January 9, 2002

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

Dear Mr. Richardson:

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 1312 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the items listed in your correspondence dated December 19, 2001, meet the requirements of the Act, with the following exceptions/qualification/clarification:

- Replacement, addition and upgrade of clock and PA system—both of these items, 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.

If I can assist further let me know.

Sincerely,

[Signature]

Mark A. Hilpert, Director
Bureau of Local Government Services

Attachment
December 10, 2001

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

Dear Mr. Richardson:

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 November 8, 2001, meet the requirements of the Act, with the following exceptions/qualification/clarification:

- Sound 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.

If I can assist further let me know.

Sincerely,

Mark A. Hilbert, Director
Bureau of Local Government Services

Attachment
November 8, 2001

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

Dear Ms. Raligh:

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

1) Replacement of the pneumatic control system that controls the temperature of the pool and the hot water for the pool locker rooms at Beach Middle School. Estimated cost $6,500.00. 2001-05

2) Purchase and permanent installation of sound amplification equipment for the WSEC Board Room. Estimated cost $15,000.00. 2001-06

3) Replacement of all cores and cylinders and re-keying of all doors in the building at Beach Middle School. Estimated cost $15,000.00. 2001-07

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

EO/mc

"Achieving educational goals one student at a time."
August 17, 2001

Mr. James Novak, Executive Director of
Business and Operations
Chelsea School District
500 Washington Street
Chelsea, Michigan 48118

Dear Mr. Novak:

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 July 11, 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
July 11, 2001

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

Dear Ms. Rairigh:

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

1) Correction of the outside air infiltration for the HS which involves sealing of space. Estimated cost is $30,000.00. 2001-01.
2) Remodeling of the Band Room involving replacing part of concrete floor, replacement of floor coverings and addition of outside door. Estimated cost is $20,000.00. 2001-02.
3) Remodeling of rooms, hallways and bathrooms at WSEC building involving new floor coverings. Estimated cost is $20,000.00. 2001-03.
4) Complete replacement of existing roofing at WSEC and Beach Middle School. Estimated cost is $180,000.00. 2001-04.

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

Sincerely,

James Novak
Executive Director of Business and Operations

JN/mc

"Achieving educational goals one student at a time."
To: Michelle Cowhy
From: Ron Livengood
Subject: Please submit the following project for approval by the Department of Treasury as an expenditure of the Chelsea School District Sinking Fund.

Date: 7/1/01

PROJECT: Correction of the outside air Infiltration for the HS, on any walls with an overhang

SCOPE OF WORK: This work involves the sealing of a space between the walls and the roof deck in all areas of our High School that have an overhang and soffit. This work is required to reduce the heat loss that occurs to the building during the winter. This work will require the removal of all of the soffit, and the sealing of the open air space with insulation. After the holes have been plugged the soffit will be re-installed.

COST: Estimated cost $30,000
CHELSEA SCHOOL DISTRICT

OPERATIONS DEPARTMENT MEMO

To: Michelle Cowhy
From: Ron Livengood
Subject: Please submit the following project for approval by the Department of Treasury as an expenditure of the Chelsea School District Sinking Fund.
Date: 7/1/01

PROJECT: Remodeling of Band Room in the 100 building on 500 E. Washington

SCOPE OF WORK: This work will involve replacing part of the concrete floor in this room, replacement of the floor coverings, addition of an outside door

COST: Estimated cost of this work is $20,000
CHELSEA SCHOOL DISTRICT

OPERATIONS DEPARTMENT MEMO

To: Michelle Cowhy
From: Ron Livengood
Subject: Please submit the following project for approval by the Department of Treasury as an expenditure of the Chelsea School District Sinking Fund.
Date: 7/1/01

PROJECT: Remodeling of rooms 24, 24, hallways, and Bathrooms on the South side of the science building, 500 E. Washington St.

SCOPE OF WORK: This work will involve the new floor coverings in all of these areas and the renovation of the bathrooms.

COST: $20,000
March 9, 2001

Mr. James Novak  
Executive Director of Business and Operations  
Chelsea School District  
500 Washington Street  
Chelsea, Michigan 48118

Dear Mr. Novak:

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 February 8, 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
February 8, 2001

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

Dear Ms. Raligh:

This letter is in regards to a 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 projects:

1) Replacement of Multi-Zone Roof Top Units at the Washington Street Education Center site. Estimated cost is $160,000.00.

