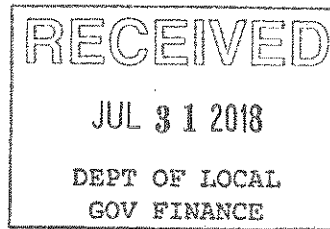


BARNES & THORNBURG LLP

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July 31, 2018

VIA HAND DELIVERY AND ELECTRONIC MAIL

Wesley Bennett, Commissioner
Department of Local Government Finance
Indiana Government Center North
100 N. Senate Avenue, Room N1058
Indianapolis, Indiana 46204

Re: Manchester Community Schools—2019 Manchester Community Schools Safety and Facility Improvement Project

Dear Mr. Bennett:

As we have previously discussed with Mr. Shackle and Mr. Marusarz, the Manchester Community Schools, Wabash County, Indiana (the "School Corporation"), is in receipt of a certification from the Wabash County Voter Registration Office which states that at least five hundred (500) owners of real property located in, or registered voters residing in, the geographical boundaries of the School Corporation, have signed a petition requesting the referendum process set forth under Indiana Code Title 6, Article 1.1, Chapter 20, Section 3.6, as amended, apply to the 2019 Manchester Community Schools Safety and Facility Improvement Project (as described and defined in the resolution of the Board of School Trustees of the School Corporation adopted on June 5, 2018). Accordingly, in accordance with Indiana Code Section 6-1.1-20-3.6(I), as amended, please find enclosed with this letter the statutorily required information regarding the local public question for the above-referenced project, which will be placed on the ballot at the general election held on November 6, 2018.

If you have any questions on any of this information or if you believe it does not sufficiently satisfy the statutory requirements under the applicable laws, please contact me as soon as possible. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffery J. Qualkinbush".

Jeffery J. Qualkinbush

JJQ:se
Enclosures

cc: Mr. Dan Shackle (via e-mail/with encls.)

DMS JJQ 12965725v1

**MANCHESTER COMMUNITY SCHOOLS
WABASH COUNTY, INDIANA**

INFORMATION PROVIDED TO THE DEPARTMENT
OF LOCAL GOVERNMENT FINANCE IN ACCORDANCE
WITH INDIANA CODE 6-1.1-20-3.6(l) IN CONNECTION WITH THE
2019 MANCHESTER COMMUNITY SCHOOLS SAFETY
AND FACILITY IMPROVEMENT PROJECT

Dated July 31, 2018

1. **The name of the political subdivision and the county or counties in which it levies a property tax.** The name of the political subdivision is Manchester Community Schools, Wabash County, Indiana (the "School Corporation"), and it levies property taxes in a portion of Wabash County, Indiana.

2. **The cost per square foot of any buildings being constructed as part of the controlled project.** The 2019 Manchester Community Schools Safety and Facility Improvement Project involves (a) the renovation, upgrading, expansion and equipping of the existing Manchester Elementary School to provide for a safer, more secure entrance to the building, (b) the renovation, upgrading, expansion and equipping of the existing Manchester Intermediate School to provide for a safer, more secure entrance to the building, (c) the renovation, upgrading, expansion and equipping of the existing Manchester Junior High School to provide for a safer, more secure entrance to the building, space for an advanced manufacturing lab and a concession stand/café in the library area, (d) the construction and equipping of a fieldhouse that will adjoin the existing Manchester Junior High School and the existing Manchester High School and upon completion is currently anticipated to contain approximately 86,000 square feet, provide space for three courts, an indoor track, football locker rooms, an art gallery, spectator seating, offices, public restrooms and storage areas, (e) the restoration, replacement and repair of the roof of the existing Squire Academy and School Corporation Administration Office, (f) the installation of synthetic field turf on the existing Manchester High School Football Field in order for it to be used for additional co-curricular and extra-curricular activities such as high school soccer and marching band, (g) site improvements around the existing Manchester Junior/Senior High School facilities to improve overall vehicular traffic flow, including, but not limited to, a new bus parking area and parking lot, (h) miscellaneous capital improvement, renovation and/or equipping projects at one or more facilities operated or to be operated by the School Corporation, and (i) all projects related to any project listed in clauses (a) through and including (h). The construction of the fieldhouse addition and the other renovation work set forth above is being done at an average square footage cost of \$145.00 per square foot.

3. **The effect that approval of the controlled project would have on the political subdivision's property tax rate.** The property tax rate effect of the controlled

project would be \$0.3885 per \$100 of assessed valuation which is based on the current certified net assessed valuation of \$402,972,196 (which does not include the assessed value of all taxable property in all allocation areas located in the geographical boundaries of the School Corporation in an amount equal to \$33,933,420) and assumes that the annual amount of financial institutions tax and excise tax received into the School Corporation's debt service funds equals five percent (5.00%) of the total annual aggregate debt service fund payment of the School Corporation. However, due to the decline in the annual payment of other obligations paid from the School Corporation's debt service fund, the School Corporation anticipates that the aggregate tax rate effect will be approximately only \$0.2152 per \$100 of assessed valuation in the years 2020 through and including 2026, and will decline after that time period. For this information, please see Appendix A attached hereto.

4. **The maximum term of the bonds or lease.** The maximum term of any series of bonds will not exceed twenty years, and the maximum term of any corresponding lease or leases or amendment or amendments to one or more leases will not exceed twenty-two years.
5. **The maximum principal amount of the bonds or the maximum lease rental for the lease.** The maximum principal amount of the bonds will not exceed \$16,660,000, the maximum annual principal and interest to be paid on any of the bonds being issued plus the annual lease rental paid by the School Corporation is \$1,648,000 (which is net of any funds received by the School Corporation or any local building corporation from the United States of America as a result of the bonds being issued under one or more federal tax credit programs), and the maximum total principal and interest to be paid on the bonds being issued plus the maximum total lease rental paid by the School Corporation over the entire term of the lease or leases or amendment or amendments to one or more leases is \$26,736,000 (which is net of any funds received by the School Corporation or any local building corporation from the United States of America as a result of the bonds being issued under one or more federal tax credit programs) and does not include any anticipated capitalized interest paid on the bonds.
6. **The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.** Based on estimated interest rates that will be paid in connection with the bonds that will produce a yield of 4.712%, the total interest cost associated therewith will not exceed \$10,558,111 (which is net of any funds received by the School Corporation or any local building corporation from the United States of America as a result of the bonds being issued under one or more federal tax credit programs) and includes anticipated capitalized interest paid on the bonds in the amount of \$587,081.
7. **The purpose of the bonds or lease.** The purpose of the bonds and lease are to finance the costs of the 2019 Manchester Community Schools Safety and Facility Improvement Project as described in more detail in the resolution adopted by the Board of School Trustees of the School Corporation on June 5, 2018. A signed

copy of this resolution is attached hereto as Exhibit B. For even more detail, go to www.mcs.k12.in.us.

