fund Modifications	\$	-
6XX	Total Revenue	\$	1,793,052
	Fund Balance July 1, 2018 (actual)	\$	
	Total Available to Appropriate		1,085,715\$
			2,878,767

BE IT FURTHER RESOLVED, that \$2,714,553 of the total available to appropriate in the **Food Service Fund** is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures:

Support Services	Pupil	\$	-
21X	Instructional Staff	\$	-
22X	General Administration	\$	-
23X	School Administration	\$	-
24X	Business	\$	2,975
25X	Operations/Maintenance	\$	53,575
26X	Transportation	\$	-
27X	Central Services	\$	8,626
28X	Other	\$	
29X	Fund Modifications		1,678,062
62X	Total Appropriated	\$	
	Estimated Fund Balance on June 30, 2019	\$	1,568,914
		\$	
			1,309,853

June 30, 2019 Year-end Budget Revision

BE IT FURTHER RESOLVED, that no Board of Education member or employee of the school district shall expend any funds or obligate the expenditure of any funds except pursuant to appropriations made by the Board of Education and in keeping with the budgetary policy adopted by the Board. Changes in the amounts appropriated by the Board shall require approval by the Board; however, revenue and expenditure changes shall be permitted by the Superintendent or designee without Board approval provided such changes do not change the total budgeted revenues or the total budgeted expenditures and outgoing transfers for any fund.

BE IT FURTHER RESOLVED, that the Superintendent is hereby charged with general supervision of the execution of the budget adopted by the Board and shall hold the department heads responsible for performance of their responsibilities within the amount appropriated by the Board of Education and in keeping with the budgetary policy adopted by the Board.

BE IT FURTHER RESOLVED, that the 2018 millage rates shall be (were) as follows:

Operating millage on non-homestead property	18.0000 mills
Sinking fund millage on all property	2.0000 mills
Commercial personal property	6.0000 mills

This budget is to take effect immediately.

Vote: Ayes 5 MICHELLE CROWDER, DENISE WHATLEY-SEATS, PATRICIA RUSIA, JOSEPH TAYLOR, LUE BUCHANA
Nays 0
Abstain 0

Resolution declared (circle one) adopted / not adopted.

Board Secretary's signature Patricia Rusia
Patricia Rusia

**2019-20 Initial Budget
General Appropriations Resolution
Benton Harbor Area Schools**

RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriation in the **General Fund** for the 2019-20 fiscal year is as follows:

Revenue:	Local	\$ 6,589,515
1XX	Intermediate	\$ -
2XX	State	\$ 12,348,363
3XX	Federal	\$ 5,570,050
4XX	Incoming Transfers & Other	\$ 774,152
5XX	Fund Modifications	\$ - \$
6XX	Total Revenue	25,282,089
	Fund Balance July 1, 2019 (estimated)	\$ (4,422,143)
	Total Available to appropriate	\$ 20,859,946

BE IT FURTHER RESOLVED, that \$22,588,427 of the total available to appropriate in the **General Fund** is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures:		
Instruction	Basic Program	\$ 7,536,931
11X	Added Needs	\$ 5,572,694
12X	Adult and Continuing Education	\$ 90,000
13X		
Support Services	Pupil	\$ 1,007,551
21X	Instructional Staff	\$ 2,076,122
22X	General Administration	\$ 911,833
23X	School Administration	\$ 884,454
24X	Business	\$ 894,655
25X	Operations/Maintenance	\$ 2,804,192
26X	Transportation	\$ 1,550,341
27X	Central Services	\$ 467,594
28X	Other	\$ 456,384
29X	Community Services	\$ 237,258
3XX	Facility Acq./Prior Period Adjustments	\$ 160,000
4XX	Long-term Debt	\$ 444,263
5XX	Fund Modifications	\$ 165,619
6XX	Total Appropriated	\$ 25,259,891
	Estimated Fund Balance on June 30, 2019	\$ (4,399,945)

Initial 2019-20 Budget

RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriation in the **Food Service Fund** for the 2019-20 fiscal year is as follows:

