

**School District of the City of Muskegon Heights
Receivership Transition Advisory Board Agenda
Wednesday, March 17, 2021, 4:00 PM
Virtual Meeting via Microsoft Teams**

1. CALL TO ORDER

A. Roll Call

J. Thomas D. Nesbary J. Schrier P. Johnson C. Todd

B. Approval of RTAB Minutes

1. Regular Meeting of February 17, 2021

C. COMMUNICATIONS

1. Communication from Muskegon Heights Public School Academy to Muskegon Heights Public School Board
2. MHPSAS Master Calendar

2. OLD BUSINESS

3. NEW BUSINESS

A. District Financial Update

1. March Financial Status Report
 - a. Liabilities Report
 - b. Cash Flow Projections
 - c. Comparison of Budgeted Revenue and Expenditure to Actual

B. Review and approval of the School District of the City of Muskegon Heights Receivership Transition Advisory Board FY 2021 Budget Amendment #1

1. RTAB Resolution 2021-2

4. PUBLIC COMMENT

5. BOARD COMMENT

6. ADJOURNMENT

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

Wednesday, February 17, 2021
Virtual Meeting via Microsoft Teams

MINUTES

1. Call to Order

- a. Chair Jessica Thomas called the meeting to order at 4:02 p.m.
- b. In accordance with Public Act 228 of 2020, this meeting will be held by remote participation.

2. Roll Call

Members Present-3

Dr. Dale K. Nesbary – Muskegon, MI

John Schrier – Muskegon, MI

Jessica Thomas, Birmingham, MI

Members Absent - 2

Dr. Patrice Johnson

Clinton Todd

A quorum was present.

3. Approval of RTAB Minutes

Motion made by Dr. Nesbary and seconded by Mr. Schrier to approve the draft minutes of the RTAB February 3, 2021 meeting. The RTAB members unanimously approved the meeting minutes as presented.

4. Communications

- a. None

5. Old Business

- A. District Financial Update

1. January Financial Status Report

a. Liabilities Report

Mr. Lewis reported that interest payments in the amount of \$174,000 were made on the district's Emergency Loans which is reflected in the report.

b. Cash Flow Projections

Mr. Lewis reported that cash flow continues to remain stable for the next year, even with the increase in insurance premiums. He also noted that enrollment increased from last year by 11 FTE's, which gave the cash flow a boost in the amount of \$2,100.

c. Comparison of Budgeted Revenue and Expenditure to Actual

Mr. Lewis reported that the district is expecting to receive tax proceeds for the winter levy this month. He also reported that approximately \$145,000 in the miscellaneous revenue account is earmarked for repairs at the high school and the Martin Luther King buildings. Mr. Lewis stated that there will be a significant increase of approximately \$30,000 for building insurance because the previous insurance carrier decided not to renew the district which forced them to seek the services of a new carrier. He noted that even though it is an unseen event, they were able to secure a new carrier. He further reported that the MHPS board voted to approve the new carrier and the budget will be amended to reflect this change.

Chair Thomas queried the cost and invited Mr. Lewis to provide a detailed breakdown of what was being covered.

Mr. Lewis stated that 4 buildings were included in the coverage: Edgewood, Martin Luther King; the high school and the Administrative building. He reported that even though they had a low claims history, he believed that the main reason the insurance company dropped them was because of the recent claims that were filed for wind damage at the high school and for repairs to a section of the roof at the Martin Luther King building, which were expensive claims.

Chair Thomas queried if the costs would have been lower if consideration were given to joining pools and was informed that it was considered but went with the new insurance company because the rates were better at the time. He stated, however, that there was no objection to revisiting joining a pool going forward.

Mr. Lewis also reported that the contract between the former district and the academy provided specific details for the type of insurance that was needed and stated that the district was adequately covered based on the requirements outlined in the contract.

Mr. Lewis gave a detailed overview of the budget to actual report and stated that the document is somewhat obsolete at this time, because the board voted on a proposed budget amendment since this document was prepared. He continued to say that the revenues were higher than predicted due to the

money collected from the insurance company for building repairs. He also reported that there is not much to report in terms of the actual expense because at the time the report was prepared there were no expenses; expenditures are high, but that was addressed in the February report. He further noted that they are currently working to open communication channels with PSA so that everyone will be made aware of their roles and responsibilities and the district can move forward.

Chair Thomas invited the Board to share any questions or concerns they have relating to the January Financial Status Report.

6. New Business

a. District Financial Update.

1. February Financial Status Report

a. Liabilities Report

Mr. Lewis reported that there was no change from the previous report.

b. Cash Flow Projections

Mr. Lewis reported that the cash flow continues to remain positive. He stated that a new revenue and expenditure line was added for property insurance claims so that the costs can be separated from the day-to-day expenditures.

Chair Thomas asked Mr. Lewis to clarify how special projects are defined and was informed it is for insurance.

c. Comparison of Budgeted Revenue and Expenditure to Actual

Mr. Lewis reported that the district received approximately \$47,000 in tax revenues last month and is expecting to receive approximately \$260,000 in winter levy revenues this month. He stated that the transfers are much higher than originally projected, which has been accounted for in the approved budget amendment. The change is attributed to building insurance payouts for damage at the high school and Martin Luther King buildings.

Mr. Lewis reported that the district is expecting significantly higher expenditures in certain cost categories. He further stated that legal fees will be much higher than originally expected but was accounted for in the approved budget amendment. The increase in building costs is as a result of the new insurance premiums.

d. 2020-21 Proposed Budget Amendment

Revenues:

Mr. Lewis reported on the FY 2020-21 proposed budget amendment that was approved by the MHPS board on February 1, 2021. He stated that the fund balance will be lower than originally projected due to unforeseen circumstances but noted that it was still positive for the fiscal year. He reported that \$50,000 was allocated for unpaid auction and delinquent tax fees, noting that the district was not charged these fees in the past two years, and there is a possibility that it can happen again this year or be lower than projected. All cost category changes are detailed in the tabs of budget amendment file.

Chair Thomas noted that there was an increase of \$11,000 and queried if it was reflected in the current 3% authorizer fees. Mr. Lewis stated that the increase was reflected in the current 3% authorizer fees.

Expenditures:

Mr. Lewis reported that the district is projecting an additional \$5,000 in legal fees per month over the next six months and stated that it is difficult to project at this time, given the amount of work that needs to be done.

The meeting was also informed that there will be an increase of \$179,000 for insurance payments, which includes additional payments for projects: weather related repairs to the administration building and a new water heater. He stated that the district was not renewed by their insurance carrier, which was no fault of their own, which has caused them to find a more expensive alternative insurance carrier.

Chair Thomas asked what the ending fund balance is and was informed that they are adding to the fund balance even though it is not as much as they had hoped for. Mr. Lewis stated that they were projecting the fund balance to be \$115,000 initially, but it is looking more like the ending fund balance will be \$43,220. He stated that there is an amount of \$33,000 for unpaid taxes and \$50,000 was set aside to cover that expense, which may or may not come to fruition. If it comes, he is anticipating that it will be at a much lower cost than originally projected; if it does not come, the \$50,000 would be added to the fund balance, which will bring the ending fund balance closer to the projected \$115,000.

Chair Thomas asked if he knew the timeline from the county and was informed that he does not have that information until he receives all the documentation from the Treasurer's office. Mr. Lewis stated that typically, they would receive the information in March, but due to the

COVID situation, he is expecting to receive it late June, at which time the final budget amendment will be prepared.

Chair Thomas noted that this is the third consecutive year the district added to their fund balance.

Chair Thomas invited the Board to share any questions or concerns they have relating to the February Financial Status Report.