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

Sincerely,

[Signature]

James Novak
Executive Director of Business and Operations

JN/mc

"Achieving educational goals one student at a time."
CHELSEA SCHOOL DISTRICT

OPERATIONS DEPARTMENT MEMO

To: Michelle Cowhy
From: Ron Livengood
Subject: Please submit the following project for approval by the Department of Treasury as an expenditure of the Chelsea School District Sinking Fund.
Date: 2/7/2001

PROJECT: 2000-09 Replacement of Multi-zone Rooftop Units 401 & 402, on the 400 building, 500 E. Washington Street

SCOPE OF WORK: This project entails the replacement of the heating and cooling units that serve 14 different rooms in the 400 building on our 500 E. Washington St. Site. The scope of this project will also include the design, specification, production of bid documents, and the bidding of this project. Also included in this project will be the cost to update the heating control system for this area of the building. This work will end up with 3 different contracts that will include a contract for the designer/engineer, a mechanical contractor, and a controls contractor.

COST: Estimated cost is $160,000.
Mr. James Novak, Executive Director of
Business and Operations
Chelsea School District
500 Washington Street
Chelsea, Michigan 48118

Dear Mr. Novak:

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 October 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
October 27, 2000

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

Dear Ms. Raligh:

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

1) Removal of original fire alarm system from the Washington Street Education Site campus and installation of new fire alarm horns and addressable modules. Project 2000-06. Approximate cost = $ 10,500.00.

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

Sincerely,

James Novak
Executive Director of Business and Operations

"Achieving educational goals one student at a time."
CHELSEA SCHOOL DISTRICT

OPERATIONS DEPARTMENT MEMO

To: Michelle Cowhy
From: Ron Livengood
Subject: Please submit the following project for approval by the Department of Treasury as an expenditure of the Chelsea School District Sinking Fund.
Date: 10/24/00

PROJECT: Fire Alarm Systems in 3 buildings on the 500 E. Washington St. Campus

SCOPE OF WORK: Removal of three separate buildings of the seven that are on the 500 E. Washington Street Campus from the original fire alarm system that monitored all seven buildings. Install separate stand-alone addressable fire alarm systems in each of the three designated buildings. Replace all fire alarm horns with 24-volt horns and add addressable modules to each of the pull stations. The fire alarm panels will each be addressable and able to be monitored through the district's data communication system.

COST: Estimated cost $10,500
May 22, 2000

Mr. James Novak,
Executive Director of Business and Operations
Chelsea School District
Chelsea, Michigan 48118

Dear Mr. Novak:

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 19, 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 19, 2000

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

Dear Ms. Railigh:

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

1) Baseball and Softball dugout improvements, addition of permanent benches and modification of surrounding fences, and addition of crowd control fencing to the Varsity Soccer field. Approximate cost - $10,000. Project 1999-24.

2) Expansion of 1 Baseball Field at the High School to accommodate longer base lines. Approximate cost - $6,000. Project 1999-25.

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

Sincerely,

James Novak
Executive Director of Business and Operations

"Achieving educational goals one student at a time."
CHELSEA SCHOOL DISTRICT

OPERATIONS DEPARTMENT MEMO

To: Michelle Cowhy
From: Ron Livengood
Subject: Please submit the following project for approval by the Department of Treasury as an expenditure of the Chelsea School District Sinking Fund.
Date: 4/19/00

PROJECT: Baseball & Softball Dugout Improvements, Addition of Permanent Benches and modification of surrounding fences. Addition of crowd control fencing to the Varsity Soccer field.

SCOPE OF WORK:

1. Addition of permanent wood benches to 8 dugouts that were built by athletic booster groups. These are the same dugouts that we were recently approved for the cost of applying the brick veneer to the outside.
2. Modifications to the fences around the dugouts to allow for the openings needed to move in & out of the dugouts to the baseball fields.
3. Addition of a fence to improve crowd control on the Varsity Soccer field.

COST: Estimated cost is $10,000.
CHELSEA SCHOOL DISTRICT

OPERATIONS DEPARTMENT MEMO

To: Michelle Cowhy
From: Ron Livengood
Subject: Please submit the following project for approval by the Department of Treasury as an expenditure of the Chelsea School District Sinking Fund.
Date: 4/19/00

PROJECT: Expansion of 1 Baseball Field at the High School to accommodate longer base lines. 

