June 4, 2003

Mr. James R. Emery, Superintendent
Ellsworth Community School
9467 Park Street
Ellsworth, MI 49729

Dear Mr. Emery:

Thank you for your letters regarding the School Code sinking fund requirements. You are requesting an opinion regarding whether specific expenditures comply with the restrictions in section 1212 of Public Act 451 of 1976, as amended, the Revised School Code and the interpretations of the Department of Treasury.

In my opinion, the item listed in your correspondence dated March 24, 2003, April 29, 2003, and May 28, 2003, meets the requirements of the act.

If I can assist further let me know.

Sincerely,

Frederick Headen, Director
Bureau of Local Government Services
Dear Ms. Griffin:

After speaking with you on the phone today, I quickly put together this written request (as per your recommendation) seeking clarification on a specific sinking fund question.

Over the summer and into the fall, we replaced a boiler in our elementary school using sinking fund dollars. This was approved previously by Linda Rainigh (verbally) and Frederick Haden (written). The initial correspondence was dated March 27, 2002 (with follow up letters on April 30 and May 24). When the original requests were made, we were not as specific as we are now when asking for an interpretation.

During the course of the new boiler project, we were initially concerned with the cost of hiring an architect or engineer and that is why we asked specifically about that aspect of the allowable expenses. Now we are concerned with the fact that when we converted from fuel oil to bottle (LP) gas, we were informed that we needed to remove an underground heating oil tank. I have been in touch with Jeff Rogers, an Environmental Safety Engineer from Lansing, regarding the steps that need to be in place for the safe removal of the tank. Our question is now this: are the costs of removing the underground tank an allowable sinking fund expense? We believe that it is still part of the initial project (as we converted to LP from fuel oil) and should be allowable; we simply did not know that the tank had to be removed.

The community of Ellsworth and the Board of Education would appreciate your consideration in this matter. As one of the smallest districts in Michigan, the impact of requiring these expenses to come from our general fund budget would be great. I am sure that the electorate, in Ellsworth would support this use of their sinking fund.

Again, thank you for the time and consideration in this matter.

Sincerely,

James R. Emery
Superintendent
Ellsworth Community School

The mission of Ellsworth Community School is to prepare today's youth for tomorrow's opportunities.
January 19, 2001

Mr. Patrick D. Boots, Superintendent
Ellsworth Community School
9467 Park Street
Ellsworth, Michigan 49729

Dear Mr. Boots:

Thank you for your recent letter regarding the School Code Sinking fund requirements. You are requesting an opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the attached project list/letter, dated January 10, 2001, does not appear to meet the requirements of the act. This has been determined to be a maintenance expense and is not allowable from sinking fund money.

If I can assist further let me know.

Sincerely,

Mark A. Hilpert, Director
Bureau of Local Government Services

Attachment
January 10, 2001

State of Michigan
Department of Treasury
Attn: Linda Rairigh
Treasury Building
Lansing, Michigan 48922

Dear Linda:

I appreciate the time you have given me in regards to my questions about the use of sinking fund money. As I have explained the electors of the Ellsworth Community School District have allowed the establishment of this fund in order to help the school make improvements and save operational money.

Last spring we had sewage back up into our elementary building. There was raw sewage coming back into our drinking fountains and on the carpets in the building. Our maintenance man was able to free the blockage and clean up the mess. However, during the summer, I asked him to contract with a company to have the floors cleaned, professionally, and sanitized. The bill for this cleaning service amounted to $1,994.96. Since this was a contracted service, outside of ordinary maintenance, would this be an allowable expense charged to the sinking fund?

Again, thanks for your time in reviewing this question.

Sincerely,

Patrick D. Bootz
Superintendent
October 9, 2000

Mr. Patrick D. Bootz, Superintendent
Elsworth Community Schools
9467 Park Street
Elsworth, Michigan 49729

Dear Mr. Bootz:

Thank you for your recent letter regarding the School Code Sinking fund requirements. You are requesting an opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the attached project list/letter, dated August 18, 2000, does not appear to meet the requirements of the act. A dishwasher is determined to be equipment and is not an authorized expenditure from sinking fund money.

If I can assist further let me know.

Sincerely,

Mark A. Hilpert, Director
Bureau of Local Government Services

Attachment
State of Michigan
Department of Treasury
Attn: Linda Rairigh
Treasury Building
Lansing, Michigan 48922

Dear Linda:

Thank you for taking the time to listen to my question regarding a "Sinking Fund" expenditure. The reason that I believe that the Door Type Dishwasher should be allowed as a sinking fund expenditure is that this will be an improvement to the facility. This would not be routine maintenance performed by our employees, but rather contracted with a company to deliver, install, and begin initial operation. This is part of the original building and is desperately needed to accomplish the school's mission, (serving students).

The Community of Ellsworth and the Board of Education would appreciate your consideration in this matter. Enclosed is a quote that I received from a company that would install this into our building. As you can see, this is very expensive and the impact on this small school's general fund budget would be great. I am sure that our electors, in Ellsworth, would support this use of their "Sinking Fund."

Again, thank you for the time and consideration.