Revenue:	Local	\$	67,253
1XX	Intermediate	\$	-
2XX	State	\$	42,045
3XX	Federal	\$	1,504,448
4XX	Incoming Transfers & Other	\$	-
5XX	Fund Modifications	\$	-
6XX	Total Revenue	\$	1,613,746
	Fund Balance July 1, 2019 (estimated)	\$	1,309,853
	Total Available to appropriate	\$	2,923,599

BE IT FURTHER RESOLVED, that \$4,042,137 of the total available to appropriate in the **Food Service Fund** is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures:			
Support Services	Pupil	\$	-
21X	Instructional Staff	\$	-
22X	General Administration	\$	-
23X	School Administration	\$	-
24X	Business	\$	2,678
25X	Operations/Maintenance	\$	48,218
26X	Transportation	-	
27X	Central Services	\$	7,763
28X	Other	\$	1,510,256
29X	Fund Modifications	\$	-
62X	Total Appropriated		1,568,914
	Estimated Fund Balance on June 30, 2020		1,354,685

Initial 2018-19 Budget

BE IT FURTHER RESOLVED, that no Board of Education member or employee of the school district shall expend any funds or obligate the expenditure of any funds except pursuant to appropriations made by the Board of Education and in keeping with the budgetary policy adopted by the Board. Changes in the amounts appropriated by the Board shall require approval by the Board; however, revenue and expenditure changes shall be permitted by the Superintendent or designee without Board approval provided such changes do not change the total budgeted revenues or the total budgeted expenditures and outgoing transfers for any fund.

BE IT FURTHER RESOLVED, that the Superintendent is hereby charged with general supervision of the execution of the budget adopted by the Board and shall hold the department heads responsible for performance of their responsibilities within the amount appropriated by the Board of Education and in keeping with the budgetary policy adopted by the Board.

BE IT FURTHER RESOLVED, that the 2019 millage rates shall be as follows:

Operating millage on non-homestead property	18.0000 mills
Sinking fund millage on all property	2.0000 mills
Commercial personal property	6.0000 mills

This budget is to take effect immediately.

Vote:

Ayes

PATRICIA RUSH, JOSEPH TAYLOR, LUE BUCHANA
5 MILHERE CROWDER, DENISE WHITLEY-SEATS

Nays

0

Abstain

0

Resolution declared (circle one) adopted / not adopted.

Board Secretary's signature

Patricia Rush
Pat J. B.

VEN-KEY	VENDOR NAME	ACH VOID DOWNLOAD	INVOICE #	PO NUMBER	BATCH	BANK	DISCOUNT DESCRIPTION	DISC AMT	ADJUSTMENT DESCRIPTION	LO S	INV DATE	DUE DATE	NET AMOUNT
										FY	ADJ AMT	CHECK NBR	INVOICE AMOUNT
BENTON C000	BENTON CHARTER TOWNSHIP		BCT11 Credit	0000000000	billsl	AP AC	CREDIT for ACCT #:			B	07/10/2018	07/10/2018	\$-113.29
							PIP1-001421-0000-01 / 1421						
							Pipestone / WA			18-19			\$-113.29
SCHOOL I000	School Improvement Network		11111	0000000000	11111	AP AC	11111111			B	05/15/2019	05/15/2019	\$1.00
										18-19			\$1.00
JOHNSON 001	JOHNSON CONTROLS FIRE PROTECTION		41282773	5001900036	billsl	AP AC	Johnson Controls PO for Hull			P	06/21/2019	07/10/2019	\$173,684.00
							Middle School Fire Control;						
							CCTV and Access Control -			19-20			\$173,684.00
JOHNSON 001	JOHNSON CONTROLS FIRE PROTECTION		41282772	5001900037	billsl	AP AC	Johnson Controls Fire			P	06/21/2019	07/10/2019	\$164,309.00
							Protection - ACA			19-20			\$164,309.00

