

PRELIMINARY DETERMINATION RESOLUTION

WHEREAS, on November 1, 2021 and November 15, 2021, this Board of School Trustees (the "Board") of Culver Community Schools Corporation (the "School Corporation") held preliminary determination hearings in accordance with Indiana Code § 6-1.1-20-3.5 (the "Act") on a project which involved the proposed Expansion and Improvement Projects, including renovation and construction of improvements to Culver Middle/High School and other school facilities within the school corporation, including site improvements, the purchase of technology and equipment for which bonds would be issued in the maximum amount of \$12,050,000 (the "Original Projects") with an anticipated impact on the Debt Service Fund tax rate of \$0.1257 per \$100 assessed valuation beginning in 2025, however, as other debt matured, the net impact on the Debt Service Fund tax rate was expected to be \$0.0100 above the estimated 2023 Debt Service Fund tax rate in the amount of \$0.1773; and

WHEREAS, in February 2023, Bonds were issued in the amount of \$11,920,000 to fund the Projects; and

WHEREAS, the Culver Community Schools Corporation (the "School Corporation") published a Notice of Preliminary Determination Hearings on February 21, 2024 in the *Pilot News, Pulaski County Journal* and in *The Rochester Sentinel* and in *The Leader* on February 22, 2024 and mailed such notice to the County Clerks and any organizations requesting such notice as provided in Indiana Code § 6-1.1-20-3.1, with respect to the Expansion and Improvement Projects, including renovation and construction of improvements to Culver Middle/High School and other school facilities and construction of a new Youth Center, including site improvements, the purchase of technology and equipment (the "Expanded Projects"); and

WHEREAS, as part of the Expanded Projects no additional bonds will be issued and the Board is merely holding this hearing in an abundance of caution to alert the community to the expanded scope of the Original Projects; and

WHEREAS, the first preliminary determination hearing was held on March 4, 2024 and the second preliminary determination hearing was held on March 18, 2024 in accordance with the notice and the law of the State of Indiana (the "State"); and

WHEREAS, the School Corporation has made the following information available to the public at the public hearings: (a) the result of the Schools Corporation's current and projected annual debt service payments divided by the net assessed value of taxable property within the School Corporation; (b) the result of (i) the sum of the School Corporation's outstanding long term debt plus the outstanding long term debt of other taxing units that include any of the territory of the School Corporation; divided by (ii) the net assessed value of taxable property within the School Corporation; now, therefore,

BE IT RESOLVED that the Board of School Trustees (the "Board") of the School Corporation preliminarily determines to issue bonds and enter into a lease for the Expanded Projects.

BE IT FURTHER RESOLVED that the lease agreement was for a maximum term of 22 years with a maximum annual lease rental payment of \$1,225,000. The maximum annual lease rental payment has been estimated based upon an estimated principal amount of bonds of \$12,050,000, estimated interest rates ranging from 2.20% to 3.60%, and estimated total interest costs of \$5,437,011. The School Corporation has authority to issue bonds in a principal amount not to exceed \$12,050,000. The School Corporation's current debt service levy at the time of the hearings on the Original Project was \$1,316,800 and the current debt service rate was \$0.1521.

After the School Corporation entered into the proposed lease agreement and the bonds are issued, the debt service levy would increase by a maximum of \$1,225,000 and the Debt Service Fund tax rate would increase by a maximum of \$0.1257. However, as existing obligations mature and other debt rolls on, the anticipated increase to the Debt Service Fund tax rate due to these Projects is expected to be \$0.0100 above the estimated 2023 Debt Service Fund tax rate in the amount of \$0.1773. The maximum annual debt service for the Project for any year in which the Bonds are outstanding is \$1,225,000. The estimated amount of the School Corporation's debt service levy and rate that will result during the following ten 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 obligation that will mature or terminate during that period is as follows:

<u>Year</u>	<u>Estimated Total Debt Service Levy</u>	<u>Estimated Total Debt Service Rate</u>
2021	\$1,316,800	\$0.1521
2022	1,438,877	0.1563
2023	1,631,799	0.1773
2024	1,724,469	0.1873
2025	1,724,469	0.1873
2026	1,724,469	0.1873
2027	1,724,469	0.1873
2028	1,261,658	0.1371
2029	1,193,483	0.1297
2030	1,192,630	0.1296
2031	1,173,392	0.1275
2032	1,173,250	0.1275
2033	1,172,587	0.1274

The purpose of the lease agreement is to provide for the Project. This Project includes capital improvements necessary to complete the most recent threat assessment or school safety plan.

BE IT FURTHER RESOLVED that the Secretary of the Board is hereby authorized and directed to publish the notice of adoption of this preliminary determination in accordance with State law.

BE IT FURTHER RESOLVED that if a petition pursuant to Indiana Code § 6-1.1-20-3.1 is filed, the Secretary of the Board is hereby authorized to publish a notice of the applicability of the petition and remonstrance process pursuant to State law.

Passed and adopted this 18th day of March, 2024.

President, Board of School Trustees

Secretary, Board of School Trustees