**MT. VERNON COMMUNITY SCHOOL CORPORATION**

**PRELIMINARY DETERMINATION (EXHIBIT B)**

**RESOLUTION NO. 2021-16**

**WHEREAS**, Mt. Vernon Community School Corporation (the "School Corporation") published a Notice of Preliminary Determination Hearings on May 7, 2021 in the *Greenfield Daily Reporter* and mailed such notice to the Hancock County Clerk and any organizations requesting such notice as provided in Indiana Code § 6-1.1-20-3.5 with respect to Mt. Vernon Community School Corporation Future Growth Plan Project, which includes the acquisition of real estate and the construction of a new elementary school, renovation and construction of an addition to Fortville Elementary School, construction of a new transportation center, renovations and improvements to Mt. Comfort Elementary School and site improvements for campus traffic flow (collectively, the "Project"); and

**WHEREAS**, the first preliminary determination hearing was held on May 17, 2021 and the second preliminary determination hearing was held on June 21, 2021 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, which is 0.8267%; (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, which is 13.72%; 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 agreement for the Project.

**BE IT FURTHER RESOLVED** that the lease agreement will be for a maximum term of 22 years with a maximum annual lease rental of $10,250,000. The maximum annual lease rental has been estimated based upon an estimated principal amount of bonds of $84,250,000, estimated interest rates ranging from 1% to 5%, and estimated total interest costs of $41,369,125. The School Corporation's current debt service levy is $14,400,557 and the current debt service rate is $1.1790. After the School Corporation enters into the proposed lease agreement and the bonds are issued, the gross debt service levy will increase by a maximum of $10,250,000 and the debt service rate will increase by a maximum of $0.8392. However, as existing obligations mature, the anticipated net increase to the Debt Service Fund tax rate is expected to be $0.00 above the current rate. The purpose of the lease agreement is to provide for the completion of the Project. The Project involves the opening of new school facility space, and the School Corporation expects to annually incur an increase of $1,436,170 to operate such new facility space, to be funded by a combination of the Education Fund, Operations Fund and food service funds.

**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 Indiana law.

**BE IT FURTHER RESOLVED** that if a valid petition pursuant to Indiana Code § 6-1.1.-20-3.5 is received by the School Corporation, the Secretary of the Board of School Trustees is hereby authorized to submit the notice pursuant to Indiana Code § 6-1.1-20-3.5(b)(2) and any other required information to the Hancock County Clerk.

Adopted this 21st day of June, 2021.

AYE NAY

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ATTEST:

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Secretary