Based upon Section 1212 of the Revised School code, and Letter 01-95, the School District proposes to use sinking fund revenues for the following purposes ("Improvements"): Annapolis High School

Conversion of the former auto shop classroom into a physical fitness room.

- Removal of exterior garage door into room.
- Removal of hoist from shop floor.
- Replacement of floor, including base and surface.
- Construction of wall and partitions.
- Necessary painting.
- Installation of windows and window trim.
- Installation of doors.
- HVAC improvement to accommodate heating and air conditioning.
- Ceiling replacement, if necessary, with lighting system changes.

Please review the proposed Improvements and confirm the Department's concurrence that they are permissible under Department policy.

Additionally, the School District seeks approval to pay for the Improvements from operating funds at the time the work is done, and to reimburse the expenditure from the Sinking Fund as sums become available. We are seeking this approval because current proceeds from the Sinking Fund are being used for construction to address priority safety issues at school buildings and sites.

It is estimated that the construction cost portion of the project would be approximately $175,000. With the Department’s approval, we expect to commence construction February or March, 2001. We anticipate that the general fund would be reimbursed during the 2003-2004 school year.

Please do not hesitate to contact me should you have any questions concerning this matter.

Sincerely,

Jeffrey Bartold
Director of Business Services

APS/dl
cc: Susan Kenyon, Superintendent
    Anne P. Schierloh, Esq.

Note: Please disregard this page. It is page 2 of page 500 (previous section) and may be seen in the previous section. It is saved here to maintain page numbering purposes only.
October 8, 1999

Mr. Jeffrey Bartold, Director of Business Services
Dearborn Heights School District No. 7
20629 Annapolis
Dearborn Heights, Michigan 48125

Dear Mr. Bartold:

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 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 September 23, 1999, appears to meet the requirements of both the act and the numbered letter. With the following exception:

Pardee Elementary and O.W. Best – evaluations are services and are not an acceptable use of sinking fund money, except to the extent that they are part of an acceptable sinking fund project.

If I can assist further let me know.

Sincerely,

Mark Hilpert, Director
Bureau of Local Government Services

Attachment
Ms. Linda Rairigh  
Michigan Department of Treasury  
Treasury Building  
430 W. Allegan Street  
Lansing, MI 48922

Re: Proposed Use of Sinking Fund Proceeds  
Dearborn Heights School District No. 7  
Capital Improvement Bonds

Dear Ms. Rairigh:

This is a formal request for a review of the above reference, Proposed Use of Sinking Funds. Because the Department of Treasury is charged with responsibility of auditing and reviewing the uses of sinking funds, the Department advises school districts concerning the permissibility of these projects to be implemented through expenditure of sinking fund proceeds.

Based upon Section 1212 of the Revised School code, and Letter 01-95, the school district proposes to use sinking fund revenues for the following purposes:

**Bedford Elementary:**  
- Fire Alarm System replacement

**Madison Elementary:**  
- Playground improvements, including: removal of old playground equipment, removal of paved area and replacement with proper ground cover to meet Playground Safety Act.  
- Replacement of sidewalks  
- Parking lot replacement  
- Baseball field improvements  
- Fence replacement, including backstops  
- Fire Alarm System replacement

**Mayfair Complex:**  
- Removal and refurbish play area

**Pardee Elementary:**  
- Evaluation of building plumbing system

**O.W. Best:**  
- Roof evaluation and possible replacement

Sincerely,

Jeffrey Bartold  
Director of Business Services

Striving for Excellence in Education
December 8, 2000

Mr. Smerdis L. Hughes, Jr.
Asst. Superintendent, Fiscal Integrity
School District of the City of Highland Park
20 Harliss Avenue
Highland Park, Michigan 48203

Dear Mr. Hughes:

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 November 1, 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
November 1, 2000

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

RE: Approval For Expenditure From Sinking Fund

Dear Ms. Rairigh:

The District had its engineer/architect firm of Scales & Associates, Inc. to prepare the enclosed copy of bid specifications for the complete replacement of a burner for one of its boilers and the replacement of the domestic hot water heating boiler and storage tank at one of its elementary buildings. It is the District's desire to have this replacement paid from its "Sinking Fund."

Therefore, I am requesting that you review the enclosed documents to determine if this project meets the State's guidelines for "Sinking Fund" expenditures. Please provide me with a written
confirmation of your opinion regarding this matter. If any additional information is needed to assist you in your response, please contact me at your earliest convenience.

Sincerely,

[Signature]

Smerdis L. Hughes, Jr.
Asst. Superintendent, Fiscal Integrity

SLH:geb
Enclosures
Cc: Dr. Beulah Mitchell, Superintendent of Schools
    Mr. John D. White, Asst. Supt., Human Resources/Labor Rel.
August 31, 1999

Mr. Smerdis L. Hughes, Jr.
Asst. Superintendent, Fiscal Integrity
School District of the City of Highland Park
20 Bartlett Avenue
Highland Park, Michigan 48203

Dear Mr. Hughes:

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 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 June 30, 1999, appears to meet the requirements of both the act and the numbered letter.

If I can assist further let me know.

Sincerely,

Mark Hilbert, Director
Bureau of Local Government Services

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

RE: Approval For Expenditure From Sinking Fund

Dear Ms. Rairigh:

On July 20, 1998, the District contracted with the Detroit Elevator Company to provide a new hydraulic elevator, including removal of the original elevator. It was the District's intent to have this replacement paid from the "Sinking Fund." It also was my understanding that approval from your office was obtained by the District's Assistant Superintendent in charge of the District's maintenance program. However, a subsequent review of the District's documents supporting this expenditure reveals that this request for the approval had not occurred.

Therefore, I am requesting that you review the enclosed documents to determine if this elevator replacement falls within the guidelines for "Sinking Fund" expenditures. I have enclosed copies of the "Bid Specifications" prepared by the District and a description of the work that Detroit Elevator Company stated that they would perform in response to our bid package. If any additional information is needed to assist you in your response, please contact me at your earliest convenience.