8. **The current and proposed square footage of school building space per student.** For this information, please see Exhibit C attached hereto.
9. **The enrollment patterns within the School Corporation.** For this information, please see Exhibit D attached hereto.
10. **The age and condition of the current school facilities.** For this information, please see Exhibit C attached hereto.

EXHIBIT A

Manchester Community Schools
1028/Preliminary Determination Public Hearings

Financial Presentation

May 29, 2018

June 5, 2018

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Financial Parameters

- **Borrowing Amount**
 - \$16,660,000 (of which \$15,738,588 will be available for the construction budget provided by Moake Park)
- **Estimated Interest Rate ***
 - 4.712%
- **Estimated Total Interest Costs ***
 - \$10,558,111 (inclusive of estimated capitalized interest expense)

* Based on the current bond market, the estimated interest rate is 3.701%, which represents approximately \$8,138,511 in total interest costs (inclusive of estimated capitalized interest expense).

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Financial Parameters (Cont'd)

- Estimated Increase in Annual Payments over 2019 levels
 - \$912,864
 - Increase over current payments in years 2020 - 2026
- Estimated Increase in Debt Service Fund Tax Rate over 2018
 - \$0.2152
 - Based on 2018 Certified Net Assessed Value of \$402,972,196
 - Assumes that 5% of the annual payment will be funded from miscellaneous revenues the School Corporation receives in conjunction with property tax distributions

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Financial Parameters (Cont'd)

Maximum Legal Parameters

- Estimated Aggregate Payments over Term of the Leases
 - \$26,736,000
- Estimated Maximum Annual Payment
 - \$1,648,000
- Estimated Maximum Annual Tax Rate
 - \$0.3885 (occurs in 2027 and 2029 after all current bonds are fully repaid)
 - Based on 2018 Certified Net Assessed Value of \$402,972,196
 - Assumes that 5% of the annual payment will be funded from miscellaneous revenues the School Corporation receives in conjunction with property tax distributions

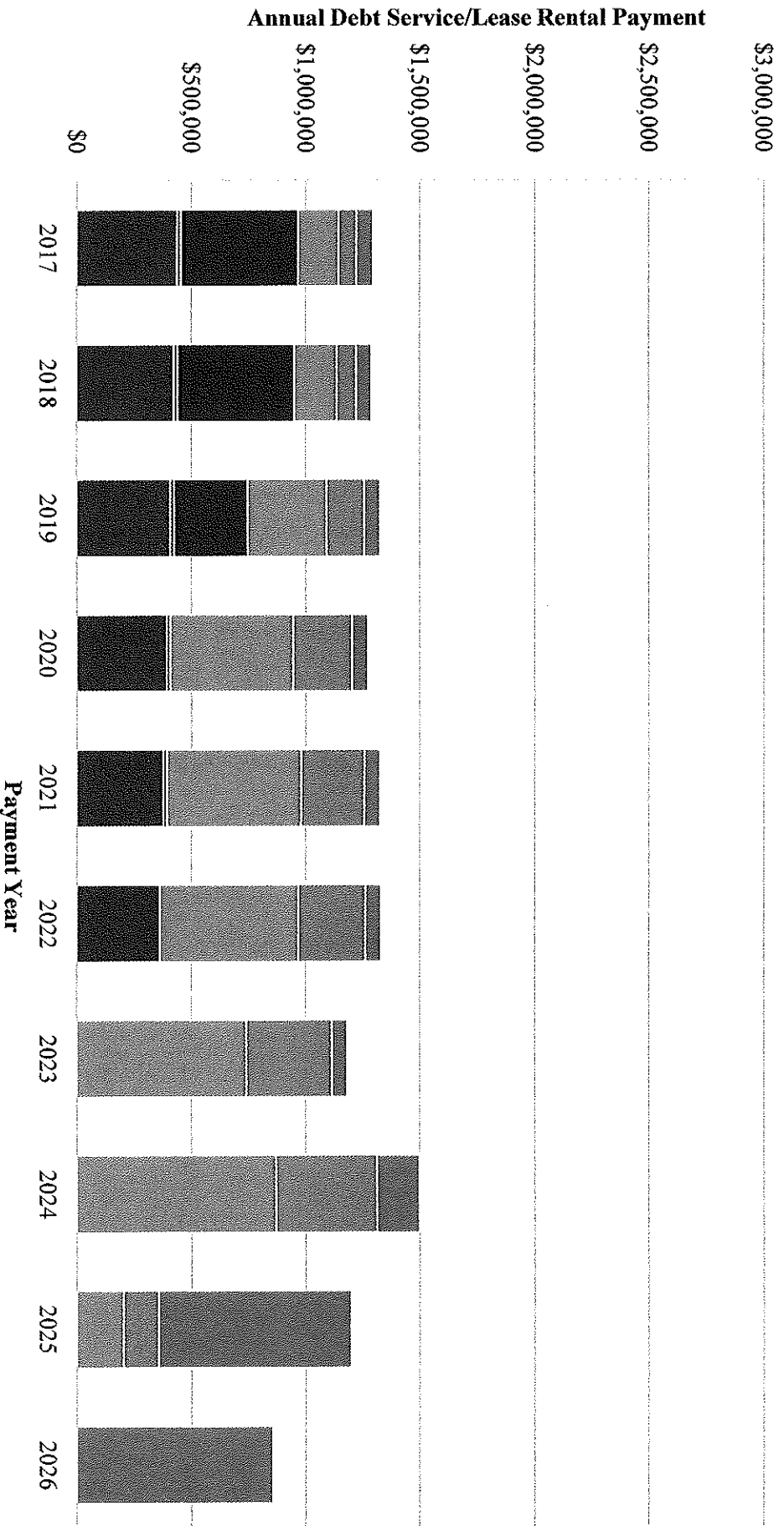
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Manchester Community Schools

