

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

Wednesday, July 15, 2020
Virtual Meeting via Microsoft Meeting

MINUTES

I. Call to Order

Chair Jessica Thomas called the meeting to order at 4:03 p.m.

A. Roll Call

Members Present – 5 (via phone)

Jessica Thomas

Patrice Johnson

John Schrier

Clinton Todd – Arrived at 4:06 p.m.

Dale Nesbary

Members Absent – 0

(None)

Governor Whitmer’s Executive Order 2020-154 provides authorization of remote participation in public meetings and hearings in accordance with the Opening Meetings Act (OMA). A quorum was present.

B. Approval of RTAB Minutes

Motion by Mr. Schrier to approve the draft minutes. Motion moved and seconded by Dr. Nesbary. The RTAB approved the June 17, 2020 meeting minutes.

II. Old Business

A. District Finance Update

As requested by Mr. Schrier and Dr. Johnson from June 17, 2020 RTAB meeting, Mr. Lewis provided additional information about potential general fund budget scenarios, payment options of long-term debt and interest rate options for the emergency loans. Mr. Lewis also emphasized the importance of holding a general fund balance. Dr. Nesbary supported Mr. Lewis’s comments regarding the importance of fund balance.

III. New Business

A. District Updates

Mr. Lewis provided an overview of the July reports. Mr. Lewis stated that he is available to answer any questions on any of the items he provides an update on during the meeting.

B. July 15, 2020 Monthly Reports

i. Liabilities Report

Mr. Lewis reported that the district paid its June emergency loan obligations of \$410,502. Mr. Lewis stated that the June reports reflect updated interest amounts owed on the outstanding School Bond Loan Fund and School Loan Revolving Fund, showing an increase of \$125,000. Mr. Lewis stated the district has reduced their principal on three out of four emergency loans.

ii. Cash Flow Projections

Mr. Lewis reported cash is stable for the district. The district is on track with meeting all the obligations. The district's cash position will be strengthened by \$140,000 due to higher tax revenues than budgeted.

iii. Comparison of Budgeted Revenue and Expenditure to Actual

Mr. Lewis reported that the district will see some additional revenues and expenditures for FY 2019-20. Mr. Lewis noted the district has a 60-day grace period to claim revenues for the fiscal year. Invoices for FY 2019-20 will be received in July and August.

The district anticipates an \$140,000 increase in tax revenues than stated on the general fund budget amendment. The \$140,000 was money that could not be claimed during the FY 2017-18 audit due to lack of supporting documentation. On June 24, 2020, the audit firm and City of Muskegon Heights provided the district with the documentation. The documentation allowed the district to reclaim the revenues.

IV. Public Comment

None.

V. Board Comment

Dr. Johnson inquired about fall plans and Muskegon Heights Public School Academy Board reorganization per the request of the district board. Chair Thomas responded that the RTAB has not received documents detailing the proposed transition. Upon receipt, the information will be included in the RTAB packets and brought before the RTAB for a vote.

VI. Adjournment

There being no further business, Chair Jessica Thomas adjourned this meeting at 4:20 p.m.