"AN EQUAL OPPORTUNITY EMPLOYER"
Please excuse this untimely delay in requesting Treasury's verification that this is an allowable expenditure from the District's Sinking Fund.

Sincerely,

[Signature]

Smerdis L. Hughes, Jr.
Asst. Superintendent, Fiscal Integrity

SL Hughes
Enclosures

RECEIVED
DEPT. OF FAMILAR

LOCAL, AUDIT & FINANCE DIV.

JUL 06 1999
April 2, 1997

Mr. Randy A. Liepa
Assistant Superintendent for Business
Livonia Public Schools
15125 Farmington Road
Livonia, Michigan 48154-5474

Dear Mr. Liepa:

Thank you for your recent letter regarding the School Code Sinking Fund requirements. Pursuant to Department of Treasury Letter No. 01-85, 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, dated March 21, 1997, appears to meet the requirements of both the act and the numbered letter. This approval is, however, only for repair work and excludes any work that is considered to be maintenance activities.

If I can assist further, let me know.

Sincerely,

Mark A. Hilpert
Deputy State Treasurer

Attachment
March 21, 1997

Ms. Linda Ralrigh
State of Michigan
Department of Treasury
Treasury Building
Lansing, MI 48922

Dear Ms. Ralrigh:

The Livonia Public Schools passed a millage in 1995 in the amount of 1 mill for 5 years to create a sinking fund for the repair of school buildings. I am asking for an interpretation of whether our sinking fund could be used to repair outdoor tracks. I look forward to your response and thank you for your continued assistance.

Sincerely,

[Signature]

Bobby A. Upton
Assistant Superintendent
for Business

RAL: cjm

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511
March 7, 1997

Mr. Randy A. Liepa
Assistant Superintendent for Business
Livonia Public Schools
15125 Farmington Road
Livonia, Michigan 48154-5474

Dear Mr. Liepa:

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, dated February 29, 1997, appears to meet the requirements of both the act and the numbered letter, with the following provisions:

- Equipping is not included and the planting and landscaping only covers non-recurring expenses (i.e. annual plantings, landscape bark replacement, fertilizing) and labor, if provided by school district employees, is not paid from sinking funds if performed during regular working hours. Labor can only be paid to school employees if bid and completed outside of normal employment as a contract employee.

If I can assist further, let me know.

Sincerely,

Mark A. Hippert
Deputy State Treasurer

Attachment
Ms. Linda Rarigh
Michigan Department of Treasury
Treasury Building
Lansing, MI 48922

Dear Ms. Rarigh:

Our school district is proposing a sinking fund for the renovation of one of our school sites. The sinking fund is anticipated to raise approximately $1.25 million dollars for one year to do the following:

Take down the eastern and northern portions of the building and repair and remodel the entrances, wall areas, and building facade to make the building more functional.

Also, the repair and improvement of the site, most important the new vacant areas, including planting and landscaping would be accomplished with this sinking fund.

I am asking for approval to use a sinking fund (with voter approval, of course) for the above mentioned project.

Thank you for your continued assistance.

Sincerely,

Randy A. Estapa
Assistant Superintendent
for Business

RAL: mh
Mr. Randy Liepa
Assistant Superintendent for Business
Livonia Public Schools
19126 Farmington Road
Livonia, Michigan 48154-5474

March 27, 1996

Dear Mr. Liepa:

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.

The Treasury Letter No. 01–95 excludes maintenance expenses from Sinking Funds.

Regarding your general lighting system project, fixture repair or replacement (with bulbs) would not be maintenance and is acceptable. If, however, you will be replacing some bulbs without replacing the fixtures, those expenditures would be considered maintenance and are not acceptable.

Repair of gym floors is acceptable. Annual or routine maintenance or refurbishing is not acceptable.

The Treasury Letter No. 01–95 excludes equipment purchases from Sinking Funds.

Repairing and repainting (refurbishing) of old lockers is an acceptable use of Sinking Funds. Replacing old lockers with new is considered equipping and is not acceptable.

Replacing window blinds is furnishing and equipping and is not acceptable use of Sinking Fund moneys.

In my opinion, the attached project list, (with the above referenced exceptions) dated March 18, 1996, appears to meet the requirements of both the act and the numbered letter.

If I can assist further, let me know.

Sincerely,

Mark A. Hiper
Deputy State Treasurer
March 18, 1996

Ms. Linda Rairigh
State of Michigan
Department of Treasury
Treasury Building
Lansing, MI 48922

Dear Ms. Rairigh:

The Livonia Public Schools is pleased to report that its community approved a 1 mill sinking fund levy in order to keep its facilities in good repair beginning this year. This levy will generate annually about $3.5 million dollars to cover 40 sites. I am confident that the types of repairs that we are planning are within the Treasury's guidelines as it relates to allowable expenditures for sinking funds. Nevertheless, I thought it would be important to outline to Treasury exactly what we are planning to do so there will be no misunderstandings. This will avoid any potential issues which as you know could create considerable problems if we are not in compliance. Below I have listed the projects we have started or plan to do. I am requesting that you review and determine if they are allowable expenditures.

♦ Several doors are in disrepair due to aging. Basically, they have rusted badly. We would like to repair these doors through replacement.

♦ In-wall lunch tables (tables built into and attached to the wall) are for the most part original from when the buildings were built and in need of repair. We would hire an organization to come and repair the fixtures mostly through repair or replacement of major parts of the tables.

♦ Several components of our heating and ventilating systems are very old and in need of repair. Temperature controls, units, compressors, other components would be repaired or replaced based on their condition.

♦ The general lighting system and light fixtures are old, inefficient, and generally look run down. We would repair this in several of our facilities by replacing worn out or inefficient lamps and ballasts, replace worn down or damaged light fixtures in gymnasiums, and hallways, replace exit signs, replace exterior lighting at one building, dispose of old lights under current law, etc.

♦ Repair ceiling at one site (including asbestos removal) to allow for appropriate wiring in facility and to fix areas of ceiling in disrepair.

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515
Repair, adjust, or replace old inefficient boilers based on their age and condition.

Repave or repair parking lots based on their condition.

