

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

Wednesday, February 21, 2018
Conference Room
2603 Leahy St.
Muskegon Heights, MI 49444

MINUTES

I. Call to Order

Chair Michael Wrobel called the meeting to order at 4:04p.m.

A. Roll Call

Members Present – 4

Patrice Johnson

Dale Nesbary

Clinton Todd

Michael Wrobel

Members Absent – 1

John Schrier

A quorum was present.

B. Approval of Minutes

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

II. Old Business

Mr. Lewis provided a requested analysis of the District's Qualified Zone Academy Bond (QZAB) liability showing interest and set-aside projections out to December 2022 when the full payment is made.

III. New Business

A. News and Updates

Chair Wrobel provided an update on the Emergency Loan Board schedule. The meeting will include other districts and is expected to have a meeting date scheduled by early March.

B. Monthly Reports

i. Cash Flow Projections

Chair Wrobel asked about tax revenue receipts from September to December. Mr. Lewis answered the District has a summer and winter levy and receives the amounts as they are paid. Mr. Lewis also reported the district has historically had a high delinquency rate of around 30%.

Chair Wrobel asked about miscellaneous spending. Mr. Lewis responded the amount is carried across in case any small expenditures occur such as a boiler motor that recently malfunctioned in the District.

High legal costs were brought up. Mr. Lewis noted that the District has recently changed law firms citing potential savings. Other high costs included major transitions in the previous couple of years.

ii. Liabilities Report

Mr. Lewis reported continued increases in ORS and UIA liabilities. The District was recently reactivated in UIA's online system triggering additional fees. The District is communicating with UIA and submitted a request for abatement to eliminate these fees. The date of the emergency loan still remains a concern for budget and cash projections.

Ms. Johnson asked about the requested emergency loan amount being lower than the combined liabilities to UIA and ORS. This was explained that only a set amount of funds were appropriated for districts to receive in emergency loans. The District will have to pay the remainder of the outstanding liabilities.

iii. Comparison of Budgeted Revenue and Expenditure to Actual

Mr. Lewis reported the Technology budget item still includes a payable from Highland Park Schools. This will remain in the system until the amount has been received. A budget amendment will be expected in the next couple of months.

IV. Public Comment

None

V. Adjournment

Motion made to adjourn by Dr. Nesbary. Motion moved and seconded by Ms. Johnson. The Board approved the motion to adjourn.

There being no further business, the meeting adjourned at 4:25p.m.