Sincerely,

Patrick D. Bootz

Superintendent
Patrick D. Bootz
(231) 588-6148
Ellsworth Community School
9467 Park Street
Ellsworth, MI 49729
Fax: 231-588-6183
http://lancr.ellsworth.k12.mi.us
Principal, James Emery
January 7, 2000

Mr. Patrick D. Bootz, Superintendent
Ellsworth Community School
9467 Park Street
Ellsworth, MI 49729

Dear Mr. Bootz:

Thank you for your recent letter regarding the School Code Sinking Fund requirements. Pursuant to Department of Treasury Letter No. 61—95, you are requesting an opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the attached project list/letter, dated December 16, 1999, appears to meet the requirements of both the act and the numbered letter.

This opinion is subject to any limitations that may have been imposed by your local ballot language.

If I can assist further let me know.

Sincerely,

[Signature]
Mark Hilpert, Director
Bureau of Local Government Services

Attachment
December 16, 1999

State of Michigan
Department of Treasury
Attn: Linda Rairigh
Treasury Building
Lansing, Michigan 48922

Dear Linda:

Thanks for taking the time to answer my question regarding the "Sinking Fund" expenditure. As I explained, the Ellsworth community does not have a sewer system. The school has a pump system and field that takes care of two buildings, (elementary and secondary). In the pump system, there are two pumps, of which, one is an auxiliary pump. The pumps are 1972 vintage and have been serviced in past years. However, one has burned out and we have the auxiliary pump doing the job now. If this pump, controls and system fails, we will be out of business. Therefore, I have already contracted with a company called Temperature Controls, Inc. in order to remedy the situation. I would like to use the sinking fund revenue for this project. I have enclosed a copy of the work contract for your perusal.

Again, thanks for your advice.

Sincerely,

Patrick D. Bootz
Superintendent
September 30, 2002

BY ELECTRONIC MAIL

Mr. Matthew J. Miller
Manistee Public Schools
112 St. John’s Street
Manistee, MI 49660-0739

Dear Mr. Miller:

Thank you for your e-mail regarding the School Code sinking fund requirements. You are requesting an opinion regarding whether specific expenditures comply with the restrictions in Section 1212 of Public Act 451 of 1976, as amended, the Revised School Code and the interpretations of the Department of Treasury.

In my opinion, the Department’s interpretation of Section 1212 allows the school district to repair a boiler and a septic system. However, under no circumstances can sinking fund money be used for maintenance activities.

A sinking fund may be used for repairs, but must be completed by contracted sources. A sinking fund may not be used for maintenance. Maintenance generally means keeping assets in good condition and repairs are directed at putting them back into good condition. Maintenance is preventative while repairs are curative.

If I can assist further let me know.

Sincerely,

Frederick Hedde, Acting Director
Bureau of Local Government Services
From: Matt Miller <mmiller@dps.k12.mi.us>
To: <gilbertm@michigan.gov>
Date: 2/21/02 2:31PM
Subject: Sinking Fund Expenditure

Mark-

My name is Matthew Miller and I am the superintendent at Marcelona Public Schools. I would like a determination on Sinking Fund expenditures.

We recently had emergency work done on a boiler and a septic system. The boiler repairs and maintenance totaled $3,027.04. I do not yet have the septic fixed by the initial estimate for a new pump and labor will total about $3,000. Are these allowable expenses? Please let me know as soon as possible.

Thank you,

Matthew J. Miller
September 7, 2001

Mr. Matthew J. Miller, Superintendent
Mancelona Public Schools
112 St. John Street
P.O. Box 739
Mancelona, Michigan 49659-0739

Dear Mr. Miller:

Thank you for your recent letter regarding the School Code Sinking fund requirements. You are requesting an opinion regarding whether specific expenditures comply with the restrictions in Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the items listed in your correspondence dated August 23, 2001 meet the requirements of the act, with the exception of the repair to plow truck. Vehicles are considered to be equipment and can not be purchased or repaired with sinking fund money.

If I can assist further let me know.

Sincerely,

[Signature]

Mark A. Hlupet, Director
Bureau of Local Government Services

Attachment
August 23, 2001

Ms. Linda Rairigh, Manager
Local Audit and Finance Division
State of Michigan
Department of Treasury
Treasury Building
Lansing, Michigan 48922

Dear Linda:

The following are proposed sinking fund expenditures we would like to make in the 2001-2002 school year:

a) Repairs to plow truck in the amount of $2,500.00
b) Replace antiquated middle school exit doors in the amount of $12,000.00

Please review the items listed above and notify me in writing whether they meet with your satisfaction. You may contact me at the telephone number below if you have any questions or need further clarification.

Thank you for your assistance in this matter.

Sincerely,

Matthew J. Miller

Cc: Anita Stephens, Business Manager

file
August 31, 2001

Mr. Matthew J. Miller, Superintendent
Mancelona Public Schools
112 St. John Street
P.O. Box 739
Mancelona, Michigan 49659-0739

Dear Mr. Miller:

Thank you for your recent letter regarding the School Code Sinking fund requirements. You are requesting an opinion regarding whether specific expenditures comply with the restrictions in Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the items listed in your correspondence dated August 14, 2001 meet the requirements of the act.

If I can assist further let me know.

Sincerely,

Mark A. Hilpert, Director
Bureau of Local Government Services

Attachment
August 14, 2001

Ms. Lida Rairigh, Manager
Local Audit and Finance Division
State of Michigan
Department of Treasury
Treasury Building
Lansing, Michigan 48922

Dear Linda,

Attached for your information please find the following:

a) List of sinking fund expenditures for the 2001-2002 school year

Please review this list and let me know if you have any questions or need further clarification. If the list meets with your satisfaction please let me know, in writing, that these expenditures from the Mancelona Public School Sinking Fund meet the requirements.