7. Public Comment

None

8. Board Comment

- a. Dr. Nesbary queried the status of the information to be provided by counsel regarding the future existence of the RTAB.
 - b. Chair Thomas reported that an invitation will be extended to legal counsel to provide the requested information at the March 2021 RTAB monthly meeting.
- 9. Adjournment**

There being no further business, Chair Thomas adjourned the meeting at 4:32 pm.

CLARK HILL

Joseph B. Urban
T (248) 988-1829
F (248) 988-1827
Email: JUrban@ClarkHill.com

Clark Hill PLC
151 S. Old Woodward Ave., Suite 200
Birmingham, MI 48009
T (248) 642-9692
F (248) 988-1827

clarkhill.com

March 3, 2021

BY ELECTRONIC MAIL

Muskegon Heights Public Schools
c/o Ms. Brianna T. Scott, Esq. and Mr. Kevin Smith, Esq.
75 West Apple Avenue
Muskegon, MI 49440

Re: Talks for Joint Meeting at Impasse Due to Demand that System Acquiesce to Expanding Board and Seating Board Members as Precondition to Meeting

Dear Ms. Scott and Mr. Smith:

I write in response to the call that took place yesterday with you both and Ms. Cheryl Edwards-Cannon, charter school board consultant, in which two new preconditions to the planned joint meeting were set forth. I am disappointed that the Muskegon Heights Public Schools Board of Education (the "District") has taken the position that agreement by the charter school ("System") to expanding the System Board by two seats and agreeing upon the seating of an individual or individuals the System did not nominate to the System Board, is a precondition to a joint meeting of the parties for purposes of resetting the relationship.

After initially refusing the System's suggestion of a mediated meeting of principal decisionmakers of the parties to resolve differences in the late summer of 2020, Mr. Smith recently suggested a public meeting between the full boards with a mediator of his choosing and an agenda he had drafted as a means to bring the parties together. The System, believing it was on a path of normalizing relations, voiced no objections to any of the aforementioned items. Notably, the agenda proposed by Mr. Smith made no mention of agreeing to expand the System board or nominating board members.

The nominal cause of the District's dissatisfaction with the System is its professed belief that the System is not responsive to information requests. We discussed this position at length in our December 31, 2020 letter to Mr. Smith, attached. The root of the miscommunications between the parties, the System has discovered, is the lack of any framework through which the parties could communicate, given the unique situation that the District and the System find themselves after the withdrawal of state control. The lack of a Master Calendar of Reporting after the exit of the

Emergency Manager has been greatly responsible for the difficulties that the parties have had in their communications and expectations.¹ Ms. Edwards-Cannon agreed on the call that the Master Calendar is a key document, and was amazed that the parties were able to function without it. Of course, Ms. Edwards-Cannon, being new to the relationship, was not aware that the System, through its administration, had responded to each and every information request originating from the District's administration, as set forth in our December 31, 2020 letter to Mr. Smith, attached.

Although the creation and publication of the Master Calendar is, under the charter contract documents, the responsibility of the District, in an effort to move the conversation forward, the System adopted the Grand Valley State University Master Calendar and has been quite busy making curative filings to Epicenter to fill the Master Calendar requirements. The System's progress in this regard is attached.

While the District has professed communications issues as the root of its dissatisfaction, it has also engaged in a years long campaign to discredit the progress the System has made educationally, replace its board, and force the termination of its superintendent. This campaign has been carried out with public statements and statements in the media.

It was in this latter context that, at the end of yesterday's call, the District's two lawyers raised, for the first time in discussions about resetting the relationship, that a precondition to meeting would be the System's agreement to expand the System Board by two seats, and further agree to "compromise" board members to fill any vacancies that may exist. We understood the word "compromise" to mean board members of the District's choosing rather than consideration of any board members the System had nominated under the processes set forth in the Charter Contract. The System has remained hopeful and collaborative through this process, and believes that after resetting the relationship there would be space to explore establishing, with the District, appropriate qualifications for candidates to the System and recruiting based on those qualifications, that time has not yet arrived. Additionally, it is the System's position that there are no current vacancies to fill.

As I attempted to articulate the System's position that such preconditions appear too ambitious, especially for an initial meeting of the type that had previously been under discussion, the atmosphere on the call turned hostile and unreceptive to collegial discussion. As I attempted to make the System's position, stated above, clear, Mr. Smith continued to repeat the same question: "Why should Muskegon Heights be different than any other authorizer and have to ask permission to appoint members of is academy's board? How is that local control?"²

¹ See December 31, 2020 letter to Kevin Smith, *passim*.

² Quotes in this correspondence are approximations. At the end of the call, Mr. Smith disclosed that he had been secretly recording all of our calls. I requested copies of the recordings, which Mr. Smith stated he was refusing to provide. I have been and am endeavoring to closely summarize the exact quotes of the parties. However, due to Mr. Smith's refusal to provide the recordings, I only have access to my notes and recollections. Mr. Smith's decision to secretly record what are essentially settlement discussions among the parties clearly undermines the trust necessary to reach resolution of the parties' differences.

He also stated that the District Board is frustrated that its nominees to the System Board have been pending for many months.³ Ms. Scott emphasized that agreement by the System Board to the nomination of a slate of appointees to the System Board is a precondition to any meeting, and Mr. Smith stated that the entire reason that he was pursuing this course of action was over the District's frustration over the delay in appointment of members of the System Board.

Mr. Smith's analogy between the situation in Muskegon Heights and other charter/authorizer relationships does not withstand scrutiny. The relationship is quite different than any charter school/authorizer relationship in the state. First, unlike a traditional charter school situation, where an applicant petitions an authorizer for a contract to operate a charter school, the State, due to the unresolved financial emergency at the District, facilitated the creation of the System. The State, through its agents, solicited the System's initial management company (Mosaica Education), and drafted the initial charter documents. Unlike all other charter schools in the state, with the exception of Highland Park, which was created contemporaneously with the System and for the same reasons, Muskegon Heights School District, which granted the charter, does not operate K-12 instruction. It depends on the System for this basic function. The District was left intact by the State to collect operating millage and to repay millions in indebtedness to the State and to the Teachers' Retirement Fund. For many years of the System's existence, the District did not even act as an authorizer – that role was filled by the State's appointed Emergency Manager, who governed the relationship of the parties.

Additionally, unlike other charter schools, which have a finite term, the Charter Contract that the State drafted and the Emergency Manager enforced does not expire until "the first June 30th that is at least one calendar year after the District's emergency loans from the State of Michigan and outstanding obligations to the Michigan Public School Employees Retirement System are paid in full, as determined by the State Treasurer." Upon information and belief, that date will be some time in the 2030's.

³ In addition to the matters raised by Mr. Smith, he indicated that he will be litigating the issue of Mr. Parker's service on the System Board. Mr. Smith incorrectly asserted that the RTAB had resolved the matter and that his term has expired by law. We attempted to explain that the issue has far from been resolved, and that Mr. Wolfe left the resolution open in his presentation to the RTAB, to which Mr. Smith responded that, during private communications between Mr. Smith and Mr. Wolfe, Mr. Wolfe confided his opinion is that Mr. Parker's continued service is not supported by the highly ambiguous Order of the Emergency Manager. This position may place the System's state aid note in jeopardy, given Mr. Parker's essential vote approving the borrowing. The RTAB should consult with the System's Note Counsel, Thrun, and its counsel, Dykema, on this issue, as we fear an abrupt and catastrophic result could cause irreparable damage to the statewide Note program. We discussed this situation in prior correspondence to the RTAB Board, which is in the RTAB meeting materials.

Further, and quite significantly, the Charter Contract anticipates the Receivership Transition Advisory Board (RTAB) as a check on actions of the District Board through its term.⁴ The RTAB is written into the revocation and reconstitution provisions of the Charter, as well as the Orders of the Emergency Manager, indicating the potential need for this body to remain as a buffer between the parties.