SCOPE OF WORK: This project involves the removal of the sod & top soil from a portion of the outfield, and the installation of slag, the material used for softball infields. A weed barrier will also be installed under the slag.

COST: Estimated cost is $6,000.
March 3, 2000

Mr. James Novak
Executive Director of Business and Operations
Chelsea Area Schools
500 Washington Street
Chelsea, MI 48118

Dear Mr. Novak:

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 February 18, 2000, appears to meet the requirements of both the act and the numbered letter with the following exceptions:

Purchase of Portable Bleachers for Athletic Fields

Accessories for Pole Vault Pit – The Pole Vault Pit is acceptable as well as the standards but other accessories are considered equipment and not appropriate expenditures of sinking fund moneys

If I can assist further let me know.

Sincerely,

Mark Hilpert, Director
Bureau of Local Government Services

www.treasury.state.mi.us

Attachment

569
February 18, 2000

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

Dear Ms. Rainigh:

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

1) Purchase and assembly of portable bleacher sections. Approximate cost $10,000.
2) Additional Pit & Pole Vault Equipment for the competition Track & Football field area. Approximate cost $10,000.

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

Sincerely,

[Signature]

James Novak
Executive Director of Business and Operations

"Achieving educational goals one student at a time."
CHELSEA SCHOOL DISTRICT

OPERATIONS DEPARTMENT MEMO

To: Michelle Cowhy
From: Ron Livengood
Subject: Please submit the following project for approval by the Department of Treasury as an expenditure of the Chelsea School District Sinking Fund.
Date: 2/15/00
PROJECT: 1999-19 Purchase of Portable Bleachers for Athletic Fields

SCOPE OF WORK: Purchase and assembly of portable bleacher sections 5 seats high, 16 ft. in length.

These bleachers will be used at baseball & soccer fields that were constructed as a part of the last bond issue that was completed in 1998.

COST: Estimated cost is $3,500 per unit. Total of 4 units to be purchased for a total cost of $14,000.

RECEIVED
DEPT. OF TREASURY
FEB 2 4 ~~~
LOCAL AUDIT & FINANCE Dpt.
CHELSEA SCHOOL DISTRICT

OPERATIONS DEPARTMENT MEMO

To: Michelle Cowby
From: Ron Livengood
Subject: Please submit the following project for approval by the Department of Treasury as an expenditure of the Chelsea School District Sinking Fund.

Date: 2/17/00

PROJECT: Additional Pit & Pole Vault Equipment for the competition Track & Football field area.

SCOPE OF WORK: Supply & furnish a Scholastic II Pole Vault Pit, pole vault standards, and all accessories required for a complete Pole Vault Pit.

This additional pit is required due to the expansion of our track complex from a single pole vault area to 2 pole vault areas. The expansion is to accommodate the increased number of students participating in the track program.

COST: $10,000

RECEIVED
DEPT. OF TREASURY

FEB 24 2000
LOCAL AUDIT & TREASURY MDY
December 2, 1999

Mr. James Novak, Executive Director
Business and Operations
Chelsea School District
500 Washington Street
Chelsea, Michigan 48118

Dear Mr. Novak:

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/letters, dated October 25 and November 15, 1999, appear to meet the requirements of both the act and the numbered letter with the following clarification: Central air conditioning is an acceptable use of sinking fund money while room or window air conditioners have been determined to be equipment and are not an acceptable use of sinking fund money.

If I can assist further let me know.

Sincerely,

Mark Hilpert, Director
Bureau of Local Government Services

Attachment
October 25, 1999

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

Dear Ms. Raligh:

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

1) Site renovations at the Washington Street site. The renovations include demolition and removal of locker building and of all walk canopies, replacement of damaged sidewalks, all drainage, curbs and sidewalks associated with construction of new parking lot and removal and re-grading of drop off loop. The approximate cost is $187,820.00.

2) Mechanical work which involves the following: mechanical renovations and additions to the Washington Street site, new air handler system and digital control system for heat and air conditioning for the new Board Room and the Community Education offices, new entry heater for main entrance of administrative building. The approximate cost is $132,815.00.

Please let me know if you have any questions.

Sincerely,

James Novak
Executive Director of Business and Operations
JN/mo

"Achieving educational goals one student at a time."
November 15, 1999

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

Dear Ms. Ratliff:

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

1) Addition of sidewalks at the 500 Washington St. Site. The approximate cost for this will be $18,000.

