

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

Wednesday, January 18, 2017
Conference Room
2603 Leahy St.
Muskegon Heights, MI 49444

MINUTES

I. Call to Order

Chair Ann Storberg called the meeting to order at 4:04pm

A. Roll Call

Members Present – 5

Patrice Johnson (via phone)

Dale Nesbary

John Schrier

Ann Storberg

Clinton Todd

Members Absent – 0

(None)

Let the record show that four Board members eligible to vote were present and participated in person. One board member eligible to vote was present and participated via phone as provided in Article IV, Section 5 of Board Resolution 2016-2. A quorum was present.

B. Approval of Minutes

Motion made to approve the draft minutes of the RTAB's November 16, 2016 meeting as presented. Motion moved and supported. The RTAB approved the minutes of the November 16, 2016 meeting as presented.

II. Old Business

None

III. New Business

A. Financial Overview

i. District Debt

Mr. John Lewis, Assistant Superintendent for Finance and Administration for Muskegon Heights School District presented an overview of the District's outstanding short- and long-term liabilities. He stated that the District plans to continue borrowing from the School Bond Loan Fund and School Loan Revolving Fund when needed. The total amount due to the Office of Retirement Services (ORS) as of December 16, 2016 was \$1.9 million. The District made a \$500,000 payment to ORS in October 2016 and is planning to make another payment of approximately \$600,000 in June 2017. Per an agreed upon payment plan with ORS, the payments will first be applied to the principal balance and after it is paid off, the payments will be applied to the interest balance.

ii. Two-Year Budget

Mr. Lewis summarized the District's two-year budget. He noted that any amendments will require action by the Board. This will include a technology millage, and revisions to the amount due to the Unemployment Insurance Agency.

B. Monthly Reports

i. Liabilities Report

Mr. Lewis reviewed the current liabilities report. The only open payable is due to the Michigan Department of Education relating to grant monies received but never expended, and are now due back to the state.

ii. Cash Flow Projections

Mr. Lewis reviewed the District's projected monthly one-year cash flow report noting the timing of tax revenues and expenses, but believes the outlook for the district's cash position over the remainder of CY 2017 was good.

iii. Comparison of Budgeted Revenue and Expenditure to Actual

Mr. Lewis provided a comparison of budgeted revenue and expenditure to actual for the District. He stated that there is a lag between revenue from a split levy and roughly \$100,000 in delinquent taxes in which the District should be receiving payments in the next couple months. Taxable value does remain a concern for the District.

Some expenditure functions are above budgeted amounts, these will be covered by reduced expenditure in other areas. Other considerations include renting office space in the District's administrative building to raise revenue. The District is also looking to reduce overhead costs where possible.

IV. Public Comment

None

V. Adjournment

Motion made to adjourn. Motion moved and supported. The Board approved the motion to adjourn.

There being no further business, the meeting adjourned at 3:43 p.m.