The System is appropriately operating under the structure set forth in its governing documents. It is the District that is seeking to achieve a result that the Charter Contract does not contemplate, namely, installing its own slate of directors to the System Board in an effort to achieve its publicly stated goals of “taking over” the System and terminating the System’s Superintendent.⁵

As to the selection of board members, the Emergency Manger had established the method under which members of the System Board subsequent to the initially-installed Board members are to be selected and appointed:

The System Board, by resolution and majority vote, shall nominate its subsequent members, except as provided herein. The System Board shall recommend to the District Board at least one nominee for each vacancy. Nominees shall submit the *Public School Academy System Board Member Appointment Questionnaire* for review by the District Board or an authorized designee. If the District Board does not appoint a nominee submitted by the System Board, the System Board shall submit at least two (2) additional nominees for consideration. If the District Board and System Board are unable to agree on a subsequent System Board nominee for appointment and an Advisory Board is in place for the District, then the Advisory Board shall appoint the subsequent System Board member. The Advisory Board is not required to appoint a person nominated by the System Board.⁶

The Order does not provide a place for the District Board to appoint members to the System Board without the approval of the Receivership Transition Advisory Board. The setting of

⁴ It is important to note that an additional unconsidered difference in Mr. Smith’s analogy to other authorizers is that all university authorizers have, as a check on overreaching action, the university board of trustees. In the case of K-12 authorizers, the school board acts as a check on overreaching by the administration. In the case at hand, it is the District board that has publicly stated its desire to close the District if it does not get its way in taking over the System Board. See Muskegon Heights school board discusses dissolving district, https://www.mlive.com/news/muskegon/2018/09/muskegon_heights_school_board_10.html. The RTAB is merely a check analogous to the university boards and K-12 Boards in their functioning role identified above.

⁵ Mr. Smith has admitted in conversation with the author that the District’s main goal is to displace the Superintendent and install a leader more amenable to the District. Public statements have been made in this regard by individuals associated with the District.

⁶ See Order 2016-8, Emergency Manager of Muskegon Heights Public Schools, Exhibit A, Method of Selection and Appointment, Paragraph 2.

the precondition under discussion is an attempt by the District to sideline the RTAB, which had to date declined to seat any District candidates.⁷

The System Board believes that the process of facilitating a joint meeting should be an attempt to restart the relationship between the parties, from which a broad agreement may hopefully be reached for the harmonious provision of education to the students of the System.

As it relates to board member appointments, the System Board is not making any assertions about the process other than affirming its resolve to follow the documents governing its existence. The District's ongoing and stated attempts to micro-manage education at the System, replace the System's board, and terminate the System's Superintendent, have made the System necessarily defensive as it attempts to discharge its responsibility to educate the children attending its programs.

A brief recap of the District's attempts to replace the System Board to achieve its agenda, set forth below, sets forth the evidence for, and validates, the System's concerns.

In May of 2020, District Board President Scott wrote to the System Board on behalf of the District alleging numerous concerns. The letter stated that the District was considering replacement of the System board. The System responded on June 8, 2020 with a point-by-point analysis that rebutted the District's assertions of wrongdoing, and asking for further constructive dialogue in the event that the District believed any of the information provided needed further explanation.⁸ The response also made the request for a third-party mediator to assist in reconciling the parties. The System never received any formal response to the letter, but only heard from different sources that the District believed that there was no response provided. Mr. Smith stated that the District was not interested in any mediation. This topic was raised by Board President Scott on a call on December 30, 2020. Our December 31, 2020 correspondence to Mr. Smith discussed this issue, and the System's response, in detail.

⁷ At a recent RTAB meeting, there was discussion by members of the RTAB that the nominees put forward by the District did not possess evidence of the significant educational experience the District has stated is necessary for a System board member. Given the animosity the District and its supporters have expressed toward the System, the System is rightfully suspicious that the goals and agendas of any District appointees would not be in harmony with educational excellence, but instead would be to further the District's goal of interfering with the System's operations.

⁸ See https://www.michigan.gov/documents/treasury/December_2_2020_RTAB_Meeting_Packet_709343_7.pdf at pg.129.

Notwithstanding the response from the System inviting more dialogue and suggesting a third party to reconcile the parties, on August 13, 2020, the District Board passed a resolution to remove all sitting members of the Sitting Board and replace them with District appointees.⁹ On September 14, Ms. Brianna Scott notified the RTAB that the terms of the System Board Members had ended “by default,” and that new members had been appointed by the District with immediate effect.¹⁰ Mr. Smith’s request to the RTAB on November 11, 2020 was to remove all sitting System Board Members, expand the System Board by two seats and replace them with District appointees.¹¹ On September 16, 2020, RTAB Attorney Leonard Wolfe wrote Ms. Scott informing her that “it is premature for the District to announce these appointments as effective before action is taken on the District Board’s request by the RTAB.”

Yesterday’s call and the preconditions expressed by Mr. Smith and Ms. Scott are an effort to achieve the District goals set forth above, clothed instead in a veneer of collaboration. That veneer quickly wore off when we attempted to share the System’s position that addressing board vacancies is premature.

The System would absolutely like to be in a position to work with the District in resolving issues regarding board service.¹²

The System remains ready to meet with the District upon an agenda which can be mutually agreed upon by the parties, and which has the goal of resetting the relationship rather than forcing confrontation. Again, while the System cannot agree to meet under the preconditions that the District has set for the reasons discussed above, the System stands ready to meet when both parties are able to convene in good faith with no purpose but the betterment of education in Muskegon Heights.¹³

⁹ https://www.michigan.gov/documents/treasury/December_2_2020_RTAB_Meeting_Packet_709343_7.pdf at pg. 37.

¹⁰ See Id. at pg. 80.

¹¹ See Id. at pg. 24.

¹² It should be noted that there is not a meeting of the minds on the number of vacancies on the System Board. It appears that the only position that the District asserts is a vacancy on the board as currently structured is Mr. Parker’s position, which leaves only one vacancy. The Academy bylaws permit a quorum by majority, so there is no problem in having a quorum.

¹³ Given the significant erosion of trust created by Mr. Smith’s secret recording of the negotiation discussions between the parties, including his refusal to make the recordings available to all parties, further planning in this regard should take place by email, or should be mediated.

Board of Education
Muskegon Heights School District
March 3, 2021
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Please contact me to discuss these matters further.

Respectfully,
CLARK HILL PLC



Joseph B. Urban

cc: Ms. Brandy Johnson, Office of the Governor of the State of Michigan
Superintendent Mike Rice, Michigan Superintendent of Public Instruction
Ms. Jessica Thomas, RTAB Chair
Mr. Leonard Wolfe, Counsel to the RTAB
Mr. Garland Kilgore, President, Muskegon Heights Public School Academy System
Ms. Cheryl Edwards-Cannon, Charter School Consultant

who will upload originally

Rachel

| RequirementMasterName | Upload Complete | EntityTypeName |
|---|--|----------------|
| Annual Education Report | complete | School |
| Audited Financial Statements | Complete | School |
| Annual Board Meeting Posting | Complete | Board |
| Board Meeting Proposed Minutes - Regular (submitted monthly for each meeting) | | Board |
| Board Meeting Approved Minutes - Regular (submitted monthly for each meeting) | minutes and agenda: Nov, Dec, Oct, Sept, Aug, July | Board |
| Board Meeting Agenda - Regular (submitted monthly for each meeting) | with minute submission | Board |
| Board Meeting Packet (submitted monthly for each meeting) | | Board |
| Board Meeting Agenda - Special (submitted as needed) | with minute submission | Board |
| Board Meeting Packet - Special (submitted as needed) | | Board |
| Board Meeting Posting - Special (submitted as needed) | | Board |
| Board Meeting Proposed Minutes - Special (submitted as needed) | | Board |
| Board Meeting Approved Minutes - Special (submitted as needed) | 11/5/20, 7/24/20 | Board |
| Board Policy Manual | already uploaded | Board |
| Budget - Approved | Complete | School |
| District Credit Card Information | Complete | School |
| District Paid Association Dues | Complete | School |
| District Paid Lobbying Costs | Complete | School |
| District Paid Out-of-State Travel Information | Complete | School |
| Emergency Drills Log | Complete | School |
| Employee Compensation Information | Complete | School |
| Employer Sponsored Health Care Plans | | School |
| ESP Operating Expenditures | Complete | School |
| ESP Transparency Expenditure Report | Complete | School |
| Expense Reimbursement Policy | Complete | School |
| Personnel Expenditures | Complete | School |
| Procurement Policy | Complete | School |