Thank you for your assistance in this matter.

Sincerely,

Matthew J. Miller

cc: Anita Stephens, Business Manager
file
2001-2002 SINKING FUND EXPENDITURES

- Walk-in cooler repair – the health department has asked we replace/repair deteriorating walls and floors in the walk-in cooler .... $3,500

- Wall repair – due to extensive damage to drywall in classrooms and corridors, we need to contract for a protective covering over drywall .... $13,500
May 22, 2000

Mr. Thomas Ross, Superintendent
Mancelona Public Schools
P.O. Box 739
Mancelona, Michigan 49659-0739

Dear Mr. Ross:

Thank you for your recent letter regarding the School Code Sinking fund requirements. You are requesting an opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the attached project list/letter, dated April 27, 2000, appears to meet the requirements of the act.

If I can assist further let me know.

Sincerely,

Mark A. Hilpert, Director
Bureau of Local Government Services

Attachment
April 27, 2000

Ms. Linda Rairigh, Manager
Local Audit and Finance Division
State of Michigan, Department of Treasury
Treasury Building
Lansing, Michigan 48922

Dear Linda:

Attached for your information are the following:

a) List of sinking fund expenditures for the 99-00 school year
b) List of projected sinking fund expenditures scheduled for next year

Please review these two lists and let me know if you have any questions or need further clarification. If the lists meet with your satisfaction please let me know, in writing, that these expenditures from the Mancelona Public Schools Sinking Fund meet the requirements.

Thank you for your assistance in this matter.

Sincerely,

Thomas Ross
Superintendent

Cc: Anita Stephens, Business Manager
   file
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<tr>
<th>1) Outside contractors — Middle School</th>
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<td>Water Meter, Domestic Hot</td>
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<td>Water Supply, Parts and Labor</td>
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<td>Other Misc plumbing/electrical</td>
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<td>Fence removal and replacement</td>
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<td>Elementary School</td>
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<td>Install sinks, toilet, compressor</td>
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<td>$850</td>
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<td>Controls/wiring on boiler</td>
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<td>$1,000</td>
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<td>Other Misc plumbing/electrical</td>
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<td>2) Storage Pole Barn</td>
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<td>High School</td>
<td>$19,500</td>
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<td>Total</td>
<td>$23,700</td>
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2000-01 PROJECTED SINKING FUND EXPENDITURES
Mancelona Public Schools

1) Outside contractors — Middle School
   a) Re-roof 1955 and 1966 sections
   b) Install new door systems — 6 exit doors
      (double doors)
      Bus Garage
      a) Update electrical/heating
      b) Seal exterior brick walls

2) Construction of bathrooms at the Concession/Athletic building

3) Purchase of land
Mr. Thomas Ross, Superintendent
Manistee Public Schools
112 St. John Street
P.O. Box 739
Manistee, Michigan 49669

June 12, 1998

Dear Mr. Ross:

Thank you for your recent letter regarding the School Code Sinking Fund requirements. Pursuant to Department of Treasury Letter No. 01-95, you are requesting an opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the attached project list letter, dated June 1, 1998, appears to meet the requirements of both the act and the numbered letter with the following clarifications:

1998-99 Athletic Fields: Painting of the track is not allowable if it is a regular reoccurring expense of maintaining the track. Painting of a new track surface is an allowable expense from sinking fund money.

1998-99 Roof repair/patch: Roof repair is an allowable expense from sinking fund money, however, maintenance work done on the roof can not be paid from the sinking fund.

If I can assist further, let me know.

Sincerely,

Mark A. Hilpert, Director
Bureau of Local Government Services

Attachment
June 1, 1998

Ms. Linda Railigh, Manager
Local Audit and Finance Division
State of Michigan
Department of Treasury
Treasury Building
Lansing, MI 48922

Dear Linda,

Attached for your information are the following:
  a) List of sinking fund expenditures for July, 1997 to present
  b) List of sinking fund expenditures scheduled for the 1998-99 school year

Please review these two lists and let me know if you have any questions or need further clarification. If the list meets with your satisfaction, please let me know, in writing, that these expenditures from the Mancelona Public Schools Sinking Fund meet the requirements.

Thank you in advance for your assistance.

Sincerely,

[Signature]
Thomas Ross
Superintendent

CC: Anita Stephens, Business Manager

MISSION STATEMENT

Mancelona Public Schools, recognizing the needs of people from all walks of life, promises to make the best use of our resources to develop the academic and social potential of both students and community.
1997-98 SINKING FUND PROJECTS

1) Boiler repair in Elementary - $3,300
   Middle School - 4,200
   High School - 3,300
   Applied Learn Center - 5,000
   $16,000

2) Plumbing updates (Valves, faucets, etc.)
   Elementary - $600
   Middle School - 800
   High School - 1,600
   Applied Learn Center - 800
   $3,800

3) Septic/septic field repair
   Elementary - $2,000
   Middle School - 1,000
   High School - 8,000
   Applied Learn Center - 2,000
   Bus garage - 2,000
   $15,000

TOTAL FOR 1997-98 $34,800
# 1998-99 Sinking Fund Budget Projections

1) Bus Garage -
   - seal ext. walls: $5,000
   - upgrade electrical: 4,500
   - replace overhead door: 17,500
   - install oil change pit: 9,500
   - Total: $36,500