Complete major roof repair at one of our oldest sites to provide for an appropriate ventilation system and also water drainage at the site. The current wood structure is rotting and ventilation is extremely poor. Asbestos removal would be involved.

Repair or replace the interior ceiling at the same site based partly on the wear and tear noted above, plus to accommodate the ventilation change needed for basic repair as noted above, piping is exposed, etc.

Correct corridors at the same site by creating an exit to meet fire safety standards.

Repair or replace worn down and damaged tile and carpet at this site.

Replace windows and repair structure around windows which are rusting and deteriorating at the site.

Repair bathroom to improve ventilation at the site.

Repair or replace aging indoor and/or outdoor bleacher structures based on their condition.

Repair/refurbish gym floors.

Repair the high schools pool filter and chemical handling systems which are old and worn down, including related piping. Much of the old systems will need to be replaced.

Replace old inefficient window unit air conditioners with a centralized system.

Refurbish or replace old lockers.

Replace an old water line that is eroding underground (underneath the gym) at one of our sites.

Repair or replace windows that are old, have rusted out, and are in disrepair.

Replace attached blinds that are in poor condition and many of which no longer function.

Repair or replace old worn out ceilings.
Department of Treasury
March 18, 1996
Page 3

Considering the number of sites we have, all projects noted above are expected to be bid out at a cost well above the $14,742 threshold. Based on the size of the projects, all work will be done by outside contractors. We also are expecting to pay for related engineering and architectural fees from the sinking fund.

Again, I believe the items noted are within Treasury guidelines. I look forward to your response so we can be in agreement and our District can continue to move forward. Please feel free to call me at (313) 523-9118 if you have any questions. We are very appreciative of your time and efforts in helping us.

Sincerely,

[Signature]

Randy Hopkins
Assistant Superintendent
for Business

c: Dave Watson
Mr. David G. Bergeron  
Executive Director for  
Business/Support Services  
Clarencoville School District  
20210 Middlebelt Road  
Livonia, MI 48152-2099

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, both items listed in your correspondence dated May 20, 2002, meet the requirements of the Act.

If I can assist further let me know.

Sincerely,

Frederick Headsen, Acting Director  
Bureau of Local Government Services

Attachment
May 20, 2002

Mr. Mark A. Hilpert, Director
Bureau of Local Government Services
Department of Treasury
Treasury Building
Lansing, MI 48922

Dear Mr. Hilpert:

The Clarenceville School District is beginning to contemplate the renovation of its auditorium and would like your opinion as to whether the complete renovation of auditorium seating would be an eligible sinking fund expenditure. The total cost of the renovation would be in excess of $100,000.

If renovation is not an eligible expenditure, would the complete replacement of the seats be eligible? The seats are permanently attached to the auditorium floor with bolts.

Your interpretation of whether sinking fund dollars can be used for each alternative would be greatly appreciated. If you have any questions, please feel free to contact me at (248) 473-8903. Thank you for your assistance in this matter.

Sincerely,

[Signature]

David G. Bergerson
Executive Director for Business/Support Services
Mr. David G. Bergeron, Business Manager  
Clarenceville School District  
20210 Middlebelt Road  
Livonia, Michigan 48152-2009

Dear Mr. Bergeron:

Thank you for your recent letter regarding the School Code Sinking Fund requirements. Pursuant to Department of Treasury Letter No. 01-65, 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 March 22, 1999, appears to meet the requirements of both the act and the numbered letter with the following exceptions:

18. Middle school and high school lockers; and  
23. Create locker cubbies at elementary schools.  
Lockers are considered to be equipment and are not allowable sinking fund expenditures unless they are structurally designed to be part of the building, are permanently mounted into the walls and are a part of the structure.

19. P.A. Systems  
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.

29. Classroom furniture/fixtures  
All furnishing and equipping is specifically excluded as an allowable expenditure from sinking fund money.

If I can assist further, let me know.

Sincerely,

Mark A. Hipert, Director  
Bureau of Local Government Services

Attachment
March 22, 1999

Ms. Linda Rairigh, Manager
Municipal Finance Section
Bureau of Local Government
Michigan Department of Treasury
430 W. Allegan Street
Lansing, MI 48922

Dear Ms. Rairigh:

At its February 11, 1999 Board meeting, the Clarenceville Board of Education voted to place a proposal on June's ballot seeking an increase in the number of mills which the district can levy as a sinking fund from .75 mills to 2.0 mills.

Before the campaign started, I thought it would be a good idea to give you the opportunity to review our anticipated project list. As you review the list, please call me with any questions or needed clarifications.

If Treasury has maintained a database or list of approved sinking fund projects from other districts could you please send me a copy?

Thank you for your assistance in this matter. I look forward to hearing from you.

Sincerely,

David G. Bergeron
Business Manager
1. Middle school windows - Replace all windows at middle school
2. High school windows - Replace all windows at high school
3. Create a bus loop behind Grandview - Creation of a asphalt bus loop behind Grandview elementary to alleviate congestion in front of elementary school thereby improving safety.
4. Replace and improve high school heating system - Replace two main boilers at high school as well as any necessary piping related to the replacement.
5. Security lighting at all buildings - Install security lighting on poles and buildings.
6. Replace and renovate electrical wiring at all buildings - Install circuit breakers where fuse boxes are present. Replace old wiring that is a safety concern.
7. Replace and re-key entry doors at high school - Replace all exterior doors at high school and re-key locks.
8. Improve domestic water service to buildings - Replacement of district owned water lines where needed.
9. Repair and replace roofs as needed.
10. Replace boiler at Grandview elementary.
11. Renovate and upgrade of restrooms throughout district - replacement of plumbing fixtures (toilets, sinks, etc.), repair and replace piping, install partitions, new lighting, ceilings, flooring, paint as necessary due to the renovations.
12. Renovate media centers at all schools - Wire all media centers for technology, Replace lighting, carpeting, ceiling tiles, paint where necessary due to renovations.
13. Provide additional technology wiring at all schools - Install additional wiring to support technology within the classrooms.
15. Renovate and repair district owned bridge - Upgrade bridge over Middlebelt Road to ensure continued safety.
Clarenceville School District
Proposed Sinking Fund Project List
As of March 22, 1999

16. Replace lighting fixtures in classrooms - replace fixtures in classrooms that were not upgraded with 1995 bond proceeds or capital project funds.