who will upload originally

Rachel

| RequirementMasterName | Upload Complete | EntityTypeName |
|--|---------------------------------------|----------------|
| School Improvement Plan | Complete | School |
| Statement of Reimbursed Expenses | Complete | School |
| Lease Agreement | Complete | School |
| COVID-19 Preparedness and Response Plan | Complete | School |
| Management Contract (MM1) | | School |
| School Calendar | complete | School |
| Asbestos Inspection | | School |
| Asbestos Plan and Approval | | School |
| Bloodborne Pathogens Training | | School |
| Boiler Inspection | This will be completed 03/03/21 | School |
| Certificate of Insurance | Complete | School |
| CHRI Certification | | School |
| Elevator Inspection | Complete | School |
| Enrollment Policy | | School |
| Assessment Calendar | Complete | School |
| FERPA Notice | Complete | School |
| Educational Goals for the Extended COVID-19 Learning Plan | Complete- this is the mid-year update | School |
| Certificate of Occupancy | Completed | School |
| Constitution Day Certification | complete | School |
| Right to Prayer Certification | complete | School |
| Extended COVID-19 Learning Plan | complete | School |
| Quarterly Financial Statements (submitted for all 4 quarters) | up to date | School |
| Annual Nonprofit Corporation Update | Complete | School |
| Audited Student Count (Setup as Fall and Supplementary collection) | Complete | School |
| Annual Inventory of Capital Assets | Complete | School |

who will upload originally

Rachel

| RequirementMasterName | Upload Complete | EntityTypeName |
|--|-----------------|----------------|
| DS-4168 Report of Actual Days and Clock Hours of Pupil Instruction | | School |
| Monthly Board Re-confirmation of Extended COVID-19 Learning Plan | complete | School |
| Educational Entity Master (EEM) School District Update | complete | School |
| Fire Alarm Inspection Report | Complete | School |
| Quarterly Financial Statements | Complete | School |
| Financial Information Database (FID) | Complete | School |
| Registry of Educational Personnel (REP) Confirmation | | School |
| Monthly Board Re-confirmation of Extended COVID-19 Learning Plan | complete | School |
| Monthly Board Re-confirmation of Extended COVID-19 Learning Plan | complete | School |
| Integrated Pest Management Policy | | Board |
| Integrated Pest Management Policy - Integrated Pest Management Policy--Annual Notice | | Board |
| Monthly Board Re-confirmation of Extended COVID-19 Learning Plan | due later | School |
| Homeless Education Plan | | School |
| Open Enrollment and Lottery Procedures | | School |
| Quarterly Financial Statements | Complete | School |
| Asbestos Custodial and Maintenance Training Log | | School |
| Monthly Board Re-confirmation of Extended COVID-19 Learning Plan | due later | School |
| Emergency Drills Log | | School |
| Monthly Board Re-confirmation of Extended COVID-19 Learning Plan | due later | School |
| Monthly Board Re-confirmation of Extended COVID-19 Learning Plan | due later | School |
| Marketing and Retention Plan | | School |
| Quarterly Financial Statements | due later | School |
| Monthly Board Re-confirmation of Extended COVID-19 Learning Plan | due later | School |
| ECLP Educational Goals Progress Report (End-of-Year) | due later | School |
| Budget - Public Hearing Notice | due later | School |
| Board Meeting Calendar/Schedule | Complete | Board |
| Emergency Drills Log (end of year) | | School |

who will upload originally

Rachel

| RequirementMasterName | Upload Complete | EntityTypeName |
|--|------------------------------|----------------|
| Registry of Educational Personnel (REP) Confirmation | | School |
| Quarterly Academic Updates (submitted for each quarter) | 1 & 2 complete | School |
| Quarterly Financial Statements | Not yet due | School |
| Pool Inspection | Complete | School |
| Pool Licensure | WAITING ON THE DOC FROM EGLE | School |
| Charter Contract | As much as I have- complete | Board |
| Charter Contract Amendment | complete | School |
| District Partnership Agreement | complete | School |
| Staff Calendar | complete | School |
| District Partnership Agreement- 18 month check in- 2/2019 | complete | School |
| District Partnership Agreement- 18 month check in- 5/2020 | complete | School |
| Extended Covid-19 Training for teacher, parents and students as of 1/15/21 | complete | School |



Muskegon Heights Public Schools

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

Date: March 5, 2021

To: Receivership Transition Advisory Board (RTAB)
Muskegon Heights Public Schools Board of Education

From: John Lewis, Assistant Superintendent

Re: Board Meeting Packet for March 17, 2021

Attached, please find the Muskegon Heights Public Schools 2020-21 Budget to Actual Revenue and Expenditure Report, Cash Flow Statement, and Liabilities Report.

Budget to Actual Revenue and Expenditure Report

Attached you will find the budget to actual report for 2020-21 as of March 5, 2021.

The current budget has not been amended to date. The RTAB must vote to approve the amendment presented at our last meeting. Once that occurs, future reports will include the new figures.

Tax revenues were not received in February as projected, so I'm expecting some movement in March. These will most likely be the final disbursements from the City of Muskegon Heights for the year followed by the delinquent tax disbursement from the county in May or June.

Expenses seem to be proceeding as expected since our budget amendment proposal.

Cash Flow Statement

Cash flow looks stable for the coming year. There are no major changes to report.

Liabilities Report

No changes from the prior report.

| Fund | Rate | Description | Issuance Date | Original Amount | Term Length | Principal | Interest | Total Amount | Projected Maturity Date | As of Date |
|------|-------------|--|---------------|-----------------|-------------|---------------|--------------|---------------|-------------------------|------------|
| GF | | Payable to MDE - At-Risk Payback | | | Short | | | \$ 371,436 | N/A | 3/1/2021 |
| GF | 2.45% | Restructured Emergency Loan #1 - 2018 | 5/23/2018 | \$ 6,990,000 | Long | \$ 6,679,000 | \$ 2,004,333 | \$ 8,683,333 | 6/15/2042 | 3/1/2021 |
| GF | 2.35% | Restructured Emergency Loan #2 - 2018 | 5/23/2018 | \$ 3,165,000 | Long | \$ 3,155,000 | \$ 973,635 | \$ 4,128,635 | 6/15/2042 | 3/1/2021 |
| GF | 3.45% | Restructured Emergency Loan #3 - 2018 | 5/23/2018 | \$ 1,400,000 | Long | \$ 1,300,000 | \$ 515,244 | \$ 1,815,244 | 6/15/2043 | 3/1/2021 |
| GF | 2.70% | 2017/18 Emergency Loan #4 - 2018 | 5/23/2018 | \$ 2,449,000 | Long | \$ 2,449,000 | \$ 1,616,053 | \$ 4,065,053 | 6/15/2047 | 3/1/2021 |
| GF | NA | 2007 Energy Conservation Improvement Bonds | 12/19/2007 | | Long | \$ 3,149,000 | \$ - | \$ 3,149,000 | 12/19/2022 | 3/1/2021 |
| DF | 5.00% | 2016 Refunding Bonds, Series A | 3/29/2016 | | Long | \$ 10,990,000 | \$ 2,656,250 | \$ 13,646,250 | 5/1/2029 | 3/1/2021 |
| DF | 1.74%-2.61% | 2016 Refunding Bonds, Series B | 3/26/2016 | | Long | \$ 2,160,000 | \$ 55,621 | \$ 2,215,621 | 5/1/2021 | 3/1/2021 |
| DF | 3.41% | School Bond Loan Fund | Annual | | Long | \$ 2,212 | \$ 320 | \$ 2,532 | 5/1/2035* | 3/1/2021 |
| DF | 3.41% | School Loan Revolving Fund | Annual | | Long | \$ 4,918,431 | \$ 247,354 | \$ 5,165,785 | 5/1/2035* | 3/1/2021 |
| | | | | \$ 14,004,000 | | \$ 34,802,643 | \$ 8,068,810 | \$ 43,242,889 | | |