2) Addition of cooling capacity for the Main Data Distribution room at the High School. The approximate cost for this will be $17,000.

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

Sincerely,

James Novak
Executive Director of Business and Operations
JN/mo

"Achieving educational goals one student at a time."
CHELSEA SCHOOL DISTRICT

OPERATIONS DEPARTMENT MEMO

To: Michelle Cowby

From: Ron Livengood

Subject: Please submit the following project for approval by the Department of Treasury as an expenditure of the Chelsea School District Sinking Fund.

Date: 11/9/99

PROJECT: Additions of sidewalks on the 500 E. Washington St. Site

SCOPE OF WORK: The scope of work for this project includes the all the excavation work to prepare the site for the pouring of approximately 2800 SQ ft of sidewalk. The bid specification also requires the contractor to supply 100 Tons of topsoil to be place in the newly excavated area.

COST: Estimated cost for this job was $18,000. Competitive bids were taken. Six bids were received. The range of the bids was $14,680 to $28,800. The low bid was taken based upon references furnished by the contractor.
CHELSEA SCHOOL DISTRICT

OPERATIONS DEPARTMENT MEMO

To: Michelle Cowby
From: Ron Livengood
Subject: Please submit the following project for approval by the Department of Treasury as an expenditure of the Chelsea School District Sinking Fund.
Date: 11/9/99

PROJECT: Addition of Cooling capacity for the Main Data Distribution room at the High School, 740 N. Freer Rd.

SCOPE OF WORK: The scope of work for this project includes supplying and installing air conditioning equipment for the cooling of the room that houses the District data distribution equipment. This work will include supplying and installing the actual cooling equipment, repairing of the roof where penetrations are made, and the electrification of all the equipment.

COST: Estimated cost $17,000
August 6, 1999

Mr. James Novak, Executive Director of
Business and Operations
Chelsea School District
500 Washington Street
Chelsea, Michigan 48118

Dear Mr. Novak:

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 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 29, 1999, appears to meet the requirements of both the act and the numbered letter.

If I can assist further let me know.

Sincerely,

Mark Hippert, Director
Bureau of Local Government Services

Attachment
July 29, 1999

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

Dear Ms. Rayigh:

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

1) Repairs to the Press Box at the competition Football Stadium.

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

Sincerely,

James Novak
Executive Director of Business and Operations
JN/mc

"Achieving educational goals one student at a time."
CHELSEA SCHOOL DISTRICT

OPERATIONS DEPARTMENT MEMO

To: Michelle Cowhy
From: Ron Livengood
Subject: Please submit the following project for approval by the Department of Treasury as an expenditure of the Chelsea School District Sinking Fund.
Date: 7/26/99

PROJECT: Improvements to the Press Box at the competition Football Stadium

SCOPE OF WORK: The scope of work for this project includes: the design work, documents and permits, and the complete rebuilding of the Press Box for our competition Football Stadium onto an existing foundation.

The press box was damaged by fire on 6/28/99, to the extent that the wooden 2nd floor of the building will have to be completely demolished and replaced. Our insurance company has determined the replacement value of the existing structure is $16,462.

Chelsea School District is requesting approval for the portion of this project that is an improvement to our Press Box, including the design work associated with the improvement and reconstruction. Our Press box was a 2 story structure that was concrete block on the first floor and a wood frame construction for the 2nd floor. The new design utilizes the existing concrete block first floor, replaces the wooden structure for the 2nd floor, and adds a 3rd floor to the building.

The low bid to complete this work is $24,750. The Chelsea School District considers the difference between the two amounts (the bid amount of $24,750 less the insurance reimbursement of $16,462 equals $8,288) to be the amount of improvement that we are making to the press box facility.

We are requesting approval to pay for the improvement portion of this project with sinking fund revenue. The enhancements will improve the safety for the people using the press box, by eliminating the use of the roof for observation and filming. These activities will take place on the 3rd floor instead of the roof.

COST: Net cost for this project after the insurance payment is applied will be $8,288 plus the design costs and inspections of $2,000.
March 5, 1999

James Novak, Executive Director
of Business and Operations
Chelsea School District
500 Washington Street
Chelsea, Michigan 49118

Dear Mr. Novak:

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 February 19, 1999, appears to meet the requirements of both the act and the numbered letter with the following exception and clarification:

1. Re-painting an existing facility is considered to be maintenance and is not an allowable expenditure from sinking fund money. Initial painting of new construction is an allowable use of sinking fund money.