17. Renovate cafeteria areas in all buildings - Repair/renovate plumbing, lighting, ceilings, paint where necessary due to renovations.

18. Middle school and high school lockers - Replace if allowed, if not repair/renovate all lockers in middle school and high school. What if replacement of lockers is less costly than repairing existing lockers.

19. P.A. Systems - Replace hardware and wiring for P.A. systems in all buildings.

20. Replace boiler at Botsford elementary school.

21. Replace gymnasium floor at high school.

22. Replace gymnasium bleachers at high school.

23. Create locker cubbies at elementary schools - These would be new as there are no lockers currently in our elementaries.

24. Resurface the district's track.

25. Replace entrance doors at both Grandview and Botsford elementary.

26. Resurface and improve parking lots - Resurface and improve parking lots at all schools. Is painting of lines alright as long as it is part of a resurfacing project?

27. Make site improvement to sidewalks and entry areas - replacement of concrete sidewalks and repair/replacement to entrance stops and overhangs.


29. Classroom furniture/fixtures - Replacement of approved classroom furniture (if any).

30. Repair of heating systems as needed including, but not limited to; unit ventilators, radiators, boilers, supply and return piping, thermostats.
Mr. Dennis M. McComb, Superintendent
Milan Area Schools
520 North Street
Milan, Michigan 48160

Dear Mr. McComb:

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 April 28, 1997 and clarified on May 12, 1997, appears to meet the requirements of both the act and the numbered letter with the following exceptions which have been determined to be equipment:

Replace the sound system in the middle school gym.
Install a new master clock system in the middle school.

If I can assist further, let me know.

Sincerely,

Mark A. Hilpert
Deputy State Treasurer
Ms. Linda Rairigh, Manager  
Local Audit and Finance  
State of Michigan  
Department of Treasury  
Treasury Building  
Lansing, MI 48922

May 12, 1997

Dear Ms. Rairigh:

Thank you for your quick response to my request. I apologize for not providing more detailed information in a few of the areas. I will attempt to give you more details on the projects in question.

1. Improve the site of our elementary playground and athletic practice facilities.  
   This is one in the same location. We have serious problems with drainage. The plan would be to install drain tile, possibly connected to the storm sewer system, then regrade the site. By doing that we would have to redevelop our practice football, baseball, and softball fields including seeding.

2. Replacement of lockers  
   These are permanent lockers in the locker room areas. They will be permanently attached and will not be removed to use in other facilities.

3. Asbestos abatement  
   We have some ceilings and pipe joints in the high school that need to be removed due to their location and/or condition. We would like to contract with a company to have it removed.

4. Renovate the track  
   Our current track is in desperate need of renovation. Because it has numerous cracks in it the plan would be to pulverize the existing surface, rebuild the base, put down new asphalt, resurface and reline.

I hope I have answered your questions sufficiently. If you need more information please let me know.

Sincerely,

Dennis M. McComb  
Superintendent

[Signature]

DENNIS M. McCOMB
Superintendent of Schools

PHONE (313) 439-1541  
FAX (313) 439-3352
May 6, 1997

Mr. Dennis M. McComb, Superintendent
Milan Area Schools
920 North Street
Milan, Michigan 48160

Dear Mr. McComb:

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.

Before a decision can be made regarding the list provided, I will need additional information regarding the following projects:

What is included in "improve the site of our elementary playground area and athletic practice facilities"?

I need more detail on the replacement of the lockers. Will these be built into the wall, permanently attached or will they be lockers that can easily be moved to other facilities?

What is included in "asbestos abatement" and "renovate the track" expenditures?

If I can assist further, let me know.

Sincerely,

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

RE: Sinking Fund Projects

Dear Ms. Rairigh:

The Milan Area School District will be asking the voters to approve a Building and Site Sinking Fund at our Annual Election on June 9th. If we are successful then we want to do some projects over the summer. As a result, I would like to get approval from your department, in advance, for the projects we would like to do. They are:

- Classroom renovations (i.e. replace ceilings, replace floor tile, construct wall partitions)
- Install drain tile and improve the site of our elementary playground area and athletic practice facilities
- Replace hallway ceiling and install recessed lighting (this includes the appropriate electrical work)
- Renovate locker rooms including replacement of lockers and plumbing fixtures
- Replace a section of roof on the high school
- Replace entrance/exit doors in numerous areas
- Asbestos abatement
- Renovate the track
- Resurface the tennis courts
- Replace some sections of sidewalk and curbing
- Replace the sound system in the middle school gym
- Install a new master clock system in the middle school

If you need further clarification on any of these items please give me a call.

Thank you.

Sincerely,

Dennis M. McComb
Superintendent

DMM:gd

PHONE (313) 439-1541
920 NORTH STREET
MILAN, MICHIGAN 48160

FAX (313) 439-3352
July 12, 2001

Mr. Dennis M. McComb, Superintendent
Milan Area Schools
920 North Street
Milan, Michigan 48160

Dear Mr. McComb:

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 interpretation of the Department of Treasury.

In my opinion, the attached project list/letter, dated July 2, 2001, 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
July 2, 2001

Mr. Mark A. Hilpert, Director
Bureau of Local Government Services
Treasury Building
Lansing, MI 48922

RE: School Code Sinking Fund

Dear Mr. Hilpert:

I received your letter dated June 21, 2001, answering my questions regarding the use of sinking fund monies for different projects. I would like to provide some further clarifications on the two of the items you identified.

1. Renovations of the lighting, ventilation, and deck in our swimming pool. The swimming pool is a 30 year old facility. As a result we are in the process of planning to renovate it. Included in the project will be the removal of the existing metal ceiling and the recessed lighting. We also need to replace the whole mechanical system for that area which includes heating and ventilation. In addition we would need to replace the lighting for the area. Additionally the tile on the pool deck is cracked and broken in areas and needs replaced as does some of the drainage system which is in the concrete under the deck. All of that would require replacing the tile on the deck. This is a major renovation that needs to be done in order to allow us to continue using the pool for many years.