2) Athletic Fields -
   - repair lights: $3,500
   - repair bleachers: 4,200
   - painting of track: 1,500
   - Total: $9,200

3) Septic/ septic field repair
   - Middle school: $3,500

4) Roof repair/patch
   - Elementary: $8,200
   - Middle school: $9,700
   - Total: $17,900

**TOTAL:** $67,100
October 2, 2002

Mr. A. Bruce Watson, Ed. D.
Assistant Superintendent
St. Joseph Public Schools
2214 South State Street
St. Joseph, MI 49085

Dear Mr. Watson:

Thank you for your letter regarding the School Code sinking fund requirements. You are requesting an opinion regarding whether specific expenditures comply with the restrictions in Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the items listed in your correspondence dated April 4, 2002, meet the requirements of the Act, with the following exceptions or clarifications.

- **Replacement of lights**—will not be approved if the existing light fixture will have anything less than all of the existing components removed and only portion of the components will be replaced. Replacement of entire lighting fixtures including bulbs is an acceptable use of sinking fund money.
- **Water system**—we will need further clarification before a determination can be made regarding water assessment payment for new water system.
- **Installation of permanent white boards**—white boards have been determined to be equipment and are not an acceptable use of sinking fund money.
- **Contracted installation of additional counter space**—counters have been determined to be furniture and are not an acceptable use of sinking fund money.

If I can assist further let me know.

Sincerely,

[Signature]

Frederick Headen, Acting Director
Bureau of Local Government Services

Attachment
April 4, 2002

Michigan Department of Treasury
Local Audit and Finance Dept.
PO Box 30728
Lansing, MI 48909-8228

Attn: Linda Rairigh

Dear Linda:

I am enclosing for your approval our tentative list of Building/Site Projects for the 2002-2003 school year. These have been approved by our Board of Education.

I am available to answer any questions that you have concerning these.

Thanks for your assistance.

Sincerely,

[Signature]

A. Bruce Watson

C: BS file

Audit2002-03Letter
ST. JOSEPH PUBLIC SCHOOLS

2002-2003 BUILDING/SITE PROJECTS

1. Filling, leveling and installing drainage for playground.
2. Roof replacements for several buildings.
3. Electrical upgrades to buildings.
4. Architect/Consultant work for any B/S projects
5. Voice, video, data wiring for buildings.
6. Water assessment payment for new water system
7. Replacement of windows — one section of building.
8. Replacement of tubing and condensate pump for boilers.
9. Replacement of outside doors.
10. Installation of, and wiring for temperature controls.
11. Parking lot demolition and re-building.
12. Replacement of lights at gym.
13. Install carpet several rooms.
15. Demolition of sidewalks and re-building.
16. Lavatory remodeling, concrete leveling, installation of urinals.
17. Replacement of water lines.
18. Replacement of half floor tile.
20. Indoor bleacher contracted repairs.
22. Wiring for new public address system.
23. Contracted repairs to Planetarium Dome.
24. Contracted renovation to air handling units.
25. Contracted installation of additional counter space.
26. Installation of roof top heating/air-conditioning unit.
27. Tennis court demolition and re-building.
28. Track demolition and re-building.

hc300222903concesslist
October 26, 2001

Mr. A. Bruce Watson, Business Manager
St. Joseph Public Schools
2214 South State Street
St. Joseph, Michigan 49085

Dear Mr. Watson

Thank you for your recent letter regarding the School Code Sinking fund requirements. You are requesting an opinion regarding whether specific expenditures comply with the restrictions in Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the items listed in your correspondence dated August 31, 2001, meet the requirements of the Act, with the following exceptions/qualifications/clarifications:

2000-2001:
- Installation of permanent signage at buildings - signs that are structures that require design work, are constructed and are intended to be a permanent structure are an acceptable use of sinking fund money. Lettering that is added to the building is an unacceptable use of sinking fund money.

2001-2002:
- Replacement of lights at stadium and gym - light fixtures may be replaced using sinking fund money. Replacement of light bulbs is considered to be maintenance and is not an allowable use of sinking fund money.
- Contracted addition of additional counter space - counters and cabinets are considered to be equipping and furnishing and are not an allowable use of sinking funds.

If I can assist further, let me know.

Sincerely,

[Signature]

Mark A. Hilpert
Director
Bureau of Local Government Services

Attachment
August 31, 2001

Michigan Department of Treasury
Local Audit and Finance Dept.
PO Box 30728
Lansing, MI 48909-8228

Attn: Linda Ratliff

Dear Linda:

Per our telephone conversation today, I am sending to you a "last" list of Building/Site Projects for the past school year, 2002-2001. If any of the projects are not approved, we will reclassify them, reimbursing the Building/Site fund from the General Fund.

I am also enclosing the 2001-2002 proposed list of Building/Site Projects for your approval. If you have any questions, please feel free to give me a call.

Thanks for your assistance.