2. “Modification” of equipment can not be approved without additional information. Specifically what modifications will be made? Is this an equipment purchase? Identify why this should be considered construction or repair and not equipping or maintaining. Without the additional information this project I can not determine if this is an allowable expenditure from sinking fund money and can not be approved.

If I can assist further, let me know.

Sincerely,

Mark A. Gilpert, Director
Bureau of Local Government Services

Attachment
February 19, 1999

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

Dear Ms. Raleigh:

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

1) Painting of 5 rooms and 1 corridor in the Main building of the Washington Street Education Center Site. Estimated costs are $13,000.

2) Modification of air handling equipment at Beach Middle School to accommodate upgrades of heating and air conditioning systems to allow for the newly remodeled area to be properly heated and cooled. Estimated costs are $10,000.

Please let me know if you have any questions.

Sincerely,

James Novak
Executive Director of Business and Operations

"Achieving educational goals one student at a time."
November 23, 1998

Mr. James Novak
Executive Director of Business and Operations
Chelsea School District
500 Washington Street
Chelsea, Michigan 48118

Dear Mr. Novak:

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/letter, dated November 13, 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. Hilpert, Director
Bureau of Local Government Services

Attachment
November 13, 1998

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

Dear Ms. Reiigh:

This letter is to follow up on a conversation we had a few weeks ago regarding the Chelsea School District Sinking Fund and the expenditures that are allowed to be expended from this fund. As we discussed, we would like a written response from your department regarding the propriety of spending Sinking Fund money on specific planned projects.

The following are expenditures that we discussed on the phone:

1) United Enviro-Tech, Inc. - Asbestos removal and disposal at Beach Middle School for $81,239.00. There will also be additional smaller expenses relating to asbestos removal.

2) Decorative Flooring Services, Inc. - Removal of old flooring and installation of new floor coverings for Community Education classrooms which may possibly be used in the future for K-12 classrooms in the amount of $28,634.35.

We would also like to obtain your approval for a few additional items to be paid out of the Sinking Fund:

1) There is a drainage problem on Freer Road in the area of two new district schools, Pierce Lake Elementary and Chelsea High School. The Waseca County Drain Commission is proposing that the Chelsea School District absorb part of the expense involved in repairing and replacing drains. The total cost of the project is estimated at $85,000 to $700,000. It is not yet determined the amount that the Drain Commission will be asking the District to be contributing, but we are estimating our portion to be $200,000 to $300,000.

2) Nova Environmental, Inc. - Asbestos and lead testing at the old High School site in various buildings in the amount of $6,207.50.

Please let me know if you have any questions.

Sincerely,

James Novak
Assistant Director of Business and Operations

"Achieving educational goals one student at a time."
August 25, 1999

Mr. Daniel C. Pratley, Superintendent
Lawton Community Schools
880 Second Street
Lawton, Michigan 49065-9783

Dear Mr. Pratley:

Thank you for your recent letters regarding the School Code Sinking Fund requirements. Pursuant to Department of Treasury Letter No. 01-99, 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 lists/letters, dated July 29, 1999 and clarified August 12, 1999, appear to meet the requirements of both the act and the numbered letter with the following exceptions:

Communications – cabling at high school and PA system at the middle school – 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. Cabling costs are acceptable uses of sinking fund money.

Water softener replacement at high school – Water softeners are equipment and are not allowable expenditures from sinking fund money.

Middle school own fold-up blackboards and flats – These are determined to be equipment and are not allowable expenditures from sinking fund money.

If I can assist further let me know.

Sincerely,

Mark Hilpert, Director
Bureau of Local Government Services

Attachment
c: Patrick J. Berardo; Thrun, Maatsch and Nordberg

www.treasury.state.mi.us
August 12, 1999

Linda Rairigh, Manager
Local Audit and Finance Division
Department of Treasury
Treasury Building
Lansing, MI 48922

Dear Ms. Rairigh:

The following response is being made to the questions you raised in a letter dated August 3, 1999 to our attorney Pat Berardo at Thrun, Maasch and Nordberg in regards to our upcoming Sinking Fund issue.