Note: GF - General Fund (18 mill levy); DF - Debt Service Fund (13 mill levy)

*Indicates Mandatory Repayment Date

Beginning Cash Worksheet

BONY Accounts

| | | |
|--|-----------------------|----------------------|
| Amount in EL Proceeds acct. | \$ - | |
| Amount in Tax Rev Account | \$1,402,803.42 | Balance as of 3/1/21 |
| Less Amounts Belonging to Other Funds | | |
| Debt Service | \$ (290,638.28) | |
| Less amount due to city for overpayment of taxes (estimated) | | |
| Less Amounts Due for Debt Service of EL Loan | | |
| Total Usable BONY Funds | <u>\$1,112,165.14</u> | |

| | | |
|---------------------------------------|----------------------|----------------------|
| Cash Currently in GF Checking Account | \$ 129,333.85 | Balance as of 3/1/21 |
| Less Amounts Belonging to Other Funds | | |
| Debt Service | | |
| ORS Healthcare Refund | | |
| Tech Millage due to MHPSA | \$ (7,858.63) | |
| Funds Held for Special Projects | | |
| Unknown from SOM | | |
| Less Outstanding Checks | | |
| Total Usable GF Cash | <u>\$ 121,475.22</u> | |

Total Funds Available For GF Purposes \$1,233,640.36

Projected Monthly Cash Flow - One Year Projection

Date
3/5/2021

School District
Muskegon Heights Public Schools

| | March 21 | April 21 | May 21 | June 21 | July 21 | August 21 | September 21 | October 21 | November 21 | December 21 | January 22 | February 22 |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Beginning Balance | \$ 1,233,640 | \$ 1,490,971 | \$ 1,459,520 | \$ 1,434,157 | \$ 1,371,844 | \$ 1,399,221 | \$ 1,529,078 | \$ 1,553,068 | \$ 1,554,317 | \$ 1,540,484 | \$ 1,254,671 | \$ 1,331,606 |
| Estimated Receipts | | | | | | | | | | | | |
| Taxes | \$ 266,814 | | | \$ 360,948 | \$ 32,000 | \$ 150,000 | \$ 50,000 | \$ 17,281 | \$ 5,565 | \$ 72,322 | \$ 81,333 | \$ 100,000 |
| Taxes - Tech Millage | \$ 27,000 | \$ - | \$ - | \$ 21,187 | | | \$ 15,000 | \$ 15,000 | \$ 15,000 | \$ 15,507 | \$ - | \$ 27,000 |
| Authorizer Fees | \$ 13,567 | \$ 13,567 | \$ 13,567 | \$ 13,567 | \$ 13,567 | \$ 13,567 | | \$ 13,567 | \$ 13,567 | \$ 13,567 | \$ 13,567 | \$ 13,567 |
| ELN Proceeds | | | | | | | | | | | | |
| Other Revenue | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| Special Projects | | \$ 26,172 | | | | | | | | | | |
| Total Available Funds | \$ 1,542,021 | \$ 1,531,710 | \$ 1,474,087 | \$ 1,830,859 | \$ 1,418,411 | \$ 1,563,788 | \$ 1,595,078 | \$ 1,599,916 | \$ 1,589,449 | \$ 1,642,880 | \$ 1,350,571 | \$ 1,473,173 |
| Less Estimated Expenditures: | | | | | | | | | | | | |
| Payrolls | \$ 14,070 | \$ 18,658 | \$ 14,070 | \$ 14,070 | \$ 14,070 | \$ 14,070 | \$ 14,070 | \$ 18,658 | \$ 14,070 | \$ 14,070 | \$ 14,070 | \$ 14,070 |
| Other Expenditures | \$ 9,980 | \$ 25,860 | \$ 25,860 | \$ 10,860 | \$ 5,120 | \$ 20,640 | \$ 12,940 | \$ 11,940 | \$ 19,895 | \$ 4,895 | \$ 4,895 | \$ 19,895 |
| Emergency Loan Payment | \$ - | \$ - | \$ - | \$ 412,898 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 171,644 | \$ - | \$ - |
| Tech Millage to PSA | \$ 27,000 | \$ - | \$ - | \$ 21,187 | \$ - | \$ - | \$ 15,000 | \$ 15,000 | \$ 15,000 | \$ 15,507 | \$ - | \$ 27,000 |
| Other Liens/Loans (Totals) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 182,092 | \$ - | \$ - |
| Special Projects | \$ - | \$ 27,672 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Estimated Ending Balance | \$ 1,490,971 | \$ 1,459,520 | \$ 1,434,157 | \$ 1,371,844 | \$ 1,399,221 | \$ 1,529,078 | \$ 1,553,068 | \$ 1,554,317 | \$ 1,540,484 | \$ 1,254,671 | \$ 1,331,606 | \$ 1,412,208 |

Expenses by Month

| | Mar 21 | Apr 21 | May 21 | Jun 21 | Jul 21 | Aug 21 | Sep 21 | Oct 21 | Nov 21 | Dec 21 | Jan 22 | Feb 22 | Totals |
|---------------------------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|--------------------|
| Payrolls (including contracted staff) | \$ 14,070 | \$ 18,658 | \$ 14,070 | \$ 14,070 | \$ 14,070 | \$ 14,070 | \$ 14,070 | \$ 18,658 | \$ 14,070 | \$ 14,070 | \$ 14,070 | \$ 14,070 | \$ 178,018 |
| Consumers - electric | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 800 | \$ 800 | \$ 800 | \$ 800 | \$ 372 | \$ 372 | \$ 372 | \$ 372 | \$ 6,689 |
| DTE - natural gas | \$ 1,500 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 500 | \$ 500 | \$ 800 | \$ 800 | \$ 264 | \$ 264 | \$ 264 | \$ 264 | \$ 11,156 |
| Waste & Water utility | \$ 220 | \$ 400 | \$ 400 | \$ 400 | \$ 220 | \$ 220 | \$ 220 | \$ 220 | \$ 139 | \$ 139 | \$ 139 | \$ 139 | \$ 2,856 |
| Audit Fees | | | | | | | \$ 7,000 | \$ 6,000 | | | | | \$ 13,000 |
| Legal Fees | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 2,000 | \$ 1,160 | \$ 1,160 | \$ 1,160 | \$ 1,160 | \$ 1,160 | \$ 1,160 | \$ 1,160 | \$ 30,120 |
| Property Insurance | \$ 1,160 | \$ 16,360 | \$ 16,360 | \$ 1,360 | \$ - | \$ 16,360 | \$ 1,360 | \$ 1,360 | \$ 16,360 | \$ 1,360 | \$ 1,360 | \$ 16,360 | \$ 89,760 |
| MAISD Tech Fee | | | | | | | | | | | | | \$ - |
| Epicenter | | | | | | | | | | | | | \$ - |
| Bank Fees | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 7,200 |
| Misc. | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 12,000 |
| EL Loan Payments | | | | \$412,898 | | | | | | \$171,644 | | | \$ 584,542 |
| Tech Millage Flowthrough | \$ 27,000 | \$ - | \$ - | \$ 21,187 | \$ - | \$ - | \$ 15,000 | \$ 15,000 | \$ 15,000 | \$ 15,507 | \$ - | \$ 27,000 | \$ 135,694 |
| QZAB Energy Bonds | | | | | | | | | | \$182,092 | | | \$ 182,092 |
| Special Projects | | \$ 27,672 | | | | | | | | | | | |
| Totals | \$ 51,050 | \$ 72,190 | \$ 39,930 | \$ 459,015 | \$ 19,190 | \$ 34,710 | \$ 42,010 | \$ 45,598 | \$ 48,965 | \$ 388,209 | \$ 18,965 | \$ 60,965 | \$1,253,127 |