TOTAL NUMBER OF BATCH INVOICES: 4

TOTAL INVOICES: 4

BANK TOTALS: BANK AP AC **A101 1200 00000 000 0000 0000 INVOICE AMOUNT \$337,880.71

LIQUIDATION STATUS (IQ) CODE LEGEND:
 L = LIQUIDATION PENDING C = CLOSED PO/NOT RECEIVING
 P = PARTIAL LIQUIDATION F = FULL LIQUIDATION
 BLANK = NO LIQUIDATION

***** End of report *****

Benton Harbor Area Schools, Michigan
 Projected Monthly Cash Flow for Fiscal Year Ended June 30, 2020 (Working Document, Preliminary, Subject to Change)

Projected Cash Flow	First Quarter		
	Jul-19	Aug-19	Sep-19
Beginning Cash Balance	\$ 2,198,264.00	\$ 1,515,883.00	\$ 2,037,266.00
Receipts			
State Aid	\$ 1,011,014.00	\$ 869,041.00	\$ -
Property Taxes	\$ -	\$ 882,773.00	\$ 3,746,042.00
Federal Grants	\$ 566,000.00	\$ 566,000.00	\$ 566,000.00
Note Proceeds	\$ -	\$ 5,280,000.00	\$ -
Transfers	\$ -	\$ -	\$ -
Other Receipts	\$ 59,616.00	\$ 59,616.00	\$ 59,616.00
Tax Anticipation Note	\$ -	\$ -	\$ -
\$	\$ -	\$ -	\$ -
Total Receipts	\$ 1,636,630.00	\$ 7,657,430.00	\$ 4,371,658.00
Disbursements			
Payroll	\$ 1,015,356.00	\$ 1,015,356.00	\$ 1,015,356.00
ORS Payments	\$ -	\$ -	\$ -
Note Payments	\$ 410,116.00	\$ 5,227,152.00	\$ -
Accounts Payable	\$ 893,539.00	\$ 893,539.00	\$ 893,539.00
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ 72,036.00
TAN Repayment	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Total Disbursements	\$ 2,319,011.00	\$ 7,136,047.00	\$ 1,980,931.00
<i>Net Change</i>	<i>\$(682,381.00)</i>	<i>\$ 521,383.00</i>	<i>\$ 2,390,727.00</i>
Ending Cash Balance	\$ 1,515,883.00	\$ 2,037,266.00	\$ 4,427,993.00

Benton Harbor Area Schools, Michigan
 Projected Monthly Cash Flow for Fiscal Year Ended June 30, 2020 (Working Document, Preliminary, Subject to Change)

Projected Cash Flow	Second Quarter		
	Oct-19	Nov-19	Dec-19
Beginning Cash Balance	\$ 4,427,993.00	\$ 4,257,675.00	\$ 4,516,093.00
Receipts			
State Aid	\$ 960,035.00	\$ 960,035.00	\$ 960,035.00
Property Taxes	\$ 172,946.00	\$ 1,238,205.00	\$ 28,696.00
Federal Grants	\$ 566,000.00	\$ 849,000.00	\$ 566,000.00
Note Proceeds	\$ -	\$ -	\$ -
Transfers	\$ -	\$ -	\$ -
Other Receipts	\$ 59,616.00	\$ 74,520.00	\$ 59,616.00
Tax Anticipation Note	\$ -	\$ -	\$ -
\$	\$ -	\$ -	\$ -
Total Receipts	\$ 1,758,597.00	\$ 3,121,760.00	\$ 1,614,347.00
Disbursements			
Payroll	\$ 1,015,356.00	\$ 1,523,034.00	\$ 1,015,356.00
ORS Payments	\$ -	\$ -	\$ -
Note Payments	\$ -	\$ -	\$ -
Accounts Payable	\$ 893,539.00	\$ 1,340,308.00	\$ 893,539.00
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Debt Service	\$ 20,020.00	\$ -	\$ -
TAN Repayment	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Total Disbursements	\$ 1,928,915.00	\$ 2,863,342.00	\$ 1,908,895.00
<i>Net Change</i>	<i>\$ (170,318.00)</i>	<i>\$ 258,418.00</i>	<i>\$ (294,548.00)</i>
Ending Cash Balance	\$ 4,257,675.00	\$ 4,516,093.00	\$ 4,221,545.00