Sincerely,

A. Bruce Watson

C: file
ST. JOSEPH PUBLIC SCHOOLS

2000-2001 BUILDING/SITE PROJECTS

1. Filling, leveling and installing drainage for playground.
2. Roof replacements for several buildings.
3. Installation of permanent signage at buildings
4. Architect/Consultant work for any B/S projects
5. Voice, video, data wiring for buildings.
6. Water assessment payment for new water system
7. Replacement of windows - one section of building.
8. Replacement of tubing for boilers.
9. Replacement of outside doors.
10. Installation of, and wiring for temperature controls.
11. Parking lot demolition and re-building.
13. Running track demolition and re-building.
14. Remodeling of classroom into Media center, wiring for VVD, install new windows, sanding woodwork and wall, concrete leveling work, carpeting, lighting.
15. Install carpet several rooms.
16. Demolition of sidewalks and re-building.
17. Lavatory remodeling, concrete leveling, installation of urinals.
18. Replacement of water lines.
20. Concrete leveling, drainage pipes replacement for locker room.

Bx20002001Treasury
ST. JOSEPH PUBLIC SCHOOLS

2001-2002 BUILDING/SITE PROJECTS

1. Filling, leveling and installing drainage for playground.
2. Roof replacements for several buildings.
3. Electrical upgrades to buildings.
5. Voice, video, data wiring for buildings.
6. Water assessment payment for new water system.
7. Replacement of windows — one section of building.
8. Replacement of tubing for boilers.
9. Replacement of outside doors.
10. Installation of, and wiring for temperature controls.
11. Parking lot demolition and re-building.
12. Replacement of lights at stadium and gym.
13. Install carpet several rooms.
14. Demolition of sidewalks and re-building.
15. Lavatory remodeling, concrete leveling, installation of urinals.
16. Replacement of water lines.
17. Construction of storage room added onto existing school. Concrete work, concrete walls, bricks, wiring, windows, roof.
18. Indoor bleacher contracted repairs.
19. Wiring for new public address system.
20. Contracted repairs to Planetarium Dome.
21. Contracted renovation to air handling units.
22. Contracted installation of additional counter space.
23. Installation of roof top heating/air conditioning unit.
24. Tennis court demolition and re-building.

Rs20012002Treasury
River Valley School District
15480 Three Oaks Road, Three Oaks, Michigan 49128
616-756-9541 or 616-426-4415
www.rivervalleyschools.org

February 18, 2002

Mr. Robert M. Thrun
Thrun, Maatbach and Nordberg, P.C.
Suite 500, 501 South Capital Avenue
P. O. Box 40959
Lansing, MI 48901-7899

RE: Permissible Use of Building and Site Sinking Funds

Dear Mr. Thrun:

I am requesting for you to seek Treasury approval on the following items of facilities work:

1) The following work as part of a complete renovation of our high school auditorium:
   a) Material and contracted labor for installation of new carpet and baseboard.
   b) Material and contracted labor for painting and wallpapering of walls and stage floor.
   c) Material for replacement of ceiling tiles.
   d) Material for replacement of lighting ballasts, bulbs and other fixture components.

2) Material and labor for installation of new sound system. Treasury had previously denied this. However, I have enclosed a detailed list of the work and believe that at least the speakers and wiring, which are incorporated into the structure of the building, should be approved.

f) Install electrical outlets in the stage floor.

3) Replacement of exterior doors from high school technology lab.

3) Install water softener for high school cafeteria. Treasury had previously denied this. However, this equipment would be plumbed and hard-wired into the structure of the building, much the same as a central HVAC unit. We have very hard, mineralized water and this water treatment system is needed to prolong the life of our dishwasher, steamers and other food preparation equipment. I don't understand why this request was previously denied.

Please feel free to contact me if you have any questions regarding this matter.

Best regards,

Gustave A. Damaské
Business Manager
gdamaske@remc11.k12.mi.us

GAD/Enclosure

"Home of the Mustangs"

02/18/02 MON 16:07 (TX/EX NO 6038)
Mr. Robert M. Thrun
Thrun, Maatsch and Nordberg
P.O. Box 40699
Lansing, Michigan 48901-7899

Dear Mr. Thrun:

Thank you for your recent letter on behalf of River Valley School District regarding the School Code Sinking Fund requirements. Pursuant to Department of Treasury Letter No. 01-95, you are requesting an opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the attached project lists/letters, dated April 8, 1999 and May 6, 1999, appear to meet the requirements of both the act and the numbered letter.

If I can assist further, let me know.

Sincerely,

Mark A. Hilpert, Director
Bureau of Local Government Services

Attachment

c:  Mr. Gus Demaske; River Valley School District
April 8, 1999

Mr. Robert M. Thrun
Thrun, Maatsch and Nordberg, P.C.
Suite 500, 501 South Capitol Avenue
P. O. Box 40699
Lansing, MI 48901-7899

Dear Mr. Thrun:

As you probably know, our sinking fund mileage was approved on February 27, 1999. Consequently, I am requesting for you to seek Treasury approval on two items of facilities work which we wish to conduct this summer that Treasury has not yet approved or considered.

The first item, renovation of the remaining portion (9%) of New Troy Elementary south building yet to be completed, was considered by Treasury, but required more detailed information before they could determine approval or denial (copy of Treasury letter dated December 26, 1998, is enclosed). The additional detail is as follows:

- Replace single pane windows with thermopane windows
- Install new HVAC rooftop unit to replace old gas converted furnace
- Install new roofing system over canopy in front of building
- Install carpeting in classroom over old tile flooring
- Remove and renovate existing walls in east section of building
- Install emergency lighting and exit lights (with new fixtures)
- Update electrical wiring

The second item has not yet been considered by Treasury on our behalf. It calls for the installation of football stadium lighting, the fixtures for which we have already purchased. The details for this work is as follows:

- Replacement of one wooden support pole (old pole has heartrot decay)
- Straightening of one wooden support pole
- Removal of old light fixtures
- Shortening of three remaining poles (to accommodate specifications for new lighting system)
- Installation of new lighting system
- Replacement of main power distribution panel (there are safety concerns with old electrical panel)
- Installation of lightning arresters (protection for new lights) and install ground wire to ground rod

"Knowledge, our most precious resource"

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Mr. Robert M. Thrun  
April 8, 1999  
Page 2

+ Start, test, and aim new lighting system

There were other items on which Treasury requested more information before they could determine approval or denial. However, we will provide this information in the future closer to the time when we expect to conduct this work.