REVENUES

| | | |
|--------------------------------------|--------------------------------|-------------|
| 11-0111-0000-000-0000-000000-000000- | PROPERTY TAXES CURRENT | -460,520.41 |
| 11-0111-0000-100-0000-000000-000000- | OTHER TAXES | 0.00 |
| 11-0121-0000-000-0000-000000-000000- | TECH MILLAGE FLOWTHROUGH | -82,664.94 |
| 11-0124-0000-000-0000-000000-000000- | PENALTY & INT ON DEL TAXES | 0.00 |
| 11-0151-0000-000-0000-000000-000000- | EARNINGS ON INVEST & DEPOSITS | 0.00 |
| 11-0191-0000-000-0000-000000-000000- | RENTALS | -2,550.00 |
| 11-0199-0000-000-0000-000000-000000- | MISCELLANEOUS | -164,141.35 |
| 11-0321-0000-000-0000-000000-000000- | PPT REIMBURSEMENT | 0.00 |
| 11-0519-0000-001-0000-000000-000000- | 3% AUTHORIZER FEE - MHPSA | -67,205.83 |
| 11-0519-0000-100-0000-000000-000000- | SHARED BUSINESS SVCS | 0.00 |
| 11-0591-0000-000-0000-000000-000000- | PROCEEDS FROM ISSUANCE OF BOND | 0.00 |
| | | -777,082.53 |

EXPENDITURES

| | | | | |
|--------------------------------------|--------------------------------|------------|----|------------|
| 11-1-225-7410-840-0000-00000-000000- | LICENSING FEES & RENEWALS | 147.60 | | |
| 11-1-226-4220-899-0000-00000-000000- | COPY MACHINE | 329.60 | \$ | 477.20 |
| 11-1-231-3170-000-0000-00000-000000- | LEGAL SERVICES | 17,500.00 | | |
| 11-1-231-3180-000-0000-00000-000000- | AUDIT SERVICES | 11,350.00 | | |
| 11-1-231-3220-007-0000-00000-000000- | TRAVEL - TRINELL SCOTT | 0.00 | | |
| 11-1-231-7410-000-0000-00000-000000- | DUES & FEES | 0.00 | \$ | 28,850.00 |
| 11-1-232-3150-000-0000-00000-000000- | CONTRACTED SERVICES | 34,725.60 | | |
| 11-1-232-3210-000-0000-00000-000000- | COST OF TRAVEL (MILEAGE) | 0.00 | | |
| 11-1-232-3430-000-0000-00000-000000- | MAILING | 0.00 | | |
| 11-1-232-7910-000-0000-00000-000000- | MISCELLANEOUS | 0.00 | \$ | 34,725.60 |
| 11-1-252-1620-033-0000-00000-000000- | ACCOUNTING SPECIALIST | 41,538.42 | | |
| 11-1-252-2130-000-0000-00000-000000- | HOSPITALIZATION | 14,340.78 | | |
| 11-1-252-2820-033-0000-00000-000000- | CONTRIB TO ST&LOC RETIRE FUNDS | 11,619.66 | | |
| 11-1-252-2830-033-0000-00000-000000- | EMPLOYER SOCIAL SECURITY | 3,177.72 | | |
| 11-1-252-2840-033-0000-00000-000000- | WORKMAN'S COMPENSATION | 1.26 | | |
| 11-1-252-3150-030-0000-00000-000000- | CONTRACTED SERVICES | 0.00 | | |
| 11-1-252-3220-030-0000-00000-000000- | TRAVEL & CONFERENCE | 0.00 | | |
| 11-1-252-5910-030-0000-00000-000000- | OFFICE SUPPLIES | 1,752.92 | \$ | 72,430.76 |
| 11-1-252-7410-000-0000-00000-000000- | INTEREST & FEES EXPENSE | 3,082.78 | \$ | 3,082.78 |
| 11-1-259-7610-000-0000-00000-000000- | TAXES ABATED & WRITTEN OFF | 0.00 | \$ | - |
| 11-1-261-3190-100-0000-00000-000000- | CONTRACTED SERVICES | 193,176.31 | | |
| 11-1-261-3410-000-0000-00000-000000- | TELEPHONE CHARGES | 0.00 | | |
| 11-1-261-3830-000-0000-00000-000000- | WATER & SEWAGE | 1,681.67 | | |
| 11-1-261-3840-000-0000-00000-000000- | WASTE & TRASH DISPOSAL | 0.00 | | |
| 11-1-261-3910-000-0000-00000-000000- | INSURANCE | 39,366.50 | | |
| 11-1-261-4110-000-0000-00000-000000- | LAND AND BLDGS-REPAIRS & MAINT | 0.00 | | |
| 11-1-261-5510-000-0000-00000-000000- | HEATING FUEL | 8,414.33 | | |
| 11-1-261-5520-000-0000-00000-000000- | ELECTRICITY | 4,265.89 | \$ | 246,904.70 |
| 11-1-284-3410-000-0000-00000-000000- | CELL PHONE CHARGES | 544.89 | \$ | 544.89 |
| 11-1-411-8910-000-0000-00000-000000- | TRANSFERS TO MHPSA | 73,873.24 | | |
| 11-1-511-7110-994-0000-00000-000000- | PRINCIPAL PMT - EMERGENCY LOAN | 0.00 | | |
| 11-1-511-7230-994-0000-00000-000000- | INTEREST PMT - EMERGENCY LOANS | 174,375.50 | \$ | 174,375.50 |
| 11-1-634-8110-000-0000-00000-000000- | QZAB TRANSFER - DEBT RETIREMEN | 182,092.42 | \$ | 255,965.66 |