Chart of Existing Annual Debt Service/Lease Rental Payments (Unaudited)

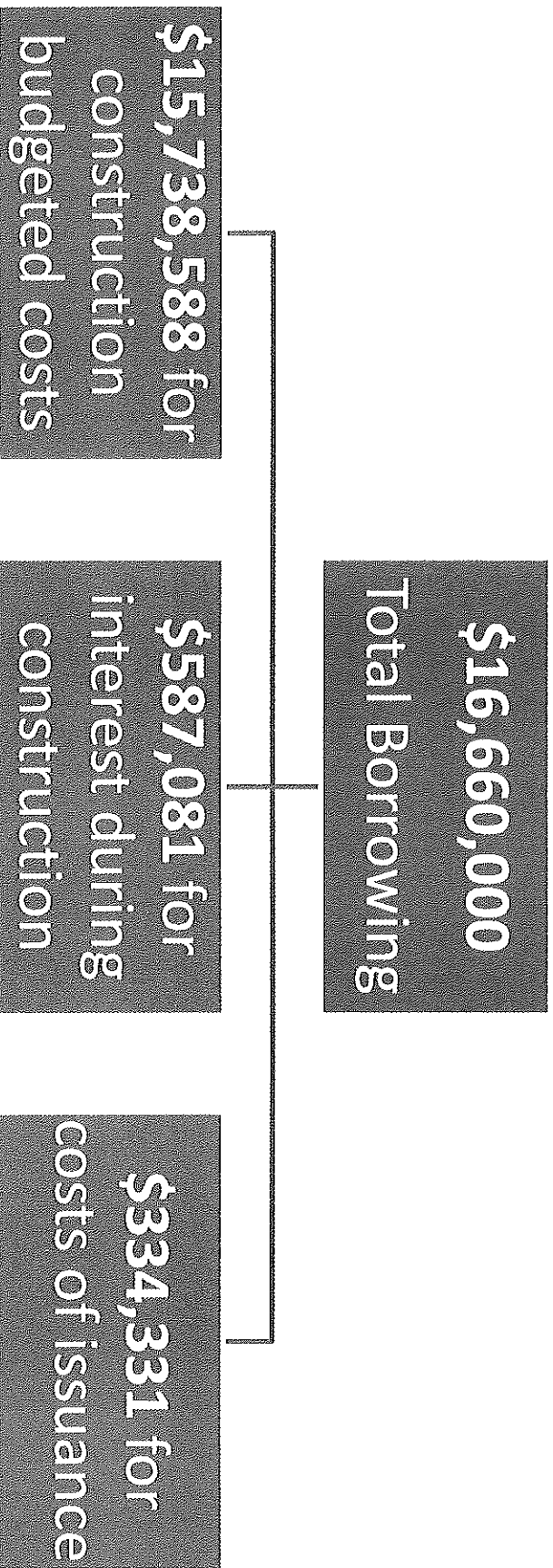


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- Common School Fund Loan A0272
- First Mortgage Refunding & Improvement Bonds, Series 2012
- First Mortgage Bonds, Series 2013
- Common School Fund Loan A2735
- First Mortgage Bonds, Series 2012
- First Mortgage Bonds, Series 2016

Estimated Project Funding *



* Preliminary, subject to change. Based upon maximum parameters established through legal process.

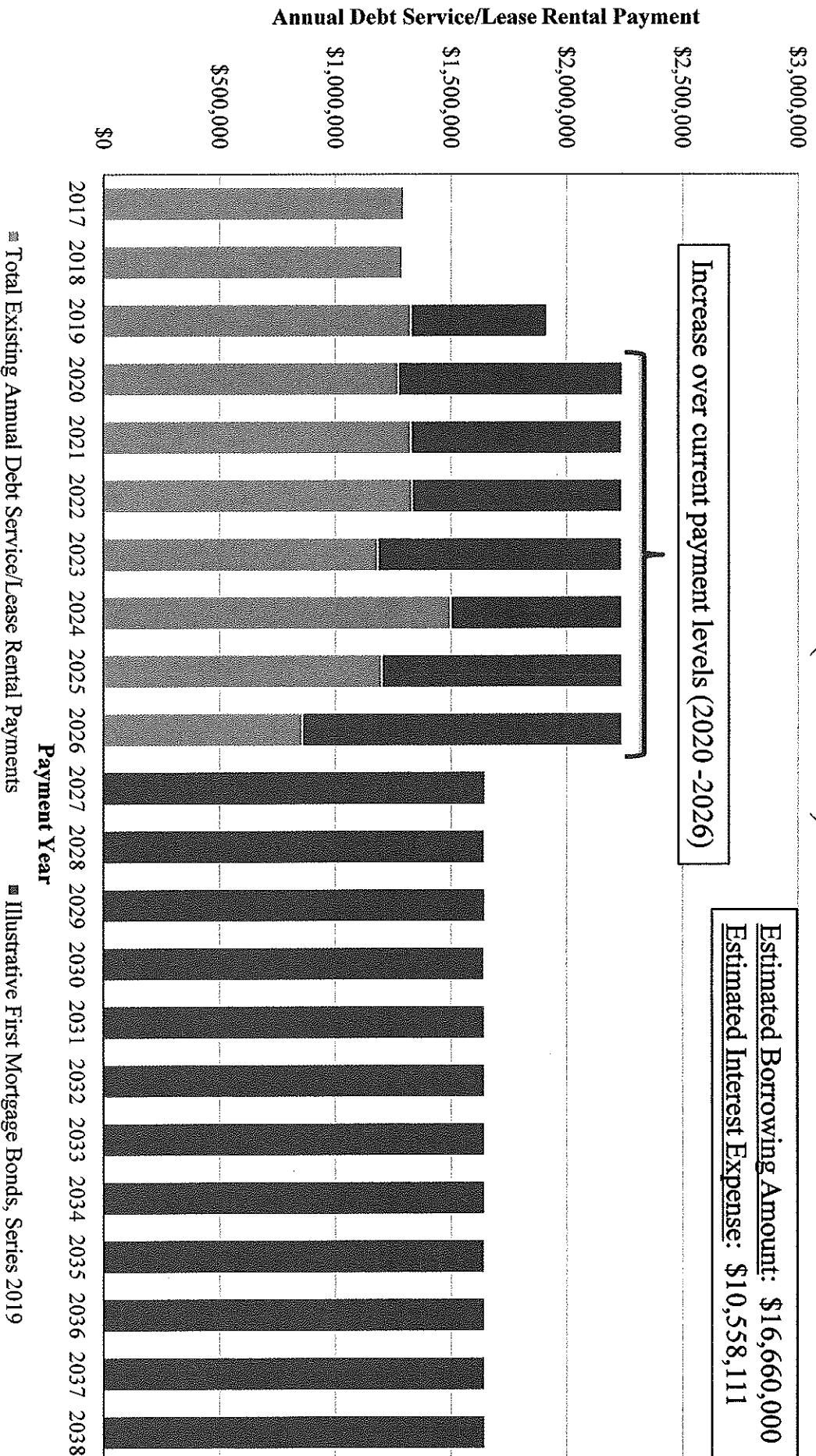
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Manchester Community Schools