If you have any questions regarding this matter, please contact Don Larson or myself.

Best regards,

[Signature]

Gustave A. Damaske  
Business Manager  
gdamaske@remc11.k12.mi.us

Enclosures
Mr. Robert M. Thrun
Thrun, Maatsch and Nordberg
P.O. Box 40699
Lansing, Michigan 48901-7889

Dear Mr. Thrun:

Thank you for your recent letter on behalf of River Valley School District regarding the School Code Sinking Fund requirements. Pursuant to Department of Treasury Letter No. 01-95, you are requesting an opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the attached project list/sheet, dated December 17, 1996, appears to meet the requirements of both the act and the numbered letter with the following clarifications:

Chilaming Elementary: Hallway lighting improvement
Three Oaks Elementary: Improve lighting in multi-purpose room and hallways
New Troy Elementary: Improve lighting in multi-purpose room
Middle/High School: Update and/or replace lighting system in AV room

These are acceptable expenditures if they are replacing the lighting fixtures. Maintenance or bulb replacement are not acceptable expenditures.

New Troy Elementary: Renovate the remaining portion (1/2) of south building yet to be completed - These may or may not be acceptable expenditures. More detailed information is needed to make that determination.

Middle/High School: Update or replace sound system in AV room - Replace curtains in AV room - Install security system - Add water softener to supply kitchen hot water

These have been determined to be equipment or supply expenditures and are therefore not allowable expenditures from sinking funds.
Install air conditioning system for computer labs, network hubs & central offices - Central air conditioning is an acceptable expenditure. If these are room air conditioning units they are not acceptable expenditures as they are determined to be equipment.

If I can assist further, let me know.

Sincerely,

Mark A. Hilpert, Director
Bureau of Local Government Services

c Gustave A. Damasko, River Valley School District
Attachment
December 17, 1998

VIA HAND DELIVERY

Ms. Linda Rairigh
Municipal Finance Division
Michigan Department of Treasury
Fourth Floor, Treasury Building
Lansing, Michigan 48922

Re: River Valley School District — Use of Building and Site Sinking Funds

Dear Ms. Rairigh:

Attached is a list of the proposed expenditures for which River Valley School District anticipates using building and site sinking fund ("BSSF") monies. While I realize many of the uses clearly are within the appropriate use of BSSF dollars, I would appreciate your additional review and comment.

Thank you in advance for your time and attention to this matter.

Very truly yours,

THRUN, MAATSCH AND NORDBERG, P.C.

(517) 374-8870

RMT:bg
Enclosure

cc: Gustave A. Damaske, River Valley School District

\n
DEC 17 1998

LOCAL AUDIT & FINANCE DIV.
Chikaming Elementary

Replace roof and remove skylights
Apply 2” asphalt overlay and reline parking lot
Install parking lot lights (materials only-RV maint. staff to install)
Replacement of north & east exterior doors
Replace carpet in office; add cabinets and counter
Hallway lighting improvement
Carpet 2 classrooms
Replace 27 exterior window sections

Three Oaks Elementary

Replace heating plant boiler, supply lines & heaters
Replace the remaining portion (1/3) of roof yet to be completed
Replace glass block classroom windows
Apply 2” asphalt overlay and reline parking lot
Replacement of east exterior doors
Improve lighting in multi-purpose room and hallways

New Troy Elementary

Pave front area from sidewalk to road
Apply 2” asphalt overlay and reline parking lot
Replace east entrance doors
Improve lighting in multi-purpose room
Boiler replacement in north (6th grade) building
Renovate the remaining portion (1/2) of south building yet to be completed

Middle/High School

Replace the remaining portion of roof in kitchen, fine arts, & shop areas
Apply 2” asphalt overlay and reline front parking & entrance area
Replace remaining entrance doors
Sand and resurface wood gym floor
Repair and repaint hallway lockers
Update and/or replace sound system in AV room
Update and/or replace lighting system in AV room
Replace curtains in AV room
Replace seating and install aisle carpeting in AV room
Install air conditioning system for computer labs, network hubs, & central offices
Repair and replenish track surface and reline
Install security system
Add water softener to supply kitchen hot water
January 10, 1997

Ms. Beverly J. Bonning
Thrun, Maatsch and Nordberg
P.O. Box 40999
Lansing, Michigan 48901

Regarding: Coloma Community Schools

Dear Ms. Bonning:

Thank you for your recent letter regarding the School Code Sinking Fund requirements. Pursuant to Department of Treasury Letter No. 01–05, you are requesting an opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the attached project lists dated December 13, 1996, with the following exceptions, appear to meet the requirements of both the act and the numbered letter.

1. Reseal and restripe parking lots.

2. New gymnasium scoreboard.

If I can assist further, let me know.