1. All lighting is fixture replacement not bulbs
2. Electrical upgrades refers to new electrical receptacles as needed in the whole district and any service panels as needed.
3. The high school track upgrade refers to the installation of an 8-lane rubber or all weather track, complete with utilities under the track as needed and all necessary site work, replacing the football field back in the middle of the track.
4. High school science lab upgrade means providing an enclosed area in our now open space high school with walls and doors, and individual HVAC systems in each area.
5. Fuel tank upgrades refers to providing a roof and fuel containment around an existing above ground tank.
6. Water softener upgrade refers to repair not replacement
7. Middle school elevator upgrades are repairs
8. Middle School Gym lights are fixture replacements.

Hopefully this will clarify the questions you raised.

Sincerely,

[Signature]
Daniel C. Prattley, Ph.D.
Superintendent

cc: Patrick Berardo, Thrun, Maasch and Nordberg

Preparing students for the 21st Century
August 3, 1999

Mr. Patrick J. Berardo
Thrun, Meatsch and Nordberg
P.O. Box 40699
Lansing, Michigan 48901-7899

Dear Mr. Berardo,

Thank you for your recent letter on behalf of Lawton Community Schools, regarding the School Code Sinking Fund requirements. However, we need additional information regarding some of the items listed before an opinion can be given. Specifically, I need more detailed information for those items that list upgrading to be done. Will the upgrading consist of construction only or will furnishing and equipping be included? Does the gym light replacement refer to new fixtures or bulbs? What is included in "remodeling high school science lab"?

We will respond to your request after this additional information is received. Thank you.

Sincerely,

Linda Raligh, Manager
Local Audit and Finance Division

C: Dan Pratley, Superintendent; Lawton Community Schools
Jul 29, 1999

Mrs. Linda Rainigh
Department of Treasury
Municipal Finance Division
Fourth Floor, Treasury Building
Lansing, Michigan 48922

Re: Building and Site Sinking Fund Expenditure Proposals - Lawton Community Schools

Dear Mrs. Rainigh:

Enclosed is a list of proposed expenditures for a Building and Site Sinking Fund to be voted in the Lawton School District. On behalf of the Superintendent, may I ask that you review the proposed expenditures and provide guidance as to whether they comply with your guidelines.

If any further information is required, please feel free to call.

Very truly yours,

Patrick J. Berardó
(517) 374-8827

cc: Dan Pratley, Superintendent of Schools
<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roofs throughout the district</td>
<td>$98,000</td>
</tr>
<tr>
<td>Heating and cooling systems</td>
<td>$263,000</td>
</tr>
<tr>
<td>Interior door replacements</td>
<td>$14,000</td>
</tr>
<tr>
<td>Lighting</td>
<td>$111,000</td>
</tr>
<tr>
<td>Communications - cabling at high school and PA system at the middle school</td>
<td>$34,000</td>
</tr>
<tr>
<td>Double hung windows at the middle school</td>
<td>$260,225</td>
</tr>
<tr>
<td>Electrical upgrades</td>
<td>$27,000</td>
</tr>
<tr>
<td>Upgrades to high school track</td>
<td>$200,000</td>
</tr>
<tr>
<td>Remodeling high school science lab</td>
<td>$20,000</td>
</tr>
<tr>
<td>Upgrades to fuel tanks</td>
<td>$10,000</td>
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<tr>
<td>Underground sprinkling systems</td>
<td>$4,000</td>
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<tr>
<td>Water softener replacement at high school</td>
<td>$3,500</td>
</tr>
<tr>
<td>Exterior door replacements</td>
<td>$15,000</td>
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<tr>
<td>Replace high school drive</td>
<td>$40,000</td>
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<tr>
<td>Elem rubber roof replacement</td>
<td>$105,000</td>
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<tr>
<td>Middle school elevator upgrades</td>
<td>$16,000</td>
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<tr>
<td>Middle school gym fold-up backboards and gym rims</td>
<td>$13,000</td>
</tr>
<tr>
<td>Middle school gym light replacement</td>
<td>$12,500</td>
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<tr>
<td>New door hardware and rekeying - district wide</td>
<td>$30,000</td>
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<tr>
<td>Flooring</td>
<td>$15,000</td>
</tr>
<tr>
<td>Middle School Chimney repair</td>
<td>$30,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,380,725</strong></td>
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</tbody>
</table>
July 15, 1998

Mr. Patrick M. Higdon
Pollard & Albertson
525 North Woodward Avenue, Suite 2300
Bloomfield Hills, Michigan 48304

Dear Mr. Higdon:

Thank you for your recent letter on behalf of Oak Park School District regarding the School Code Sinking Fund requirements. Pursuant to Department of Treasury Letter No. 91-06, 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 2, 1998, appears to meet the requirements of both the act and the numbered letter, with the clarification that the remodeling projects mentioned are construction remodeling only and will not include equipment or furniture.