Chart of Existing and Illustrative Annual Debt Service/Lease Rental Payments (Unaudited)



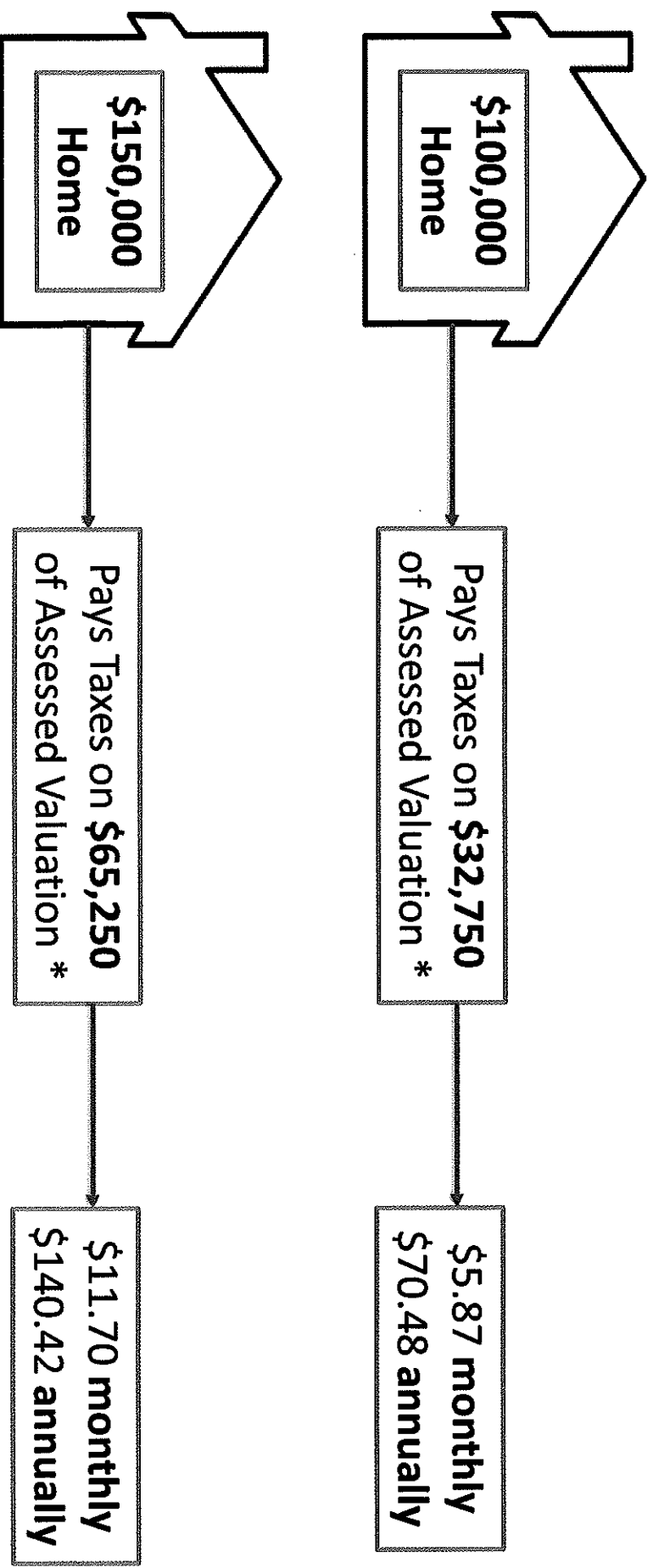
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Summary of Estimated Tax Impact

Increase over Current Payment Levels



Note: The median home value within the School Corporation is \$101,200 per the U.S. Census Bureau.

* Homes are eligible for the following deductions to the assessed value of their property: Standard Deduction, Supplemental Homestead Deduction and Mortgage Deduction.