2. Replacement of classroom unit ventilators. The current high school building is over 40 years old and the mechanical system needs to be renovated. Included in that project would be some replumbing which would require replacing the individual units in each classroom. This project is necessary to maintain proper heating and air circulation in the building. Therefore, I believe the use of sinking fund dollars should be considered appropriate. Please let me know if that would be acceptable based upon the scope of the project.

Sincerely,

[Signature]

Dennis M. McComb
Superintendent

DMM/7th
Mr. Dennis M. McComb, Superintendent
Milan Area Schools
520 North Street
Milan, Michigan 48160

Dear Mr. McComb:

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 May 6, 1998, appears to meet the requirements of both the act and the numbered letter with the following exceptions:

1. When remodeling the locker room, new lockers are only acceptable expenditures from sinking funds if the lockers are built into the wall and are part of the structure. Stand alone lockers are furniture/equipment and are not acceptable expenditures.

2. When remodeling the kitchen areas, ovens, stoves and dishwashers are equipment and are not allowable sinking fund expenditures.

I have forwarded a copy of your letter to the Michigan Municipal Bond Authority for response regarding the Durant Settlement bond proceeds, as they are the agency that will be implementing this program.

If I can assist further, let me know.

Sincerely,

Mark A. Hilpert, Director
Bureau of Local Government Services

Attachment
The Milan Area School District will be asking the voters to approve a Building and Site Sinking Fund at our Annual Election on June 8th. If that vote is successful we want to begin work on some projects during the summer. As a result I am asking for approval from your department for the following projects:

1. Remodel the locker rooms in the pool area to include replacement of the lockers. The lockers currently in use are over 30 years old and, due to the condensation in that area, need to be removed and permanently replaced.
2. Expand the parking lot at the high school.
3. Remodel the pool area which would include replacing the pool deck and the starting blocks which are permanently installed.
4. Remodel kitchen areas which includes increasing their size, replacing some plumbing, re-tiling the areas, and replacing equipment like ovens and dishwashers. In addition, we need to redesign the serving area since it is too small to accommodate the number of students we serve.

In addition, I am asking for approval for a project which will be funded using bond proceeds from the Headlee Underfunding Lawsuit. A description of the project is as follows:

The school plans to develop a site, install water, electric and a septic field, and then place two portable classrooms on the site. Those classrooms would be used to house our Alternative school program. Currently we have to rent a facility.

I would appreciate your approval of these projects. If you need any additional information please let me know.

Sincerely,

Dennis M. McComb
Superintendent
Mr. Dennis M. McComb, Superintendent
Milan Area Schools
920 North Street
Milan, Michigan 48160

Dear Mr. McComb:

Thank you for your recent letter regarding the School Code Sinking Fund requirements. Pursuant to Department of Treasury Letter No. 01-65, 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 September 16, 1998, appears 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

cc: Ms. Beverly Bonning; Thrun, Maatsch & Nordberg

Attachment
MILAN AREA SCHOOLS
920 North Street
Milan, Michigan 48160
Phone: 734-439-5050
Fax: 734-439-5083

William T. Matley
Executive Director

Dennis M. McComb
Superintendent

Carol Hendel
Finance Director

September 16, 1998

Mr. Mark A. Hilpert, Director
Bureau of Local Government Services
Department of Treasury
Treasury Building
Lansing, MI 48922

RE: Building and Site Sinking Fund Projects

Dear Mr. Hilpert:

The Milan Area School District passed a Building and Site Sinking Fund at its Annual Election on June 8, 1998. As a result, we are working on projects previously approved by your department. I am now requesting approval for two additional projects we would like to undertake. They are:

1. As we renovate the sites for our football field and replace the track, we have found that we also need to include in the site development the replacement of the lights for that area. At the same time we want to install lighting for our other outdoor athletic facilities on the same site.

2. In 1997 we built a new gymnasium at the high school using voter approved Bonds. Part of that project was putting recessed areas in the hallways so that we could eventually put trophy cases there to house our athletic trophies. We have contacted a carpenter who will custom build those cases for us in those recessed areas. These are to be permanently installed and, as I mentioned, built specifically for the recessed areas.

If you need any further clarification of these issues please let me know.

Sincerely,

Dennis M. McComb
Superintendent

DMM/dh

C: Mrs. Beverly Benning
Thrun, Maatash, and Nordberg, P.C.
February 24, 2003

Mr. Richard A. Montcalm
Assistant Superintendent for Business & Finance
Monroe Public Schools
1275 North Macon Street, P. O. Box 733
Monroe, Michigan 48162

Dear Mr. Montcalm:

Thank you for your letter clarifying resurfacing of the parking lot and the soft play areas at several elementary schools. You requested 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 October 24, 2002, meet the requirements of the act, with the following clarification:

- Soft play areas—the installation of an impact absorbing surface underneath playground equipment is an acceptable use of sinking fund expenditures.

If I can assist further let me know.

Sincerely,

[Signature]

Frederick Heiden, Director
Bureau of Local Government Services

Enclosure
October 24, 2002

Mr. Frederick Headen, Acting Director
Bureau of Local Government Services
State of Michigan
Department of Treasury
430 W. Allegan St.
Lansing, MI 48922

Dear Mr. Headen:

I want to take this opportunity to thank you for responding to the review of the Sinking Fund requirements according to the School Code, Section 1212 and the interpretations of the Department of Treasury. You stated that in your opinion the majority of items met the expectations and requirements of the act.

I would like to clarify two issues you had a concern about, one being the resurfacing of the parking lot. You stated it is an allowable expenditure if the purpose was to repair the existing asphalt surface. The job which was completed and reported to you was a definite repair. This was an $80,000 item where an outside company who had the machinery, equipment and expertise to perform the job was contracted to repair many locations and resurface the entire area. The lot was deteriorating to the point where we had major breaks and holes.

