

FIRST AMENDMENT TO FINANCIAL RECOVERY AGREEMENT

This amended Financial Recovery Agreement is dated **April, XX 2017**, and is between STATE TREASURER NICK A. KHOURI, a Michigan state officer (“**Treasurer**”), and SCHOOL DISTRICT OF THE CITY OF HAZEL PARK, a Michigan public school district (“**District**”).

Whereas, pursuant to 2015 PA 111, District oversight was transferred from the Michigan Department of Education (MDE) to the Michigan Department of Treasury (“**Treasury**”) on January 1, 2016.

Whereas, pursuant to 2015 PA 111, the District is subject to an Enhanced Deficit Elimination Plan (“**EDEP**”) and a Financial Recover Agreement (“**FRA**”).

Whereas, pursuant to 2015 PA 111, the Treasurer may appoint a Financial Recovery Agreement Consultant (“**FRAC**” or “**Consultant**”) to provide financial management and technical assistance to assist the District in alleviating its financial stress and to provide for the financial stability of the District.

Whereas, the Treasurer and the District agree to engage in a collaborative effort to expeditiously as possible restore financial stability in the District while also assuring the provision of essential and effective public educational services to residents of the District.

Whereas progress has been made in addressing financial distress within the District and the District has successfully implemented many of the initial remedial measures detailed in schedule 1 of the Financial Recovery Agreement.

Whereas, the Treasurer and the District agree as follows:

- 1) **Defined Terms.** Defined terms used but not defined in this agreement are as defined in the Financial Recovery Agreement.
- 2) **Amendment to Schedule 1.** Schedule 1 of the Financial Recovery Agreement is hereby amended and restated in its entirety to read as follows:

SCHEDULE 1 REMEDIAL MEASURES

Action	Date (on or Before)	Remedial Measure
1	Effective Date of Agreement	The District shall not enter into new contracts (including CBAs) more than \$23,417 without approval from Treasury.
2	August 15, Annually	The District shall transmit to Treasury an updated report listing all District contracts with a value of more than \$23,417. The report must include for each contract, a vendor name, a description of goods or services provided, an indication as to whether the contract is a new contract or extension, the term of the contract, compensation payable under contract, an indication as to whether the contract was competitively bid, and the date on which the contract was approved by the Board.

3	June 30, Annually	Final Budget and Plan. The District shall develop a written Budget and narrative detailing the cost reductions by the end of each fiscal year. The budget shall also include a listing of all the assumptions made during the creation of the budget. The District must detail each assumption and the plan for accomplishing the budget.
4	July 30 and December 31, Annually	The District shall provide a week by week cash flow projection for the following 18 months. Receipts shall include Property Taxes, State Aid, Federal and Other Grants, Act 18 Revenue, State Aid Notes, and other relevant categories. Disbursements shall include Salaries and Insurance, ORS payments, Accounts Payable (including major vendors), Note Payments, Marketing, and other relevant categories.
5	August 15, 2017	The District shall submit its marketing plan to recruit and retain students for the 2017-18 school year. This will consider the impact of prior year marketing and include any plans to enhance the District's cyber program.
6	Within 20 Business Days after the October and February Count Dates	The District shall provide an update to Treasury on student enrollment projections.
7	Within 40 Business Days after the October and February Count Dates	The District shall provide a budget amendment or revenue/expenditure analysis for Department review based on current spending and the District's 18 month cash forecast.
8	August 15, 2017	The District shall provide an update on the use of the District's sinking fund including any amendments to the previous expenditure plan
9	No later than December 31, Annually	The District shall amend its deficit elimination plan to account for audited financial statements and updated revenue/expenditure projections and receive written approval from Treasury.
10	No later than March 31, 2018	Each member of the Board shall attend and complete training for school board members provided by the Michigan Association of School Boards.


SCHOOL DISTRICT OF THE CITY OF HAZEL PARK



Superintendent Signature



Print Name



Board President

RACHEL NOTH

Print Name

THE MICHIGAN DEPARTMENT OF TREASURY

Administrator, School Fiscal Accountability Division

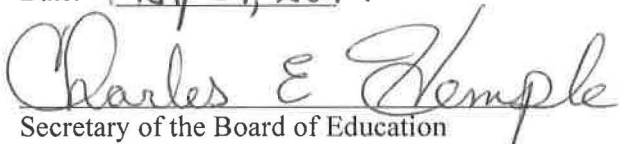
Print Name

CERTIFICATION

I, Charles E Hemple Secretary of the Board of Education of SCHOOL DISTRICT OF THE CITY OF HAZEL PARK certify all of the following:

- (1) that this amendment was approved and then signed by the Board of Education President by a resolution adopted at a meeting of the Board of Education held on MAY 15, 2017 ;
- (2) that the resolution remains in effect;
- (3) that the meeting was held in compliance with the Open Meetings Act, 1976 PA 267, MCL 15.261 to 15.275; and
- (4) that the minutes of the meeting were kept and have been or will be made available as required by the Open Meetings Act, 1976 PA 267, MCL 15.261 to 15.275.

Date: May 31, 2017



Secretary of the Board of Education

Charles E Hemple

Print Name