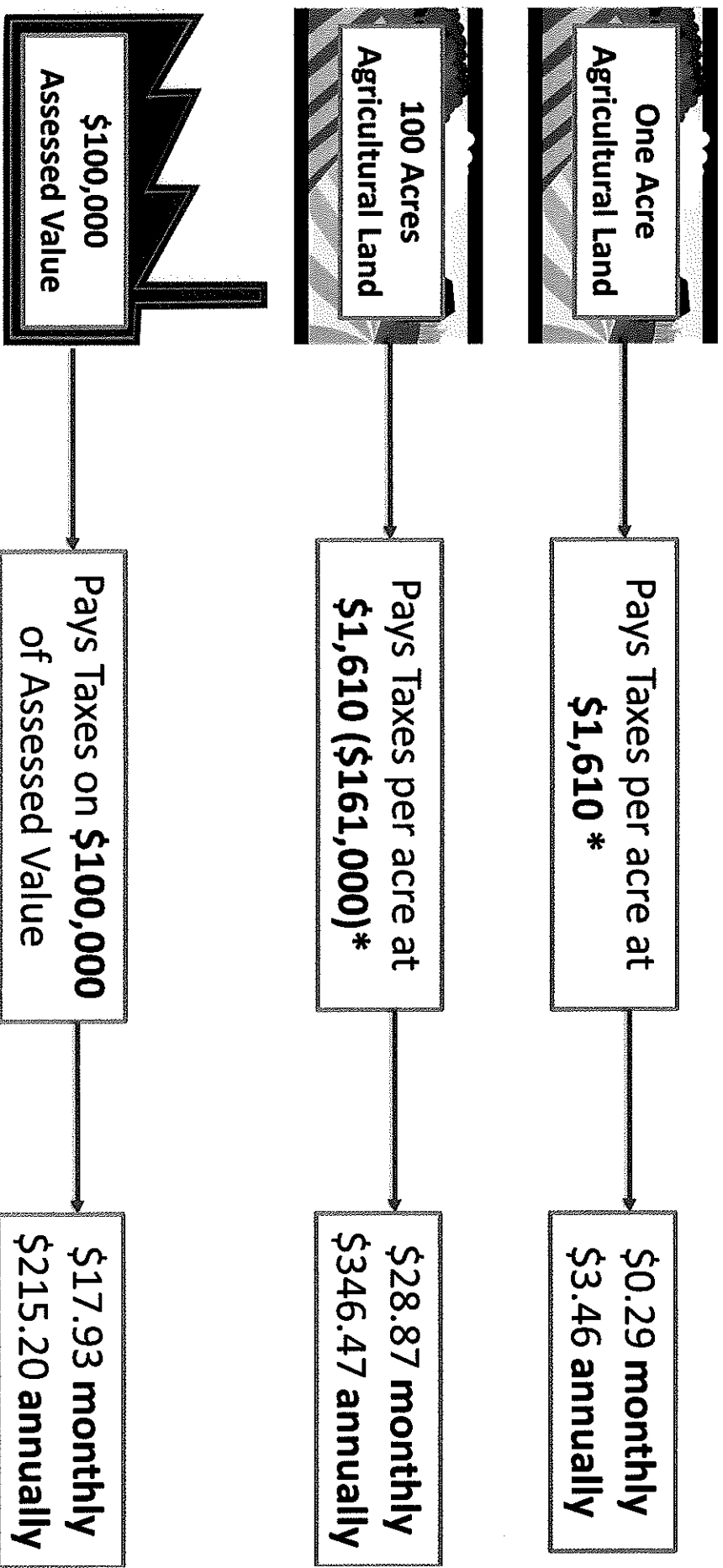
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Summary of Estimated Tax Impact

Increase over Current Payment Levels



* Base rate for agricultural land for taxes payable in 2019. Rate will change based on productivity factors applied.

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Comparison of 2018 Certified Total Tax Rates

<u>Contiguous School Corporations</u>	<u>Total Tax Rate</u>
Wabash City S.C.	\$1.6251
Mississinewa C.S.C.	\$1.5595
Peru C.S.C.	\$1.4718
Oak Hill United S.C.	\$1.3066
Whitko C.S.C.	\$1.2210
Whitley Co. C.S.C.	\$1.0416
Tippecanoe Valley S.C.	\$0.9806
Proposed Manchester C.S.C.	\$0.9738
(Including Proposed Bonds)	
Current Manchester C.S.C.	\$0.7586

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10

Calculation of Annual Debt Service as a Percent of Net Assessed Value

Payment Year	Combined Debt	Net Assessed	D/S as a Percent of NAV
	Service	Value	
2018	\$1,292,898	\$402,972,196	0.32%
2019	1,328,764	402,972,196	0.33%
2020	2,241,628	402,972,196	0.56%
2021	2,238,492	402,972,196	0.56%
2022	2,238,676	402,972,196	0.56%
2023	2,238,250	402,972,196	0.56%
2024	2,239,250	402,972,196	0.56%
2025	2,238,750	402,972,196	0.56%
2026	2,238,375	402,972,196	0.56%
2027	1,648,000	402,972,196	0.41%
2028	1,644,000	402,972,196	0.41%
2029	1,648,000	402,972,196	0.41%
2030	1,643,000	402,972,196	0.41%

(1) Based upon the 2018 Certified Net Assessed Valuation per the DLGF Wabash County Budget Order for the School Corporation. Assumes no growth in 2019 or thereafter.

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Debt Ratios

The following presents the ratios relative to the tax supported indebtedness of the taxing units within and overlapping the School Corporation as of May 21, 2018.

		Allocable Portion of All Other	Total Direct and Overlapping Tax Supported Debt
Percent of Certified Net Assessed Value (1)	6.44%	0.62%	7.06%
Percent of Gross Assessed Value (2)	3.98%	0.38%	4.36%
	Direct Tax Supported Debt	Overlapping Tax Supported Debt	Overlapping Tax Supported Debt
	\$25,968,427	\$2,487,786	\$28,456,213

- (1) The Certified Net Assessed Value for the School Corporation for taxes payable in 2018 is \$402,972,196 according to the DLGF Wabash County Budget Orders for the School Corporation.
- (2) The Gross Assessed Value of the School Corporation for taxes payable in 2018 is \$652,233,200 according to the Wabash County Auditor's office.

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Illustrative Homeowner Tax Bill - 2018

Net Assessed Value Calculation

	Current - North Manchester Town	With Bonds - North Manchester Town
Market Value of Property	\$148,800	\$148,800
Less: Homestead Deduction	(45,000)	(45,000)
Less: Supplemental Homestead Deduction	(36,330)	(36,330)
Less: Mortgage Deduction	(3,000)	(3,000)
Net Assessed Value	\$64,470	\$64,470

Tax Bill Calculation

Gross Tax Rate - 2018 Tax Rates	\$2.7542	\$2.9694 (1)
Gross Taxes Due	\$1,775.63	\$1,914.37
Less: Local Property Tax Credits (2)	(\$524.70)	(\$565.70)
Net Tax Bill Due	\$1,250.93	\$1,348.67

Gross Change in Annual Tax Bill (3)

\$138.74

Net Change in Annual Tax Bill (4)

\$97.74

Note: Represents taxpayer not at tax cap. This tax bill is calculated for illustrative purposes only. Actual results may vary.

(1) Includes project tax rate impact of \$0.2152.

(2) Assumes local property tax replacement credits totaling 29.5502% for taxes payable in 2018.

(3) Represents estimated change in tax bill not including local property tax replacement credits.

(4) Represents estimated change in tax bill including local property tax replacement credits.

