

Notice of Adoption of Preliminary Determination

Notice is hereby given pursuant to Indiana Code § 6-1.1-20-3.1 that the Board of School Trustees (the "Board") of Wa-Nee Community Schools (the "School Corporation") did, on June 22, 2020, make a preliminary determination to issue bonds and enter into a lease (the "Lease") for the renovation of and improvements to school facilities, including Northwood High School and Middle School, Woodview, and Wakarusa Elementary Schools and the soccer complex being constructed in partnership with the City of Nappanee, including site improvements and the purchase of equipment and technology (the "Projects"). The Lease will be for a maximum term of 17 years with a maximum annual Lease rental of \$2,129,000. The maximum annual Lease rental has been estimated based upon an estimated principal amount of bonds of \$16,050,000, estimated interest rates ranging from 2.40% to 3.80%, and total estimated interest costs of \$5,017,135.

As required by Indiana Code § 6-1.1-20-3.1(b)(1), the following information was available to the public at the public hearings on the preliminary determination: (i) the School Corporation's current and projected annual debt service payments divided by the net assessed value of taxable property within the School Corporation, which is 0.51%; and (ii) the sum of the School Corporation's outstanding long term debt plus the outstanding long term debt of other taxing units that include any other territory of the School Corporation divided by the net assessed value of taxable property within the School Corporation, which is 4.78%.

The School Corporation's current debt service levy is \$5,231,605 and the current rate is \$0.4416. After the School Corporation enters into the proposed Lease and the bonds are issued, the debt service levy will increase by a maximum of \$2,129,000 and the debt service rate will increase by a maximum of \$0.1680. However, as existing obligations mature, the anticipated increase to the Debt Service Fund tax rate is expected to be \$0.00.

The estimated amount of the School Corporation's debt service levy and rate that will result during the following 10 years if the School Corporation enters into the lease and issues the bonds, after considering any changes that will occur to the debt service levy and rate during that period on account of any outstanding bonds or lease obligations that will mature or terminate during that period:

| <u>Year</u> | <u>Estimated Total Debt Service Levy</u> | <u>Estimated Total Debt Service Rate</u> |
|-------------|--|--|
| 2021 | \$5,226,960 | \$0.4412 |
| 2022 | 5,208,901 | 0.4397 |
| 2023 | 5,040,184 | 0.4254 |
| 2024 | 4,073,518 | 0.3438 |
| 2025 | 4,070,071 | 0.3436 |
| 2026 | 4,063,632 | 0.3430 |
| 2027 | 4,066,677 | 0.3433 |
| 2028 | 4,065,736 | 0.3432 |
| 2029 | 4,065,362 | 0.3432 |
| 2030 | 3,763,837 | 0.3177 |

To the extent that the Projects involve the opening of additional square footage, it is expected that efficiencies achieved by these Projects will offset any additional costs due to the greater square footage. The purpose of the Lease and the bonds is to provide for the Projects.

Any owners of real property within the School Corporation or registered voters residing within the School Corporation who want to initiate a petition and remonstrance process against the proposed Lease payments or the issuance of the bonds must file a petition that complies with Indiana Code § 6-1.1-20-3.1 subdivisions (4) and (5) not later than 30 days after the first publication of this notice.

Dated June 24, 2020.


/s _____ Terry Graber
Secretary, Board of School Trustees
Wa-Nee Community School Corporation