Sincerely,

Mark A. Hilpert
Deputy State Treasurer

C: David DeFields, Superintendent; Coloma Community Schools

Attachment
December 13, 1996

Mr. Mark A. Hilpert  
Deputy State Treasurer  
Treasury Building  
430 W. Allegan Street  
Lansing, Michigan 48922

Re: Sinking Fund Mileage Uses

Dear Mr. Hilpert:

Coloma Community Schools has asked me to prepare this request to the Department of Treasury for an Interpretation regarding School Code sinking fund requirements. The school district is planning both a bond election and sinking fund mileage question for an upcoming special election in March. In order to properly categorize sinking fund expenditures and bond expenditures, the school district needs a response from the Department of Treasury as to whether the following expenditures are an appropriate use of sinking funds,

1. Replacement of doors, door jams, door frames and higher in several school buildings;
2. Install emergency lighting system to replace an old emergency lighting system.
3. Replacement of heating control valves.
4. Replacing lens covers for all ceiling lights in high school and junior high.
5. Install new restroom stalls,
6. Reseat and restrive parking lots.
7. New air conditioning rooftop unit (remodeling HVAC system),
8. Gymnasium heater unit repair.
10. Replace carpeting in all classrooms in Coloma Elementary School.

Some of the expenditures will be under $15,000. Specifically, the replacement of the lens covers, new restroom stalls and the gymnasium heater unit repair are estimated to be under $15,000. However, the school district plans to use a contractor to complete this work and not school district employees. The school district is meeting with Mr. Dick Kelley from the Department of Treasury to plan the school district's bond issue in early January. We hope that we can receive a request to this request as soon as possible.

Very truly yours,
Thurn, Maatsch and Nordberg, P.C.

[Signature]

BJS:tg
cc: David DeFields
June 28, 2000

Mr. Craig Harley, Business Manager
Bridgman Public School District
9964 East Road
Bridgman, Michigan 49106

Dear Mr. Harley:

Thank you for your recent letter regarding the School Code Sinking fund requirements. You are requesting an opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the attached project list/letter, dated June 14, 2000, appears to meet the requirements of the act.

If I can assist further let me know.

Sincerely,

Mark A. Hilpert, Director
Bureau of Local Government Services

Attachment
June 14, 2000

Dear Ms. Rairigh:

I spoke with you on the telephone on Friday, June 9, 2000 regarding the use of Sinking Fund millage to purchase a portable classroom. During that conversation, you stated that the Department of Treasury is currently allowing portable classrooms to be purchased with Sinking Fund millage. You also told me, because of the severe penalty of misspending Sinking Fund millage, that I need to request a letter stating that the Department of Treasury is currently allowing the purchase of portable classrooms with Sinking Fund millage.

I would appreciate a letter, for my records, that states that Bridgman Public Schools are not in any violation of the law purchasing a portable classroom with Sinking Fund millage.

Thank you.

Sincerely,

Craig Harley
Business Manager
September 30, 2002

BY ELECTRONIC MAIL.

Mr. Garret L. Barker
Assistant Superintendent
Coldwater Community Schools
175 South Michigan Avenue
Coldwater, MI 49036-2050

Dear Mr. Barker:

Thank you for your e-mail regarding the School Code sinking fund requirements. You are requesting an opinion regarding whether specific expenditures comply with the restrictions in Section 1212 of Public Act 451 of 1976, as amended, the Revised School Code and the interpretations of the Department of Treasury.

In my opinion, the items listed in your inquiries dated November 28, 2001, meet the requirements of the Act, with the following exceptions/qualification/clarification:

Public address systems in general have been determined to be equipment with the following clarification: wiring, installation costs, and built into the wall speakers are an acceptable use of sinking fund money. Mount on the wall and stand alone equipment expenditures are considered to be equipment and are not an acceptable use of sinking fund money.

We are unable to determine if the purchase of security systems is an acceptable use of sinking fund monies without further clarification.

If I can assist further let me know.

Sincerely,

Frederick Headen, Acting Director
Bureau of Local Government Services

Attachment
November 28, 2001

Linda Rairigh, Manager
Michigan Department of Treasury
Local Audit and Finance Division
430 West Allegan Street
Lansing, Michigan

RE: Request for Approval of Sinking Fund Site Projects

Dear Ms Rairigh:

The voters of the Coldwater Community Schools approved a 10 year Building and Site Sinking Fund tax levy at the June 11, 2001 Annual School Election. It is anticipated that this year the 1 mill levy will generate in excess of $500,000. At this time we are asking for approval from the Department of Treasury for the following projects for advertising and bidding. The district's skilled maintenance staff has estimated the estimated cost of each project.

1. Replacement of the roof over the 7th grade wing of Legg Middle School. This building was built in the mid 60's and this area of the roof needs to be replaced. Estimated cost $50,000.

2. Replacement of the PA system in Legg Middle School. The present system was installed in the mid 60's and does not meet the present needs of the building. Estimated cost $9,500.

3. Security systems for Edison, Girard, Jefferson and Lakeland elementary buildings, for Legg Middle School and for the Administration building. Estimated cost $12,000.

4. Replacement of the roof over the art room and a 4' x 100' area along an expansion joint at Coldwater High School. Estimated cost for entire project $20,500.

The total estimated cost of these four projects is $92,000. The district has awarded bids for the five previous projects approved by you. Those bids totaled $137,668.13.