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Illustrative Farm Tax Bill - 2018**Net Assessed Value Calculation**

	Current - Chester Township	With Bonds - Chester Township
Value of Property	\$327,700	\$327,700
Less: Deductions	0	0
Net Assessed Value	\$327,700	\$327,700

Tax Bill Calculation

Gross Tax Rate - 2018 Tax Rates	\$1.2687	\$1.4839 (1)
Gross Taxes Due	\$4,157.53	\$4,862.74
Less: Local Property Tax Credits (2)	(\$205.74)	(\$240.64)
Net Tax Bill Due	\$3,951.79	\$4,622.10

Gross Change in Annual Tax Bill (3) \$705.21**Net Change in Annual Tax Bill (4) \$670.31**

Note: Represents taxpayer not at tax cap. This tax bill is calculated for illustrative purposes only. Actual results may vary.

- (1) Includes project tax rate impact of \$0.2152.
- (2) Assumes local property tax replacement credits totaling 4.9487% for taxes payable in 2018.
- (3) Represents estimated change in tax bill not including local property tax replacement credits.
- (4) Represents estimated change in tax bill including local property tax replacement credits.

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MANCHESTER COMMUNITY SCHOOLS

PRELIMINARY SCHEDULE OF AMORTIZATION OF \$16,660,000
PRINCIPAL AMOUNT OF FIRST MORTGAGE BONDS, SERIES 2019

<u>Payment Date</u>	<u>Principal Balance</u>	<u>Principal</u>	<u>Interest</u>	<u>Capitalized Interest</u>	<u>Total Debt Service</u>	<u>Budget Year Debt Service</u>	<u>Annual Lease Rental Payment</u>
	(-----In \$1,000's-----)						(1)
7/15/2019	\$16,660		\$211,014.95	(\$211,014.95)	\$0.00		
1/15/2020	16,660		376,066.25	(376,066.25)	0.00	\$0.00	\$0.00
7/15/2020	16,660	\$105	376,066.25		481,066.25		
1/15/2021	16,555	105	374,491.25		479,491.25	960,557.50	966,000.00
7/15/2021	16,450	80	372,837.50		452,837.50		
1/15/2022	16,370	80	371,577.50		451,577.50	904,415.00	910,000.00
7/15/2022	16,290	80	370,257.50		450,257.50		
1/15/2023	16,210	80	368,937.50		448,937.50	899,195.00	905,000.00
7/15/2023	16,130	155	367,577.50		522,577.50		
1/15/2024	15,975	160	364,942.50		524,942.50	1,047,520.00	1,053,000.00
7/15/2024	15,815	5	362,102.50		367,102.50		
1/15/2025	15,810	5	362,013.75		367,013.75	734,116.25	740,000.00
7/15/2025	15,805	155	361,921.25		516,921.25		
1/15/2026	15,650	155	359,053.75		514,053.75	1,030,975.00	1,036,000.00
7/15/2026	15,495	330	356,108.75		686,108.75		
1/15/2027	15,165	340	349,838.75		689,838.75	1,375,947.50	1,381,000.00
7/15/2027	14,825	480	343,208.75		823,208.75		
1/15/2028	14,345	485	333,848.75		818,848.75	1,642,057.50	1,648,000.00
7/15/2028	13,860	495	324,148.75		819,148.75		
1/15/2029	13,365	505	314,248.75		819,248.75	1,638,397.50	1,644,000.00
7/15/2029	12,860	515	303,896.25		818,896.25		
1/15/2030	12,345	530	293,338.75		823,338.75	1,642,235.00	1,648,000.00
7/15/2030	11,815	535	282,076.25		817,076.25		
1/15/2031	11,280	550	270,707.50		820,707.50	1,637,783.75	1,643,000.00
7/15/2031	10,730	560	258,745.00		818,745.00		
1/15/2032	10,170	575	246,565.00		821,565.00	1,640,310.00	1,646,000.00
7/15/2032	9,595	585	233,627.50		818,627.50		
1/15/2033	9,010	600	220,465.00		820,465.00	1,639,092.50	1,645,000.00
7/15/2033	8,410	615	206,665.00		821,665.00		
1/15/2034	7,795	625	192,520.00		817,520.00	1,639,185.00	1,645,000.00
7/15/2034	7,170	640	177,832.50		817,832.50		
1/15/2035	6,530	660	162,792.50		822,792.50	1,640,625.00	1,646,000.00
7/15/2035	5,870	670	146,952.50		816,952.50		
1/15/2036	5,200	690	130,872.50		820,872.50	1,637,825.00	1,643,000.00
7/15/2036	4,510	705	113,967.50		818,967.50		
1/15/2037	3,805	725	96,695.00		821,695.00	1,640,662.50	1,646,000.00
7/15/2037	3,080	740	78,570.00		818,570.00		
1/15/2038	2,340	760	60,070.00		820,070.00	1,638,640.00	1,644,000.00
7/15/2038	1,580	780	40,690.00		820,690.00		
1/15/2039	800	800	20,800.00		820,800.00	1,641,490.00	1,647,000.00
Totals		<u>\$16,660</u>	<u>\$10,558,111.20</u>	<u>(\$587,081.20)</u>	<u>\$26,631,030.00</u>	<u>\$26,631,030.00</u>	<u>\$26,736,000.00</u>

(1) Based on total annual debt service rounded up to next \$1,000, plus \$5,000 for trustee and miscellaneous fees.

EXHIBIT B

**1028/PRELIMINARY DETERMINATION/REIMBURSEMENT RESOLUTIONS OF
THE BOARD OF SCHOOL TRUSTEES OF THE MANCHESTER COMMUNITY
SCHOOLS, WABASH COUNTY, INDIANA**

WHEREAS, the Board of School Trustees (the "Board") of the Manchester Community Schools, Wabash County, Indiana (the "School Corporation"), has given consideration to (a) the renovation, upgrading, expansion and equipping of the existing Manchester Elementary School to provide for a safer, more secure entrance to the building, (b) the renovation, upgrading, expansion and equipping of the existing Manchester Intermediate School to provide for a safer, more secure entrance to the building, (c) the renovation, upgrading, expansion and equipping of the existing Manchester Junior High School to provide for a safer, more secure entrance to the building, space for an advanced manufacturing lab and a concession stand/café in the library area, (d) the construction and equipping of a fieldhouse that will adjoin the existing Manchester Junior High School and the existing Manchester High School and upon completion is currently anticipated to contain approximately 86,000 square feet, provide space for three courts, an indoor track, football locker rooms, an art gallery, spectator seating, offices, public restrooms and storage areas, (e) the restoration, replacement and repair of the roof of the existing Squire Academy and School Corporation Administration Office, (f) the installation of synthetic field turf on the existing Manchester High School Football Field in order for it to be used for additional co-curricular and extra-curricular activities such as high school soccer and marching band, (g) site improvements around the existing Manchester Junior/Senior High School facilities to improve overall vehicular traffic flow, including, but not limited to, a new bus parking area and parking lot, (h) miscellaneous capital improvement, renovation and/or equipping projects at one or more facilities operated or to be operated by the School Corporation, and (i) all projects related to any project listed in clauses (a) through and including (h) (clauses (a) through and including (i), collectively, the "2019 Manchester Community Schools Safety and Facility Improvement Project"); and