The second item was a question on the soft play area. This is an item we have reported to the Department of Treasury in the past and has been accepted due to the fact this is a requirement by our insurance company and guidelines which are being set for student safety. We must bring in an outside contractor who has heavy equipment and can construct a safe landing area for all areas according to established specifications. The contractor must dig 18-20 inches down, insert permanent timbers, install or reinstall all the equipment according to specified guidelines and then top the area off with soft material to lessen a fall experienced by any students on the playground equipment.

If you need further clarification on either of the above items, please do not hesitate to contact me at 734-241-2155 or email at montcalm@monroe.k12.mi.us. We thank you in advance for your consideration of these two issues and appreciate your response.

Sincerely,

Richard A. Montcalm
Assistant Superintendent for
Business & Finance

RAM:ed
Cc: Mike Breen
Shawn Biddle
Pete Carlton

1275 N. Macomb St. • P.O. Box 733 • Monroe, MI 48162
March 17, 2003

Mr. Richard A. Montcalm  
Assistant Superintendent for Business & Finance  
Monroe Public Schools  
1275 North Macomb Street, P. O. Box 733  
Monroe, Michigan 48162

Dear Mr. Montcalm:

Thank you for your letter regarding the School Code sinking fund requirements. You requested 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 correspondence dated February 10, 2003, meet the requirements of the act, with the following clarification.

- Soft play areas—the installation of an impact absorbing surface underneath playground equipment is an acceptable use of sinking fund expenditures.

If I can assist further let me know.

Sincerely,

[Signature]

Frederick Heade, Director  
Bureau of Local Government Services
February 10, 2003

Mr. Frederick Headen
Acting Director
Bureau of Local Government Services
Michigan Department of Treasury
430 W. Allegan St.
Lansing, MI 48922

Dear Mr. Headen:

In October of 2002, I had responded to your questions regarding two items that we wanted to use our Sinking Funds dollars for and make certain that they fall within the school code 1212. The majority of items you felt met the expectations and requirements of the act. I am looking forward to your response on the two items. I have attached a copy of the letter I sent in October and I would like to offer you our projects for the summer of 2003.

Following are the 2003 Building & Site Sinking Fund projects for Monroe Public Schools.

1. **Key replacement at Raisinville and Christiana Elementary Schools.** We continue to improve the security and use of keys throughout our system. This has been an ongoing project for many years and it is necessary to have an outside company redo the lock system and replace and handle doors to meet ADA requirements. The estimated cost is $22,000 + fees.

2. **Soft play area at several elementary schools.** It is necessary for us to continue working on our elementary facilities and playgrounds to comply with ADA specifications. This requires excavation and use of outside contractors to complete the task according to ADA guidelines. Estimated cost this summer is $30,000 + fees. This item is one of those you requested additional information for and the letter is attached.

3. **Windows at Monroe Middle School.** This is the third year of a project replace windows at Monroe Middle School. Estimated cost for this project as we move to other parts of the building is $400,000 + fees.

4. **Carpet replacement.** This job consists of carpet and tile replacement in many of our buildings as carpets become old and worn and are then considered as a safety hazard. The estimated cost is $50,000 + fees.
5. Asbestos removal monitoring. Several of the above stated projects include the need to remove asbestos and follow the AHERA procedures. This project must be done by outside contractors and monitored as part of the Building & Site Projects. The potential cost in this area is $40,000 + fees.

6. Replacement and renovation of the running track at Monroe High School. Our current track surface has deteriorated and split to such a degree that it cannot be repaired and must be removed and replaced. Estimated cost is $135,000 + fees.

7. Replacement of doors and frames. This would encompass replacement in multiple buildings throughout the district where doors and frames need to be redone due to rust, corrosion and deterioration. The total estimated cost of this project is $120,000 + fees.

8. Roof replacement at two buildings. Roofing replacement are needed at two sites. The estimated cost is $50,000 + fees.

9. Tuck-pointing at Monroe Middle School. The brick and mortar are loose at this facility and is in need of repair which must be done by an outside contractor. This has an estimated cost of $85,000 + fees.

10. Fence installation. We are having a fence installed along the Monroe High School perimeter to assist in security for that facility. Estimated cost for this job is $36,000 + fees.

11. Bleacher mechanism installation. Install bleacher mechanism at Monroe High School in order to mechanize the moving of the bleachers. Currently they are done by hand and have caused several Worker's Comp cases. This must be done by an outside contractor. The estimated cost of this project is $40,000 + fees.

12. Mechanical work. There is a need to replace boiler feed tanks and sanitary oil interceptor which would both have to be done by outside contractors to maintain our current systems plus upgrade to current requirements. The estimated cost of this project is $20,000 + fees.

We appreciate your review and acceptance of these projects under the Building & Site Sinking Fund and await your official opinion. If you have any questions or need further information, please do not hesitate to contact me. My email address is montcalms@monroe.k12.mi.us Phone number is 734-241-2155 or you may write at the above address.

Sincerely,

[Signature]

Richard A. Montcalm
Assistant Superintendent for
Business & Finance

RAM:ed
Cc: Dave Taylor, Mike Bross, Pete Carlton
October 9, 2000

Mr. Richard A. Montcalm, Assistant Superintendent
For Business and Finance
Monroe Public Schools
1270 N. Macomb St.
P.O. Box 733
Monroe, Michigan 48162

Dear Mr. Montcalm:

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 July 20, 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
July 20, 2000

Mr. Mark A. Hlupert, Director
Bureau of Local Government Services
Department of Treasury
Treasury Building
Lansing, MI 48929

Dear Mr. Hlupert:

I want to take this opportunity to thank you for your prompt response to my letter regarding the School Sinking Fund project requirements. I would like to follow up on some of the questions and interpretations you had on my original list dated May 24, 2000. Hopefully I can clarify the questions which will allow the proper use of the funds for the stated items.

1. Paying including capping and sealing. What we have done is a total resail of existing asphalt at the two schools. It is not just a capping. It has been done by an outside contractor who has the proper equipment and can do it on a very timely basis and cover an extremely large area. It is not a hand item where we just put seal coat but a process which included heat and a total sealing of all existing asphalt in two large parking lots. I am hoping this process is an acceptable use of the funds and if you have any questions, please see the e-mail below. If you need further information regarding the specifications, we would also be happy to send those.