If I can assist further, let me know.

Sincerely,

Mark A. Hilpert, Director
Bureau of Local Government Services

Attachment
July 2, 1998

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

Re: Oak Park School District
Section 1212 Sinking Fund

Dear Linda:

This correspondence is prepared in order to request your approval regarding the use of Section 1212 Sinking Fund proceeds for the following projects:

1. Erecting an addition to Bus Garage
2. Remodeling the Large Group Instruction Room at Rossevelt Middle School
3. Remodeling Girls and Boys restrooms in ALL buildings (replace plumbing)
4. Remodeling Shower Rooms at Roosevelt Middle School (replace plumbing)
5. Replace ALL windows in Oak Park High, Lessenger, Pepper and Einstein Schools
6. Replace damaged classroom doors, door frames and outside doors and frames in ALL buildings
7. Replace rotten facial wood structures with vinyl in ALL buildings
8. Wiring and cabling for computer labs at Key, Roosevelt and Oak Park High

We have attached for your review a copy of the March 3, 1997 Special Election Ballot Proposal for the Sinking Fund Millage which was approved by the voters of the Oak Park School District.

We are of the opinion that these projects are appropriate under Section 1212 of the School Code and in compliance with the Department of Treasury letter number 01-95. It is my understanding that you will secure the Department of Treasury's position relative to the use of Section 1212 proceeds for the above referenced projects and forward a copy of that position to me.

As always, we appreciate your assistance.

Very truly yours,

POLLARD & ALBERTSON, P.C.

PMH/vlw
Enclosure

cc: Audrey Walker
STATE OF MICHIGAN
DEPARTMENT OF TREASURY
TREASURY BUILDING
LANSING, MICHIGAN 48922

February 23, 1998

Mr. Patrick Higdon
Pollard & Albertson, P.C.
505 North Woodward Avenue, Suite 2300
Bloomfield Hills, Michigan 48304

Dear Mr. Higdon:

Thank you for your recent letter on behalf of Oak Park 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 use of sinking funds for science lab teaching stations (excluding movable parts), as indicated in your letter of February 6, 1995, meets the requirements of both the act and the numbered letter.

If I can assist further, let me know.

Sincerely,

Nancy M. Taylor
Deputy Treasurer

Attachment

c: Audrey Walker; Oak Park School District

593
February 5, 1998

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

Re: Oak Park School District
Section 1212 Sinking Fund

Dear Linda:

This correspondence is prepared in order to request your approval regarding the use of Section 1212 Sinking Fund proceeds for the payment of remodeling various science classrooms by removing obsolete and hazardous science stations. We have attached for your review a copy of the March 3, 1997 Special Election Ballot Proposal for the Sinking Fund Millage which was approved by the voters of the Oak Park School District.

We are of the opinion that these projects are appropriate under Section 1212 of the School Code and in compliance with the Department of Treasury letter number 01-85. It is my understanding that you will secure the Department of Treasury’s position relative to the use of Section 1212 proceeds for the above referenced projects and forward a copy of that position to me.

As always, we appreciate your assistance.

Very truly yours,

POLLARD & ALBERTSON, P.C.

Patrick M. Higdon
CLAWSON Public Schools
Learning Today, Leading Tomorrow
www.clawson.k12.mi.us

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

April 15, 2002

Dear Ms. Rairigh,

The School District of the City of Clawson currently levies its tax base for sinking fund projects. We are requesting approval to expend our sinking funds to purchase new faucets for our sinks in the bathrooms throughout the district.

We are in need of new faucets to replace those that are severely antiquated and/or non operational. I am also under the understanding that those things expensed from the sinking fund must be completed through an outside contractor.

Please accept this letter as a request for approval to expend funds on the above-mentioned project. I am also requesting guidance as to whether the project must be completed by an outside contractor. If additional information is needed, please feel free to contact me at (248) 655-4409.