Benton Harbor Area Schools, Michigan
 Projected Monthly Cash Flow for Fiscal Year Ended June 30, 2020 (Working Document, Preliminary, Subject to Change)

Projected Cash Flow	Third Quarter		
	Jan-20	Feb-20	Mar-20
Beginning Cash Balance	\$ 4,221,545.00	\$ 4,038,473.00	\$ 3,723,051.00
Receipts			
State Aid	\$ 960,035.00	\$ 960,035.00	\$ 960,035.00
Property Taxes	\$ 140,172.00	\$ 7,822.00	\$ -
Federal Grants	\$ 566,000.00	\$ 566,000.00	\$ 566,000.00
Note Proceeds	\$ -	\$ -	\$ -
Transfers	\$ -	\$ -	\$ -
Other Receipts	\$ 59,616.00	\$ 59,616.00	\$ 59,616.00
Tax Anticipation Note	\$ -	\$ -	\$ -
\$	\$ -	\$ -	\$ -
Total Receipts	\$ 1,725,823.00	\$ 1,593,473.00	\$ 1,585,651.00
Disbursements			
Payroll	\$ 1,015,356.00	\$ 1,015,356.00	\$ 1,015,356.00
ORS Payments	\$ -	\$ -	\$ -
Note Payments	\$ -	\$ -	\$ -
Accounts Payable	\$ 893,539.00	\$ 893,539.00	\$ 893,539.00
\$	\$ -	\$ -	\$ -
\$	\$ -	\$ -	\$ -
\$	\$ -	\$ -	\$ -
\$	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -
TAN Repayment	\$ -	\$ -	\$ -
\$	\$ -	\$ -	\$ -
\$	\$ -	\$ -	\$ -
Total Disbursements	\$ 1,908,895.00	\$ 1,908,895.00	\$ 1,908,895.00
<i>Net Change</i>	<i>\$ (183,072.00)</i>	<i>\$ (315,422.00)</i>	<i>\$ (323,244.00)</i>
Ending Cash Balance	\$ 4,038,473.00	\$ 3,723,051.00	\$ 3,399,807.00

Benton Harbor Area Schools, Michigan
 Projected Monthly Cash Flow for Fiscal Year Ended June 30, 2020 (Working Document, Preliminary, Subject to Change)

Projected Cash Flow	Fourth Quarter		
	Apr-20	May-20	Jun-20
Beginning Cash Balance	\$ 3,399,807.00	\$ 2,614,517.00	\$ 1,265,730.00
Receipts			
State Aid	\$ 960,035.00	\$ 960,035.00	\$ 960,035.00
Property Taxes	\$ -	\$ -	\$ 414,967.10
Federal Grants	\$ 566,000.00	\$ 849,000.00	\$ 566,000.00
Note Proceeds	\$ -	\$ -	\$ -
Transfers	\$ -	\$ -	\$ -
Other Receipts	\$ 59,616.00	\$ 74,520.00	\$ 59,616.00
Tax Anticipation Note	\$ -	\$ -	\$ 3,360,000.00
	\$ -	\$ -	\$ -
Total Receipts	\$ 1,585,651.00	\$ 1,883,555.00	\$ 5,360,618.10
Disbursements			
Payroll	\$ 1,015,356.00	\$ 1,523,034.00	\$ 1,015,356.00
ORS Payments	\$ -	\$ -	\$ -
Note Payments	\$ -	\$ 369,000.00	\$ 369,000.00
Accounts Payable	\$ 893,539.00	\$ 1,340,308.00	\$ 993,539.00
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Debt Service	\$ 462,046.00	\$ -	\$ -
TAN Repayment	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Total Disbursements	\$ 2,370,941.00	\$ 3,232,342.00	\$ 2,377,895.00
<i>Net Change</i>	<i>\$ (785,290.00)</i>	<i>\$ (1,348,787.00)</i>	<i>\$ 2,982,723.10</i>
Ending Cash Balance	\$ 2,614,517.00	\$ 1,265,730.00	\$ 4,248,453.10