2. Remodeling play areas. In each case we are asking for the use of the funds for the play areas to conform the playground with federal guidelines. We are putting in new structures which include digging the required depth, putting in the required beams and any other required items. All equipment is being purchased in compliance with federal guidelines. These are permanent structures and are attached to the ground and have a very thorough design work, sight preparation and estimated life of twenty years.

3. Monroe High School Graining Booth and Science Renovation: In both cases we are not asking for the approval of any equipment in the renovation of these two facilities. They are permanent-type structures to make both areas safer and more conducive learning environment for our students. We have some new science teaching lab stations but do realize that any equipment involved would not be included as part of this project.

Raid 7/11/00

1275 N. Macon St. • P.O. Box 733 • Monroe, MI 48162
4. Monroe High School Auditorium Lights: It is our intention to make use of the funds only for the wiring and permanent replacement of the lights themselves. The light board would not be part of the Sinking Fund dollars. We would be removing all existing light fixtures and components and replacing them with newly specified equipment.

5. Window Treatment Installation: I understand your position on the window treatments and we would not include those in our Sinking Funds dollars.

Sincerely,

[Signature]

Richard A. Montcalm
Assistant Superintendent for Business & Finance
montcalm@monroe.k12.mi.us

RAM:cced

cc: Dave Taylor
    Mike Bross
    Shawn Biddle
    Pete Carlton
June 13, 2000

Mr. Richard A. Montcalm, Asst. Superintendent
For Business & Finance
Monroe Public Schools
P.O. Box 733
Monroe, Michigan 48162

Dear Mr. Montcalm:

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 May 24, 2000, appears to meet the requirements of the act, with the following exceptions or clarifications:

✓ Paving including capping and seal – capping and sealing of new asphalt is acceptable, however, re-sealing of existing asphalt is considered to be maintenance and is not an authorized use of sinking funds.

✓ Remodeling play areas – the explanation is not complete enough to allow for an approval. The following information may be helpful to you in making a determination, if not please send more detailed information regarding the project.

✓ Landscaping that is not of a reoccurring nature (trees, shrubs, etc) are acceptable uses of sinking fund money. Annual planting of flowers, replacement of wood chips or re-seeding and similar projects are not allowable from sinking fund money.

✓ Playground structures may be constructed with sinking fund money. A playground structure includes structures that require design work; site preparation; and estimated life of at least 20 years; are built in compliance with federal guidelines; are constructed (not portable or snap together); and are intended to be a permanent structure. This will not include equipment that is used as a part of the structure, such as swings, slides, ropes, nets and rubber or other items that are detachable and/or must be replaced on a regular basis. Single pieces of equipment, even if permanently attached to the ground, such as swing sets, slides, merry-go-rounds and teeter totters, are not considered to be a structure, but are equipment.

✓ Monroe High School Grinding Booth and Science Renovation – new construction is an acceptable use of sinking funds. If these projects include equipment, that portion of the project would not be allowable. Science lab teaching stations are allowable with the exception of any moveable parts to the teaching station.

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July 28, 1999

Mr. Richard A. Montcalm,
Asst. Superintendent for Business & Finance
Monroe Public Schools
P.O. Box 733
Monroe, Michigan 48162

Dear Mr. Montcalm:

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 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 6, 1999, appears to meet the requirements of both the act and the numbered letter with the following clarification:

Locker Replacement — lockers are considered to be equipment and are not allowable sinking fund expenditures unless they are structurally designed to be part of the building, are permanently mounted into the walls and are a part of the structure.

If I can assist further let me know.

Sincerely,

Mark Hilpert, Director
Bureau of Local Government Services

Attachment
Monroe Public Schools
Administration Building • 734-241-0930 • Fax 734-457-0930
July 6, 1999

Mr. Mark A. Hilpert
Deputy State Treasurer
Department of Treasury
Treasury Building
Lansing, MI 48922

Dear Mr. Hilpert:

Since Monroe Public Schools has moved to a Building & Site Sinking Fund, we have asked the guidance of the Department of Treasury in reviewing our proposed projects to make certain we are using the funds in compliance with the Department of Treasury letter #01-95 and Section 1212 of the School Code. Currently we are preparing our jobs for the 1999 school year.

As in the past, I would like to state our projects we are suggesting for the summer of 1999 we believe are in compliance with your rules and regulations. Following is a summary of our projects and if you have any questions or you believe there is a potential problem, please do not hesitate to contact me.

Following are the 1999 Building & Site Sinking Fund projects for Monroe Public Schools:

• Roofing replacement at Cantrick Middle School, Monroe High School and Manor Elementary School: The roofing system involves a complete tear-off of existing roofs, the structural deck and reinstalling new insulation in and EDPM rubber membranes. In addition, we have some roof repairs which need to be made on the membranes and must be done by a licensed contractor. Total cost for all three projects is estimated at $80,000 plus architect fees.

• Doors, frames and window replacements at two school buildings: This project includes many doors, frames and windows to be removed and replaced at two of our buildings. They have rusted out, have become extremely inefficient and, in some cases, dangerous. We estimate the cost to be $30,000 plus architect fees.

• Exterior concrete replacement at four buildings: We are in need of having concrete removed and replaced at four of our schools due to cracking, holes and dangerous situations. Estimated cost is $80,000 plus architect fees.

• Asphalt repair and related work at one school: We have several areas where students regularly play and the asphalt has split and is dangerous due to weathering cracks. In addition, there are similar problems on the driveway. Estimated cost is $80,000 plus architect fees.

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• Replacement of domestic water piping in mains at Monroe Middle School: This is a project which began last year and we need to go through several of our buildings to replace various water pipes. The pipes have become deteriorated and clogged so there is not a proper flow. We need to install shut-off valves so we can work in different parts of the buildings without having to totally shut off the water when there is a problem. Total estimated cost is $40,000 plus architect fees.