WHEREAS, pursuant to Indiana Code § 6-1.1-20-3.5, if the Board proposes to impose property taxes to pay debt service on bonds or lease rentals on any, renovation, improvement, remodeling or alteration project, which is not excluded under Indiana Code § 6-1.1-20-1.1, it must conduct at least two public hearings on the preliminary determination to proceed with such project prior to the Board's adopting any resolution or ordinance making a preliminary determination to issue such bonds or enter into such lease; and

WHEREAS, pursuant to Indiana Code § 20-26-7-37, a public hearing must be held if the Board proposes to construct, repair or alter a school building at a cost of more than \$1,000,000 that would be financed by a lease agreement, issuing bonds, or any other available method; and

WHEREAS, notice of said hearings have been given in accordance with Indiana law; and

WHEREAS, interested people have been given the opportunity to present testimony and ask questions concerning the 2019 Manchester Community Schools Safety and Facility Improvement Project, and this Board has heard public input at a public hearing held on May 29, 2018, and on this date concerning the 2019 Manchester Community Schools Safety and Facility Improvement Project; and

WHEREAS, the Board, being duly advised, finds that it is in the best interests of the School Corporation and its citizens for the purpose of financing all or any portion of the 2019 Manchester Community Schools Safety and Facility Improvement Project to issue one or more series of general obligation bonds (collectively, the "General Obligation Bonds") and/or enter into negotiations with one or more Indiana nonprofit school building corporations (collectively, the "Building Corporation") to acquire all or any portion of any of the facilities operated or to be operated by the School Corporation, and enter into a lease or leases or an amendment or amendments to an existing lease or existing leases (collectively, the "Leases") with the Building Corporation, as lessor, for all or any portion of the facilities operated or to be operated by the School Corporation, in order to better serve the residents of the School Corporation, by allowing the Building Corporation to issue first mortgage bonds in one or more series (collectively, the "First Mortgage Bonds"), which First Mortgage Bonds and General Obligation Bonds (collectively, the "Bonds") will not exceed an original aggregate principal amount of Sixteen Million Six Hundred Sixty Thousand Dollars (\$16,660,000); and

WHEREAS, the Board expects to pay for certain costs of the 2019 Manchester Community Schools Safety and Facility Improvement Project or costs related to the 2019 Manchester Community Schools Safety and Facility Improvement Project (collectively, the "Expenditures") prior to the issuance of the Bonds, and to reimburse the Expenditures with proceeds of the General Obligation Bonds and/or the proceeds received by the School Corporation upon the issuance of the First Mortgage Bonds; and

WHEREAS, the Board desires to declare its intent to reimburse the Expenditures pursuant to Treas. Reg. § 1.150-2 and Indiana Code §5-1-14-6(c).

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SCHOOL TRUSTEES OF THE MANCHESTER COMMUNITY SCHOOLS, WABASH COUNTY, INDIANA, AS FOLLOWS:

Section 1. The Board hereby makes a preliminary determination that there exists a need for the 2019 Manchester Community Schools Safety and Facility Improvement Project. Accordingly, the Board hereby makes a preliminary determination that to the extent permitted by law the Board will take all of the necessary steps to issue the General Obligation Bonds and/or enter into the Leases with the Building Corporation for all or any portion of the facilities operated or to be operated by the School Corporation, pursuant to which the Building Corporation and the School Corporation will finance all or any portion of the 2019 Manchester Community Schools Safety and Facility Improvement Project. The School Corporation and the Building Corporation will finance all or any portion of the 2019 Manchester Community Schools Safety and Facility Improvement Project through the issuance of one or more series of the Bonds. The total maximum original aggregate principal amount of the Bonds will not exceed \$16,660,000, or such greater amount in the case of the issuance of any first mortgage bonds all or a portion of which will be used to refund all or any portion of the First Mortgage Bonds. Each of the series of the Bonds issued will have a maximum term not to exceed twenty (20) years from the date such series of Bonds are issued. Each of the Leases with respect to each series of First Mortgage Bonds will have a maximum term not to exceed twenty-two (22) years. The proposed term of each of the Leases or addendum thereto will begin on the date each such Lease or addendum thereto is recorded by the School Corporation and the Building Corporation in

connection with the 2019 Manchester Community Schools Safety and Facility Improvement Project.

Based on estimated interest rates that will be paid in connection with the Bonds that will result in a yield not anticipated to exceed 4.712% per annum, the total interest cost associated therewith will not exceed \$10,558,111 (which amount is net of any funds received by the School Corporation or the Building Corporation from the United States of America as a result of any or all of the Bonds being issued under one or more federal tax credit programs), not taking into account any funds of the School Corporation or the Building Corporation being available for capitalized interest. Including interest costs, the maximum annual principal and interest to be paid on the Bonds plus the maximum annual lease rental to be paid by the School Corporation under the Leases is \$1,648,000 (which amount is net of any funds received by the School Corporation or the Building Corporation from the United States of America as a result of any or all of the Bonds being issued under one or more federal tax credit programs), and the maximum total principal and interest to be paid on the Bonds plus the total lease rental paid by the School Corporation over the term of the Leases is \$26,736,000 (which amount is net of any funds received by the School Corporation or the Building Corporation from the United States of America as a result of any or all of the Bonds being issued under one or more federal tax credit programs), not taking into account any funds of the School Corporation or the Building Corporation available for capitalized interest.