Sincerely,

Sherri A. Smith
Director of Business Services
September 6, 2002

Ms. Sherri A. Smith, Director of Business Services
Clawson Public Schools
626 Phillips Ave
Clawson, Michigan 48017

Dear Ms. Smith:

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 22, 2002, DO NOT meet the requirements of the Act. The starter system and scoreboard have been determined to be equipment and are therefore not authorized uses of sinking fund money.

If I can assist further let me know.

Sincerely,

[Signature]
Frederick Heiden, Acting Director
Bureau of Local Government Services

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

January 22, 2002

Dear Ms. Rairigh,

The School District of the City of Clawson currently levies its tax base for sinking fund projects. We are requesting approval to expend our sinking funds to purchase a new starter system and scoreboard for our swimming pool. The current system is non-functional; therefore, our swim programs are forced to utilize stopwatches which do not accurately time the competitors.

Improvements to the pool area were sacrificed for other "more important" projects during the planning phase of our 1998 bond project; therefore, this project fell to the wayside. Our swimming pool is utilized for curriculum and extracurricular activities, which definitely enhance our students' educations.

Please accept this letter as a request for approval to expend funds on the above-mentioned project. If additional information is needed, please feel free to contact me at (248) 655-4409

Sincerely,

Shari A. Smith
Director of Business Services

Cc: Dave Laferle, Mike McGraw, and Jim Pintoneault
Mr. Larry J. Lethorn, Superintendent  
Reese Public Schools  
9358 Center Street  
Reese, Michigan 48757

Dear Mr. Lethorn:

Thank you for your recent letter regarding the School Code Sinking Fund requirements. Pursuant to Department of Treasury Letter No. 01—68, 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 16, 1999, appears to meet the requirements of both the act and the numbered letter with the following clarifications:

1. Lab stations — Those are acceptable sinking fund expenditures except for the purchase of movable parts. The movable parts are considered to be equipment or furniture and are not allowable from sinking fund money.

2. Playground equipment — Equipment can not be purchased from sinking fund money. Playground structures are an acceptable use of sinking fund money. A playground structure includes structures that require design work; site preparation; an 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.

If I can assist further let me know.

Sincerely,

Mark Hilbert, Director  
Bureau of Local Government Services

Attachment

www.mdot.state.mi.us
Ms. Linda Rairigh  
Department of Treasury  
Treasury Building  
Lansing, MI 48922

6/16/99

Dear Ms. Rairigh:

On June 14, 1999, the Reese Public Schools had their Sinking Fund renewed for five more years. The following are the targeted projects to be accomplished over the next five years with the revenue from the Sinking Fund.

Projects:

1. Re-roofing project at the middle school. This re-roofing project will begin phase 1 to re-roof the middle school.
2. Remodel the sixth grade science room. This will involve the removal of the current lab stations, existing plumbing, electrical system, and permanent cabinets. The lab stations will be replaced with a permanent station that is state-of-the-art (please refer to brochure), new plumbing and fixtures, new electrical wiring and receptacles and new cabinets.
3. Remove the old siding on the upper part of the middle school gym, and replace with new steel siding.
4. Remove the single pane windows on the south side of the middle school and replace with a thermo pane window. Remove the remaining single pane windows at the elementary, and replace with thermo pans. This will complete the window replacement project at the elementary that was started in 1998.
5. Construct a new bus parking lot and maintenance building. Currently the buses are parked in the elementary's parking lot and there is now place to work on buses if the weather is bad.
6. Pulverize existing asphalt and resurface the high school driveway. The new surface would consist of a 2” course layer and a 2” finish coat or possibly heavier due to traffic use.
7. Remove and replace the existing storm drain in the middle school parking lot with a larger one. Currently, there is only a 6” drain and during any significant rain fall it does not drain properly.
8. Remodel the football field. Tear up the existing turf, put crown on field, install an irrigation system, re-seed, and install new bleachers on the visitors side of the field.
10. Construct a restroom and concession stand at the softball and track complex.

“Students First”
11. Install irrigation systems on the softball and baseball outfields.
12. Remodel elementary playground. Remove old equipment, grade area for better drainage, and install new aged appropriate playground equipment.

If further information is needed please let me know.

Your prompt response will be much appreciated.

Sincerely,

Larry J. Lathorn, Superintendent
Reno Public Schools

"Students First"