• Replacement of chiller at Monroe High School: Monroe High School is a large building which is totally enclosed with no windows. Part of the regular operation is the chiller which is the cooling equipment for the building. It broke down during the summer and it is necessary to repair and replace several of its parts. Estimated cost is $500,000 plus architect fees.

• Carpet replacement: This job consists of carpet replacement in many of the buildings as it has become dangerous. Total estimated cost is $50,000 plus fees.

• Electrical work on various systems to upgrade PA systems, telephone service and clocks. We are aware that the actual purchase of the equipment i.e. clocks and PA modules are not included, however, the wiring and connections throughout the building, in order to work on these, will be part of the Building & Site Sinking Fund. Estimated cost is $77,000 plus fees.

• Construction of walls in rooms at several buildings: Due to changes in curriculum, especially in the technology area, it is necessary for us to revamp several of the rooms which includes electrical and partitioning of walls for technology. Estimated cost in this area is $150,000 plus fees.

• Key replacement in several buildings: It is necessary, due to security and lost keys over the past few years, for us to have an outside firm come in and redo our lock system and replacement of handles in the doors to meet ADA requirements. We are doing this in several of our buildings. Estimated cost is $40,000 plus fees.

• Rebuild Pool Filter at Monroe High School: Due to corrosion and deterioration, it is necessary to replace the pool filter and plumbing. Estimated cost is $40,000 plus architect fees.

• Repair and Replacement of HVAC Controls at Monroe High School: Due to wear there is a need to replace controls and plumbing of one unit at Monroe High School. Cost is estimated to be $50,000 plus architect fees.

• Locker Replacement at Monroe High School and Monroe Middle Schools: Due to age and lack of parts, there is a need to replace lockers. Estimated cost is $225,000 plus architect fees.

• Drain work at Christiway Elementary School: The roof drains run through the building, underground and feed into the city storm drains. These need to be repaired and replaced. Approximate cost is $26,700 plus architect’s fees.

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* **Athletic Track:** The Athletic Track at Monroe High School needs repair and restriping. For an estimated price of $13,000 plus architect fees.

* **Replacement of Air Conditioning Units at Two Buildings:** Two buildings in the district need roof top air conditioning units replaced. Estimated price is $10,000 plus architect fees.

* **Replacement of Garage Service Rack:** A drive on the rack for the buses has rusted and needs to be removed and replaced. Estimated cost is $20,000 plus architect fees.

* **Building of Two Offices:** At the site it is necessary to totally rebuild the offices including walls, ceilings, air vents, electrical, etc. Estimated cost is $75,000 plus fees.

Some of the above projects do not individually exceed $14,335, however, are items which are contracted by outside individuals who are capable of performing the work on a timely and cost-effective manner. We do not believe they are routine items but tasks which must be done by outside groups. The dollars are not available in our general fund to complete these projects as we scrutinize our needs which are five to ten times the amount of dollars spent each year. We appreciate your review and acceptance of these projects under the Building & Site Sinking Fund dollars and await your official opinion.

If you have any questions or need of any further information, please do not hesitate to contact me. My email address is montcalm@monroe.k12.mi.us. Phone number is 734-241-2155 or you may write me at the above address.

Sincerely,

Richard A. Montcalm
Assistant Superintendent for
Business & Finance

RAM:ccd

cc: Dave Taylor
    Mike Bros
    Pete Carlton

546
Mr. Richard A. Montcalm
Assistant Superintendent for Business & Finance
Monroe Public Schools
P.O. Box 733
Monroe, Michigan 48162

Dear Mr. Montcalm:

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 a reconsideration of a previous 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 building rekeying requested, appears to meet the requirements of both the act and the numbered letter.

If I can assist further, let me know.

Sincerely,

Mark A. Hipert, Director
Bureau of Local Government Services

Attachment
April 1, 1998

Mr. Mark A. Hilpert
Deputy State Treasurer
Department of Treasury
Treasury Building
Lansing, MI 48922

Dear Mr. Hilpert:

I appreciate your prompt response to my request regarding our School Sinking Fund expenditures. You made the statement that key replacement in several buildings would be the only thing not allowable using Sinking Fund money. I would like to ask you to review this decision.

In key replacement we are not talking about the keys but lock replacement. Perhaps the terminology was incorrect. This is lock replacement where we have to have an outside company come in and change the locks which includes a whole new system. This change then allows us to use one master key and individual keys for different rooms. The actual lock sets and handles are being replaced by an outside firm who has bid on this project. We do not have any employee who has the expertise to set the locks properly for the entire system. We do have an employee who is trained to trouble-shoot and repair individual problems but not the replacement of an entire building.

If this is allowable, I would appreciate your response. If it still continues to be disallowed, I understand and we will reallocate those funds from our general fund. I would appreciate your attention to this matter and I look forward to your response.

In advance, I thank you for your time.

Sincerely,

Richard A. Montcalm
Assistant Superintendent for Business & Finance

RAM:ced
cc:  Dave Taylor
     Mike Bross
     Pete Carlton

1275 N. Macomb St.  •  P.O. Box 733  •  Monroe, MI 48162
September 6, 2002

Mr. Edward D. Richardson, Superintendent
Chelsea School District
500 Washington Street
Chelsea, Michigan 48118

Dear Mr. Richardson:

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 January 11, 2002, meet the requirements of the Act.

If I can assist further let me know.

Sincerely,

Frederick Haden
Acting Director
Bureau of Local Government Services

Attachment
January 11, 2002

Linda Rarigh
State of Michigan
Department of Treasury
Treasury Building
Lansing, MI 48922

Dear Ms. Rarigh:

This letter is in regards to Sinking Fund expenditure. We would like a written response from your department regarding the propriety of spending Sinking Fund money on the following specific planned project:

1) Design, fabrication and installation of steel brackets to support the High School bleachers in a stored position. Approximate cost $7,500. 2001-13

Enclosed you will find more detail on the project listed above. Please let me know if you have any questions.

Sincerely,

Edward D. Richardson
Superintendent
EDRmc

"Achieving educational goals one student at a time."