The School Corporation's certified total debt service fund tax levy for 2017 pay 2018 (which is the most recent certified tax levy) is \$1,250,826, and the School Corporation's certified total debt service fund tax rate for 2017 pay 2018 (which is the most recent certified tax rate) is \$0.3104 per \$100 of assessed value. The estimated total maximum debt service fund tax levy for the School Corporation and the estimated total maximum debt service fund tax rate for the School Corporation after the issuance of the Bonds are anticipated to occur no earlier than 2019 pay 2020 and will be \$2,241,628 and \$0.5256 (consisting of the 2017 pay 2018 debt service fund tax rate of \$0.3104, plus the projected incremental increase in the 2019 pay 2020 debt service fund tax rate of \$0.2152) per \$100 of assessed value, respectively, as a result of the payment of the debt service on the General Obligation Bonds and the lease rentals under the Leases. The percent of the School Corporation's current annual debt service/lease payments and projected maximum annual debt service/lease payments after the issuance of the Bonds compared to the net assessed value of taxable property within the School Corporation is approximately fifty-six one hundredths percent (0.56%). The percent of the School Corporation's outstanding long term debt, together with the outstanding long term debt of other taxing units that include any of the territory of the School Corporation, compared to the net assessed value of taxable property within the School Corporation is approximately seven and six one hundredths percent (7.06%).

The estimated completion date of the 2019 Manchester Community Schools Safety and Facility Improvement Project is August, 2020. The Board estimates that the operational costs associated with the 2019 Manchester Community Schools Safety and Facility Improvement Project will have no negative impact on the School Corporation's tax rate upon completion of the 2019 Manchester Community Schools Safety and Facility Improvement Project.

Section 2. A notice of the foregoing preliminary determinations set forth in Section 1 of this resolution shall be given in accordance with Indiana Code § 6-1.1-20-3.5. In the event

that a sufficient petition requesting the application of the local public question process to the Bonds and/or the Leases related to the 2019 Manchester Community Schools Safety and Facility Improvement Project has been filed as set forth in Indiana Code § 6-1.1-20-3.5, the question recommended to be submitted by the Wabash County Auditor to the registered voters at the election conducted under Indiana Code § 6-1.1-20-3.6 shall be as follows: "Shall the Manchester Community Schools, Wabash County, Indiana, issue bonds or enter into a lease to finance the 2019 Manchester Community Schools Safety and Facility Improvement Project which includes safety and security improvement projects at several facilities and projects to provide more opportunities for co-curricular and extra-curricular programs and which is estimated to cost not more than \$16,660,000 and is estimated to increase the property tax rate for debt service by \$0.3885 per \$100 of assessed valuation?"

The Superintendent or Interim Superintendent of the School Corporation (collectively, the "Superintendent") or his/her designee or the Business Manager or Interim Business Manager of the School Corporation (collectively, the "Business Manager") or his/her designee is authorized to make any and all changes or modifications to the form of the question recommended to the Wabash County Auditor and the Wabash County Election Board which the Superintendent or her designee deem or the Business Manager or his designee necessary or desirable to convey the purposes and goals of the 2019 Manchester Community Schools Safety and Facility Improvement Project and the intentions of the Board.

Section 3. The Board hereby declares its official intent that to the extent permitted by law, to issue the General Obligation Bonds and/or execute the Leases with the Building Corporation, and to request the Building Corporation to issue the First Mortgage Bonds in one or more series or issues, which First Mortgage Bonds, together with the original aggregate principal amount of the General Obligation Bonds will not exceed an original aggregate principal amount of approximately Sixteen Million Six Hundred Sixty Thousand Dollars (\$16,660,000), and to reimburse costs of the 2019 Manchester Community Schools Safety and Facility Improvement Project consisting of the Expenditures from proceeds of the sale of such Bonds.

Section 4. Any and all actions previously taken by any member of the Board, the Superintendent or his/her designee or the Business Manager or his/her designee in connection with the foregoing preliminary determinations, including, but not limited to, publication of the notice of the public hearing held in connection with such preliminary determinations, be, and hereby are, ratified and approved.

PASSED AND ADOPTED this 5th day of June, 2018.

BOARD OF SCHOOL TRUSTEES OF THE MANCHESTER COMMUNITY SCHOOLS,
WABASH COUNTY, INDIANA

AYE

Ruth Ayres
Russ
Steve Smith
Bruce W. Zedler

NAY

Ben Shilling
Jim McLaughlin

ATTEST:

Ruth Ayres
Secretary of the Board of School Trustees

EXHIBIT C

Question #8:

<u>Manchester Elementary School</u>	Current space per student.....	162 sf/student
	Proposed space per student	163 sf/student
<u>Manchester Intermediate School</u>	Current space per student.....	155 sf/student
	Proposed space per student	156 sf/student
<u>Manchester Jr/Sr High School & Squire Academy*</u>	Current space per student.....	217 sf/student
	Proposed space per student	315 sf/student

*Squire Academy includes District Administrative Offices and Services

Question #10:

<u>Manchester Elementary School</u>	Opened in 1989. Building is in very good condition.
<u>Manchester Intermediate School</u>	Opened in 1989. Building is in very good condition.
<u>Manchester Jr/Sr High School</u>	Opened in 1959 with additions: Renovations in 1996. Building is well maintained and in good conditions. (Re-roofed in 2012.)
<u>Manchester (Squire Academy)</u>	Opened in 1975. Currently houses 7 th grade and district Administration. Building is in good shape but needs Roofing work (to be part of this Project).

EXHIBIT D

**Manchester Community Schools
Enrollment by Grade/Total Enrollment over last 10 years**

	Pre-K	K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Total
2017	0	107	94	127	127	132	126	130	113	105	125	132	140	114	1572
2016	23	90	117	131	128	120	131	112	107	126	135	134	118	116	1588
2015	26	113	147	131	122	124	118	107	122	138	136	115	122	104	1625
2014	33	137	145	131	127	117	117	121	134	136	114	118	107	119	1656
2013	34	137	141	124	114	115	119	139	130	114	121	102	126	96	1612
2012	0	133	128	111	111	117	134	131	112	124	98	117	106	94	1516
2011	1	128	112	109	113	139	134	111	115	100	117	103	98	118	1498
2010	40	114	111	118	135	127	115	115	97	122	112	103	123	102	1534
2009	30	112	114	138	122	117	114	96	122	105	112	120	115	116	1533
2008	20	105	119	141	117	111	97	117	105	105	124	120	118	138	1537