

**DEPARTMENT OF LOCAL GOVERNMENT FINANCE  
100 NORTH SENATE AVENUE  
IGC-N, ROOM N1058  
INDIANAPOLIS, INDIANA 46204**

**IN THE MATTER OF THE REVIEW )  
OF PROPOSED LANGUAGE AND )  
ESTIMATED RATE CERTIFICATION )  
FOR A BALLOT QUESTION REGARDING ) No. 14-014-REF  
WARSAW COMMUNITY SCHOOLS, )  
KOSCIUSKO COUNTY )**

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**FINDINGS AND FINAL DETERMINATION ON PROPOSED QUESTION SUBMITTED  
FEBRUARY 6, 2015**

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1. Warsaw Community Schools (“Corporation”) proposes to issue bonds or enter into a lease to finance the construction of a replacement of Lincoln Elementary School and the renovation of and improvements to Washington Elementary School and Edgewood Middle School, which is estimated to cost not more than \$39,900,000 and is estimated to increase the property tax rate for debt service by a maximum of \$0.138 per \$100 of assessed valuation.
2. Under Indiana law, the voters in the area served by the Corporation will vote in a referendum to approve or deny borrowing for the project and raise property taxes to support it.
3. Indiana law governs the format and wording of the ballot question for the referendum. Indiana Code 6-1.1-20-3.6(c).
4. Under Indiana law, “the **following question shall** be submitted to the eligible voters at the election”:

“Shall \_\_\_\_\_ (insert the name of the political subdivision) issue bonds or enter into a lease to finance \_\_\_\_\_ (insert a brief description of the controlled project), which is estimated to cost not more than \_\_\_\_\_ (insert the total cost of the project) and is estimated to increase the property tax rate for debt service by \_\_\_\_\_ (insert increase in tax rate as determined by the department of local government finance)?”

Indiana Code 6-1.1-20-3.6(c) (emphasis added).

5. The ballot question then must contain three parts:
  - a brief description of the project;
  - the estimated total project cost; and
  - the estimated tax rate increase for the project.

6. The law requires the Department of Local Government Finance (“Department”) to determine the estimate of the tax rate increase.
7. The law also requires the Department to either approve the ballot language or recommend that it be modified to ensure that the description of the controlled project is accurate and not biased.
8. On February 6, 2015, the Department received a letter by e-mail from the Kosciusko County Election Board (“Board”) presenting the Corporation’s proposed question.
9. The Board requested that the Department review this proposed question:

“Shall Warsaw Community Schools issue bonds or enter into a lease to finance the construction of a replacement of Lincoln Elementary School and the renovation of and improvements to the Washington Elementary School and Edgewood Middle School, which is estimated to cost not more than \$39,900,000 and is estimated to increase the property tax rate for debt service by a maximum of \$0.138 per \$100 of assessed valuation over the 20 year life of the bonds?”

#### **Determination of Tax Rate Increase**

10. The Department estimates the tax rate increase in reliance on the Corporation’s proposed debt from the project, assessed valuation of the property in the area served by the Corporation, and an amortization schedule submitted by the Corporation. Based on this information, the Department certifies a rate of \$0.138 per \$100 of assessed valuation. This rate accounts for miscellaneous revenues to debt service of approximately 5%.

#### **Accuracy and Bias**

11. The Department must review the language of the public question to evaluate whether the description of the controlled project is accurate and is not biased against either a vote in favor of or a vote against the controlled project. The Department concludes that the description of the controlled project is not inaccurate and not biased against either a vote in favor of or a vote against the controlled project.

#### **Final Determination**

WHEREFORE, based on the above findings and applicable law, the Department finds that the proposed language is in compliance with 6-1.1-20-3.6(c) and approves the language as proposed. The Department certifies a rate of \$0.138 per \$100 of assessed valuation.

Dated this 9<sup>th</sup> day of February, 2015.

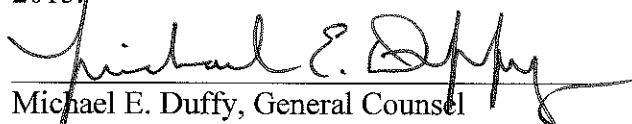
STATE OF INDIANA  
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

  
Courtney L. Schaafsma, Commissioner  
Department of Local Government Finance

STATE OF INDIANA  
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

I, Michael E. Duffy, General Counsel for the Department of Local Government Finance, hereby certify that the above is an order of the Commissioner of the Department of Local Government Finance made this date in the above-entitled matter and that the Commissioner has personally signed the same under her statutory authority.

WITNESS MY HAND AND SEAL of the Commissioner on this the 9<sup>th</sup> day of February, 2015.

  
Michael E. Duffy, General Counsel  
Department of Local Government Finance