Muskegon Heights Public Schools
Revenues, Expenditures, and Fund Balance
DEBT SERVICE - 2016 REFUNDING BONDS
2020-21
3/5/2021

| | Actuals to Date |
|---|-------------------|
| Estimated Beginning Fund Balance | \$ 290,713 |
| Revenue | |
| Tax Revenues | \$ 620,167 |
| SBLF/SLRF (State Bond Loan Programs) | \$ - |
| Total Revenue | \$ 620,167 |
| Expenditures | |
| Tax Chargebacks & Auction Property | \$ - |
| Principal Payments | \$ - |
| Interest Payments | \$ 301,922 |
| Total Expenditures | \$ 301,922 |
| Revenues Less Expenditures | \$ 318,246 |
| Projected Ending Fund Balance | \$ 608,959 |

| Account | Description | |
|--------------------------------------|--------------------------------|-------------|
| 32-0111-0000-000-0000-000000-000000- | PROPERTY TAX LEVY | -620,136.05 |
| 32-0111-0000-100-0000-000000-000000- | OTHER TAXES-HSBF | 0.00 |
| 32-0124-0000-000-0000-000000-000000- | PENALTY & INT ON DEL TAXES | 0.00 |
| 32-0151-0000-000-0000-000000-000000- | EARNINGS ON INVESTMENTS-HSBF | -31.09 |
| 32-0321-0000-000-0000-000000-000000- | PPT REIMBURSEMENT | 0.00 |
| 32-0591-0000-000-0000-000000-000000- | BOND PROCEEDS | 0.00 |
| 32-0595-0000-000-0000-000000-000000- | STATE LOAN PROGRAM-HSBF | 0.00 |
| 32-0596-0000-000-0000-000000-000000- | PROCEEDS FROM REFINANCING DEBT | 0.00 |
| 32-0596-0000-001-0000-000000-000000- | PREMIUM ON REFUNDING BONDS | 0.00 |
| 32-0599-9000-000-0000-000000-000000- | DUE TO/FROM | 0.00 |
| 32-0631-0000-000-0000-000000-000000- | TRANSFER IN | 0.00 |
| | | -620,167.14 |

| Account | Description | |
|--------------------------------------|--------------------------------|-------------|
| 32-0111-0000-000-0000-000000-000000- | PROPERTY TAX LEVY | -620,136.05 |
| 32-0111-0000-100-0000-000000-000000- | OTHER TAXES-HSBF | 0.00 |
| 32-0124-0000-000-0000-000000-000000- | PENALTY & INT ON DEL TAXES | 0.00 |
| 32-0151-0000-000-0000-000000-000000- | EARNINGS ON INVESTMENTS-HSBF | -31.09 |
| 32-0321-0000-000-0000-000000-000000- | PPT REIMBURSEMENT | 0.00 |
| 32-0591-0000-000-0000-000000-000000- | BOND PROCEEDS | 0.00 |
| 32-0595-0000-000-0000-000000-000000- | STATE LOAN PROGRAM-HSBF | 0.00 |
| 32-0596-0000-000-0000-000000-000000- | PROCEEDS FROM REFINANCING DEBT | 0.00 |
| 32-0596-0000-001-0000-000000-000000- | PREMIUM ON REFUNDING BONDS | 0.00 |
| 32-0599-9000-000-0000-000000-000000- | DUE TO/FROM | 0.00 |
| 32-0631-0000-000-0000-000000-000000- | TRANSFER IN | 0.00 |
| | | -620,167.14 |

| Account | Description | |
|---------------------------------------|-------------------------------|------------|
| 32-1-252-3180-000-0000-000000-000000- | AUDIT SERVICES | 0.00 |
| 32-1-252-7410-000-0000-000000-000000- | PAYING AGENT FEES | 0.00 |
| 32-1-259-3610-000-0000-000000-000000- | PRINTING | 0.00 |
| 32-1-259-7610-000-0000-000000-000000- | TAXES ABATED & WRITTEN OFF | 0.00 |
| 32-1-511-7110-000-0000-000000-000000- | PRINCIPAL - 2006 REF BDS | 0.00 |
| 32-1-511-7230-000-0000-000000-000000- | INTEREST-HSBF | 301,921.50 |
| 32-1-511-7310-000-0000-000000-000000- | OTHER BOND ISSUANCE COSTS | 0.00 |
| 32-1-511-7330-000-0000-000000-000000- | BOND DISCOUNT | 0.00 |
| 32-1-511-7410-000-0000-000000-000000- | PAYING AGENT FEES-HSBF | 0.00 |
| 32-1-512-7320-000-0000-000000-000000- | PAYMENTS TO BOND ESCROW AGENT | 0.00 |

Muskegon Heights Public Schools
Revenues, Expenditures, and Fund Balance
QZAB Fund
2020-21
3/5/2021

| | Actuals to Date |
|---|---------------------|
| Estimated Beginning Fund Balance | \$ 2,443,399 |
| Revenue | |
| Earnings on Investment | \$ 22,904 |
| Transfers In | \$ 182,092 |
| Total Revenue | \$ 204,997 |
| Expenditures | |
| | \$ - |
| Total Expenditures | \$ - |
| Revenues Less Expenditures | \$ 204,997 |
| Projected Ending Fund Balance | \$ 2,648,396 |

| Account | Description | |
|-------------------------------|-------------------------|-------------|
| 34-0151-0000-000-0000-000000- | EARNINGS ON INVESTMENTS | -22,904.33 |
| 34-0611-0000-000-0000-000000- | QZAB TRANSFER | -182,092.42 |



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

**RECEIVERSHIP TRANSITION ADVISORY BOARD
FOR
THE SCHOOL DISTRICT OF THE CITY OF MUSKEGON HEIGHTS**

RESOLUTION 2021-2

**APPROVING THE SCHOOL DISTRICT OF THE CITY OF MUSKEGON
HEIGHTS FY 21 BUDGET AMENDMENT #1 REQUESTS**

WHEREAS, on October 28, 2016, the Governor appointed a Receivership Transition Advisory Board (“RTAB”) for the School District of the City of Muskegon Heights (“the Board”); And

WHEREAS, pursuant to MCL 141.1563(c), a proposed general fund budget or budget amendment may be reviewed and shall not take effect unless approved by the Receivership Transition Advisory Board for the School District of the City of Muskegon Heights; and

WHEREAS, the Uniform Budgeting and Accounting Act prevents the School District of the City of Muskegon Heights from deviating from its original general appropriations act without amending it and requires the School District of the City of Muskegon Heights to amend its general appropriations act as soon as it becomes apparent that a deviation from the original general appropriations act is necessary and the amount of the deviation can be determined; And

WHEREAS, the Board of Education of the School District of the City of Muskegon Heights (the “District Board”) has adopted an amended general fund budget for the fiscal year ending June 30, 2021 at a public meeting dated February 17, 2021. The general fund budget projects general fund revenues of \$1,520,850 and general fund expenditures of

\$1,477,630 and ending general fund balance of \$696,964, attached as **Exhibit A** to this Resolution, for the School District of the City of Muskegon Heights Receivership Transition Advisory Board's ("RTAB") review and approval.

NOW THEREFORE BE IT RESOLVED that the Receivership Transition Advisory Board for the School District of the City of Muskegon Heights has reviewed and approves the amended general fund budget for the fiscal year ending June 30, 2021 adopted by the District Board on February 17, 2021.

1. That the minutes of the City of Muskegon Heights Receivership Transition Board ("RTAB") meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
2. This Resolution shall have immediate effect.

School District of the City of Muskegon Heights Receivership Transition Advisory Board Monthly Meeting
Resolution Roll Call
Wednesday, March 17, 2021

| | |
|---------------------------|---|
| RTAB 3/17/2021 Meeting | School District of the City of Muskegon Heights 2021-2 (Consideration of the School District of the City of Muskegon Heights requests to approve FY 21 Budget Amendment #1 Roll Call |
| Dr. P. Johnson | |
| Dr. D. Nesbary | |
| Mr. Schrier | |
| Ms. Thomas | |
| Mr. Todd | |