Following your approval, bids will be solicited by advertising in the Coldwater Daily Reporter.

If you need additional information please call me at the following address or number.

Email gblakey@smc12&12.mi.us
Telephone 517.279.5910 ext 222

Sincerely,

Garrett L. Becker,
Assistant Superintendent
November 15, 2001

Mr. Garreth L. Barker, Assistant Superintendent
Coldwater Community Schools
175 S. Michigan Ave.
Coldwater, Michigan 49036-2050

Dear Mr. Barker:

Thank you for your recent e-mail regarding the School Code Sinking fund requirements. You are requesting an opinion regarding whether specific expenditures comply with the restrictions in Section 1212 of the School Code and the interpretations of the Michigan Department of Treasury.

In my opinion, the items listed in your correspondence, dated September 25, 2001, meet the requirements of the Act.

If I can assist further, let me know.

Sincerely,

Mark A. Hilpert
Mark A. Hilpert, Director
Bureau of Local Government Services
September 25, 2001

Linda Ralligh, Manager
Michigan Department of Treasury
Local Audit and Finance Division
430 West Allegan Street
Lansing, Michigan

RE: Request for Approval of Sinking Site Fund Projects

Dear Ms Ralligh:

The voters of the Coldwater Community Schools approved a 10 year building and site sinking fund tax levy at the June 11, 2001 Annual School Election. It is anticipated that this year the 1 cent levy will generate in excess of $500,000. Last night, during a regular meeting of the Board of Education, five tentative projects were approved for submission to the Department of Treasury. They are listed below, in no particular order:

1. New carpeting for the entire Administration Building. Estimated cost $20,000.

2. Enclosure of the new combined athletic/physical education field with 6' high chain link fence. The field is located at the corner of Bishop Ave and Green St. Approximately 1,610 linear feet of fence, two four-foot gates and one sixteen-foot gate would be required. Estimated cost $16,000.

3. Construction of a 16' x 32' Pole Barn for use as a storage building for the new athletic/physical education field. Including 6' concrete floor, two 8' sliding doors, 5' service door, steel siding and shingled roof. Estimated cost $5,700.

4. Replacement of all exterior doors at Legg Middle School, including windows and new hardware. Estimated cost $7,900.

5. A 40' x 40' Pole Barn, with scissor trusses, addition to the north end of the district's stockroom for storage of furniture and equipment. The building would have 14' sidewalls allowing for a loft for additional overhead storage, two 10' wide x 12' high sliding doors, two 3' service doors, steel siding and steel roofing. The building will also have electrical service to provide lighting and a few outlets. The area to be enclosed is black topped. Estimated cost $22,500.

The total estimated cost of these five projects is $143,200. (The district's skilled maintenance staff has computed the estimated costs and actual bids are expected to be less.)

Following your approval, bids will be solicited by advertising in the Coldwater Daily Reporter.

If you need additional information please email me or telephone me at the following address or number.

Email: garker@trec12.123.mi.us
Telephone: 517.279.5910 ext 222

Sincerely,

Garrett L. Barker,
Assistant Superintendent
September 6, 2002

Mr. Mark Ludlow, Business Manager
Quincy Community Schools
1 Educational Parkway
Quincy, Michigan 49082

Dear Mr. Ludlow:

Thank you for your letter regarding the School Code Sinking fund requirements. You are requesting an opinion regarding whether specific expenditures comply with the restrictions in Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the items listed in your correspondence dated December 27, 2001, meet the requirements of the Act.

If I can assist further let me know.

Sincerely,

Frederick Headen, Acting Director
Bureau of Local Government Services

Attachment
December 27, 2001

Local Audit & Finance Division
Michigan Department of Treasury
430 W Allegan
Lansing MI 48922

Attn: Linda Rairigh

Quincy Community Schools was just recently reminded of how volatile school roofs can be. Due to some fall rains, a leak appeared and could not be easily resolved. After a thorough review of the roof, it was determined that a section of our elementary school roof (approx 19,000 sq ft), needed to be torn off and replaced. Due to the onset of winter, timing was critical. Two bids were secured from reputable roofing contractors, with the bid of $68,630 being the one awarded.

The work is now coming to a close and the warranty inspection will soon take place. Quincy Schools is requesting your approval to fund this project out of our Building & Site Fund. If you should have any questions or concerns, feel free to contact me at your convenience. Thank you for your consideration in this matter.

Sincerely,

Mark Ludlow
Business Manager
Quincy Community Schools
July 28, 1999

Mr. Mark Ludlow, Business Manager
Quincy Community Schools
1 Educational Parkway
Quincy, Michigan 49002

Dear Mr. Ludlow:

Thank you for your recent letters regarding the School Code Sinking Fund requirements. Pursuant to Department of Treasury Letter No. 01—95, you are requesting and opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the attached project list/letter, dated July 15, 1999, appears to meet the requirements of both the act and the numbered letter. The also attached project list/letter, dated July 18, 1999, probably is not an allowable expenditure from sinking fund money. A determination was made by the department that permanent, solid wall dividers are an acceptable use of these funds, but accordion, fabric or less substantial dividers are equipment or furnishings and are not acceptable. Your description indicates a divider "curtain" which implies a not acceptable use. If this is not accurate and you believe the expenditure should be allowed, please send additional information and a request for my reconsideration.

If I can assist further let me know.

Sincerely,

Mark Hlipert, Director
Bureau of Local Government Services

Attachment