Signed by: _____
 Beverly C. Greaves- Secretary

Date: _____

Muskegon Heights Public Schools

Proposed Budget
2020-21
2/1/2021

| | Proposed Budget | | |
|--|----------------------------|----------------------|---------------------|
| | Original Budget 2020-21 | Amendment 2020-21 | Increase/(Decrease) |
| Beginning Fund Balance | \$ 653,744 | \$ 653,744 | |
| Revenue | | | |
| Property taxes | \$ 1,188,930 | \$ 1,188,920 | \$ (10) |
| State Sources | \$ 6,740 | \$ 6,740 | \$ - |
| Oversight fees | \$ 137,100 | \$ 148,620 | \$ 11,520 |
| Transfers and Other | \$ 18,500 | \$ 176,570 | \$ 158,070 |
| Total Revenue | \$ 1,351,270 | \$ 1,520,850 | \$ 169,580 |
| Expenditures | | | |
| Data Technology | \$ 8,650 | \$ 8,650 | \$ - |
| Board of Education | \$ 21,550 | \$ 55,500 | \$ 33,950 |
| Executive Administration | \$ 69,100 | \$ 69,100 | \$ - |
| Business Services | \$ 106,060 | \$ 106,060 | \$ - |
| Interest and Fees Expense | \$ 6,360 | \$ 6,360 | \$ - |
| Unpaid Auction and Delinquent Tax Fees | \$ 50,000 | \$ 50,000 | \$ - |
| Building Services | \$ 83,570 | \$ 291,380 | \$ 207,810 |
| District Technology | \$ 880 | \$ 880 | \$ - |
| Emergency Loan Payments | \$ 587,280 | \$ 587,280 | \$ - |
| Transfers and Other | \$ 302,420 | \$ 302,420 | \$ - |
| Total Expenditures | \$ 1,235,870 | \$ 1,477,630 | \$ 241,760 |
| Revenues Less Expenditures | \$ 115,400 | \$ 43,220 | |
| Projected Ending Fund Balance | \$ 769,144 | \$ 696,964 | |

EXPENDITURES

| | | 2020-21 Actual as of | | Projected to End of | | 2020-21 Rounded | Total by Function | Increase/ (Decrease) | Notes/Assumptions |
|--------------------------------------|--------------------------------|-----------------------|---------------|---------------------|------------|-----------------|-------------------|---|---|
| | | 20-21 Original Budget | 1/29/21 | Fiscal Year | | | | | |
| 11-1-225-7410-840-0000-00000-000000- | LICENSING FEES & RENEWALS | \$ 8,150 | \$ 148 | \$ 8,002 | \$ 8,150 | \$ 8,150 | \$ - | | |
| 11-1-226-4220-899-0000-00000-000000- | COPY MACHINE | \$ 500 | \$ 247 | \$ 253 | \$ 500 | \$ 500 | \$ 8,650.00 | | |
| 11-1-231-3170-000-0000-00000-000000- | LEGAL SERVICES | \$ 10,000 | \$ 14,145 | \$ 30,000 | \$ 44,145 | \$ 44,150 | \$ - | Projecting an additional \$5,000 per month over next six months | |
| 11-1-231-3180-000-0000-00000-000000- | AUDIT SERVICES | \$ 11,550 | \$ 11,350 | \$ - | \$ 11,350 | \$ 11,350 | \$ - | (200) | |
| 11-1-231-3220-007-0000-00000-000000- | TRAVEL - TRINELL SCOTT | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| 11-1-231-7410-000-0000-00000-000000- | DUES & FEES | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 55,500.00 | | |
| 11-1-232-3150-000-0000-00000-000000- | CONTRACTED SERVICES | \$ 69,100 | \$ 29,383 | \$ 39,717 | \$ 69,100 | \$ 69,100 | \$ 69,100.00 | | |
| 11-1-252-1620-033-0000-00000-000000- | ACCOUNTING SPECIALIST | \$ 60,000 | \$ 34,615 | \$ 25,385 | \$ 60,000 | \$ 60,000 | \$ - | | |
| 11-1-252-2130-000-0000-00000-000000- | HOSPITALIZATION | \$ 21,100 | \$ 12,544 | \$ 8,556 | \$ 21,100 | \$ 21,100 | \$ - | | |
| 11-1-252-2820-033-0000-00000-000000- | CONTRIB TO ST&LOC RETIRE FUNDS | \$ 16,320 | \$ 9,667 | \$ 6,653 | \$ 16,320 | \$ 16,320 | \$ - | | |
| 11-1-252-2830-033-0000-00000-000000- | EMPLOYER SOCIAL SECURITY | \$ 4,600 | \$ 2,648 | \$ 1,952 | \$ 4,600 | \$ 4,600 | \$ - | | |
| 11-1-252-2840-033-0000-00000-000000- | WORKMAN'S COMPENSATION | \$ 40 | \$ 1 | \$ 39 | \$ 40 | \$ 40 | \$ - | | |
| 11-1-252-3220-030-0000-00000-000000- | TRAVEL & CONFERENCE | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| 11-1-252-5910-030-0000-00000-000000- | OFFICE SUPPLIES | \$ 4,000 | \$ 1,709 | \$ 2,291 | \$ 4,000 | \$ 4,000 | \$ 106,060.00 | | |
| 11-1-252-7410-000-0000-00000-000000- | INTEREST & FEES EXPENSE | \$ 6,360 | \$ 2,412 | \$ 3,948 | \$ 6,360 | \$ 6,360 | \$ 6,360.00 | | |
| 11-1-259-7610-000-0000-00000-000000- | TAXES ABATED & WRITTEN OFF | \$ 50,000 | \$ - | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ - | | |
| | | | | | | | | | To account for expenses covered by insurance payments. Also includes additional amount for other needed projects at the |
| 11-1-261-3190-100-0000-00000-000000- | CONTRACTED SERVICES | \$ 20,000 | \$ 126,804 | \$ 72,344 | \$ 199,148 | \$ 199,150 | \$ 179,150 | | administration building and HVAC repairs |
| 11-1-261-3830-000-0000-00000-000000- | WATER & SEWAGE | \$ 1,910 | \$ 1,682 | \$ 1,200 | \$ 2,882 | \$ 2,890 | \$ 980 | | Usage increase |
| 11-1-261-3840-000-0000-00000-000000- | WASTE & TRASH DISPOSAL | \$ 660 | \$ - | \$ 660 | \$ 660 | \$ 660 | \$ - | | The district was non-renewed by our insurance carrier causing us to find a more expensive alternative. This was no fault of the |
| 11-1-261-3910-000-0000-00000-000000- | INSURANCE | \$ 38,000 | \$ 23,628 | \$ 40,346 | \$ 63,974 | \$ 63,980 | \$ 25,980 | | district. |
| 11-1-261-5510-000-0000-00000-000000- | HEATING FUEL | \$ 15,000 | \$ 6,191 | \$ 10,500 | \$ 16,691 | \$ 16,700 | \$ 1,700 | | Usage increase |
| 11-1-261-5520-000-0000-00000-000000- | ELECTRICITY | \$ 8,000 | \$ 3,830 | \$ 4,170 | \$ 8,000 | \$ 8,000 | \$ 291,380.00 | | |
| 11-1-284-3410-000-0000-00000-000000- | CELL PHONE CHARGES | \$ 880 | \$ 471 | \$ 409 | \$ 880 | \$ 880 | \$ 880.00 | | |
| 11-1-411-8910-000-0000-00000-000000- | TRANSFERS TO MHPSA | \$ 120,320 | \$ 41,128 | \$ 79,192 | \$ 120,320 | \$ 120,320 | \$ - | | |
| 11-1-511-7110-994-0000-00000-000000- | PRINCIPAL PMT - EMERGENCY LOAN | \$ 239,000 | \$ - | \$ 239,000 | \$ 239,000 | \$ 239,000 | \$ - | | |
| 11-1-511-7230-994-0000-00000-000000- | INTEREST PMT - EMERGENCY LOANS | \$ 348,280 | \$ 174,376 | \$ 173,905 | \$ 348,280 | \$ 348,280 | \$ 587,280.00 | | |
| 11-1-634-8110-000-0000-00000-000000- | QZAB TRANSFER - DEBT RETIREMEN | \$ 182,100 | \$ 182,092 | \$ - | \$ 182,092 | \$ 182,100 | \$ 302,420.00 | | |
| | | \$ 1,235,870.00 | \$ 679,070.85 | \$ 798,520.88 | \$ - | \$ 1,477,630.00 | \$ 1,477,630.00 | | |