

SCHOOL CITY OF HOBART
BOARD OF SCHOOL TRUSTEES
EXCERPTS FROM REGULAR SESSION MEETING
June 5, 2017

The Board of School Trustees of the School City of Hobart met in regular session on June 5, 2017, in the Board Room at Hobart High School, 2211 East Tenth Street, Hobart, Indiana.

ROLL CALL: President Terry Butler asked Board Members to log in. The following Board Members and Administrators were present or absent as noted:

Board Members Present:

Terry D. Butler
Rikki A. Guthrie
Michael J. Rogers
Dave Bigler
Karen J. Robbins
Donald H. Rogers
Stuart B. Schultz
Lillian Burnett, HHS student representative
Katelyn Knudson, HHS student representative

Administrators Present:

Peggy Buffington
Ted Zembala
Christopher N. King
William J. Longer
Jonathan Mock
Robert Glover, Sr.

EXECUTIVE SESSION: President Butler indicated that the Board met in executive session prior to the regular session. As published, the meeting was held in accordance with I.C. 5-14-1.5-6.1(b)(1) where authorized by federal or state statute; (7) for discussion of records classified as confidential by state or federal statute; and (11) to train school board members with an outside consultant about the performance of the role of the members as public officials.

CALL TO ORDER: Terry Butler, President, called the meeting to order around 7:06 p.m.

Among other proceedings had and action taken were the following:

1028. PROJECT HEARING AND PRELIMINARY DETERMINATION HEARING:

President Terry Butler indicated the purpose of this public hearing is to inform the public of the proposed building project and to allow for public input. Pursuant to I.C. 20-26-7-37, before a School Corporation spends for than \$1,000,000 to build, repair or alter a school building that would be financed by a lease, bonds or any other available method, it must hold a public hearing at which explanations of the potential value of the project to the School Corporation and community are given. Additionally, another purpose of the hearing is that under Indiana Code 6-1.1-20-3.5 whenever a school corporation proposes to enter into a lease agreement and/or issue bonds for the construction or renovation of a school building resulting in total costs in excess of \$10,000,000, the school corporation is required to hold a public hearing on its preliminary determination to issue such bonds and enter into such lease agreement.

President Butler noted the date for today's hearing was established at the May 18th Board meeting. The required Notice of Project Hearing and Preliminary Determination Hearing was filed with the Clerk of Lake County on May 24, 2017, and published on May 25 in *The Times* and *The Post-Tribune*. Mr. Butler told members of the audience that when the meeting was open for public input, speakers should state their name and address, and should restrict their comments to the project and limit their comments to a maximum of three minutes. If speakers agree with what a prior speaker said, it was acceptable for them to say, "Agree with the previous speaker."

President Butler asked Attorney William Longer to speak about the purpose of the hearing. Attorney Longer indicated the purpose of the public hearing was to inform the public of the proposed building project and to allow for public input. Pursuant to I.C. 20-26-7-37, before a school corporation spends more than \$1,000,000 to build, repair or alter a school building that would be financed by a lease, bonds or any other available method, it must hold a public hearing at which explanations of the potential value of the project to the School Corporation and community are given. Additionally, another purpose of the hearing is that under I. C. 6-1.1-20-3.5 whenever a school corporation proposes to enter into a lease agreement and/or issue bonds for the construction or renovation of a school building resulting in total costs in excess of \$10,000,000, the school corporation is required to hold a public hearing on its preliminary determination to issue such bonds and enter into such lease agreement.

Dr. Buffington outlined the history and the need for the project from a PowerPoint presentation titled, *Learning Environments Vision 2020, School City of Hobart Project Hearing School Board Meeting* that was included in the electronic meeting packet:

- Introduction and Mission that included the Vision for Student Learning and the district's Mission statement.
- Facility Plans – Past Work that began in 2002 with a comprehensive Feasibility Facility Report, Community and Committees Involved, Established Long-Term understanding for Community and School Boards, Protecting Facility Assets with Fiscal Responsibility, Maximize opportunities when presented for major initiative; such as New High School in 2009 and Remodel of New Middle School, and Refinanced new HS bonds to a lower interest rate with the same terms to prepare for future building needs with no additional tax rate impact.
- Major Needs & Rationale that included New Elementary for Ridge View ES (Built 1955) and the need to Improve student learning environment, Manage district enrollments and capacities, and Continue long-term Facility Asset Planning; and New Swimming Pool for Hobart High School that included the location of new pool at HHS for increased safety for traveling students – all athletics/fitness on one campus!, Correct the inequity previously done by State when they eliminated the pool from the new HS building project before they would approve construction, and Community asset and public use.
- Facility Review: Ridge View Elementary that was divided into three categories: Building Maintenance Needs, Building ADA Compliance Needs, and Building Capacity. Specific items for each category were listed and reviewed.
- Financial Investment Analysis and Value of and to Existing Building for Ridge View Elementary for the following areas: What could we do?, What would Ridge View gain? (if additions added); Are the costs of repairs and additions worth the value of the existing building?
- Current Conditions at RV that included six pictures depicting a Typical Restroom (Non ADA); Typical Classroom Entry (Non ADA, Wireglass, Original construction); Classroom (Minimal storage, Size meets minimal standard, Chalkboards, and Fluorescent Lighting), Cafeteria and Gym share spaces; Access to Classrooms (Non ADA); and Access to Lower Level Classrooms (Non ADA).
- Instructional Need Changes for Spaces to Support Learning (four pictures of spaces that support learning)
- Need for New HS Pool that was divided into two areas: High School Related and Community Related
- Community Aquatic Learning/Fitness Environments that showed six pictures of what the pool could look like and different uses of the pool.

Jim Thompson from Gibraltar Design continued the presentation and reviewed information about how the plan for the project would address the identified needs. He highlighted the PowerPoint presentation for an Overview of the Project to Meet the Educational Needs, as follows:

- New Elementary Centered in Community for Population Density that included a suggested Site Diagram of School City of Hobart's Mundell Area with five areas of consideration.
- New Elementary that included specific areas with suggested square footage and included seven Considerations that would meet the needs of the students.
- New Elementary Provides Other Solutions that included seven primary areas speaking to solutions.
- District Boundaries shown for the three elementary schools Before and proposed elementary boundaries After.

- Hobart HS New Swimming Pool that showed the pool addition (where it was before being cut from the original high school plans) and seven Considerations.
- Facility Review – Additional Facility Needs in Other Buildings that included projects for the high school, middle school, boiler replacement (Joan Martin, Liberty, ELC), roofing replacement at Ridge View – partial for usable spaces), and District-Wide Technology Plan.
- Capital Facility Projects Review – Summary Costs that included the new Elementary School, Pool Addition, Additional Facility Needs in Other Buildings, Total Facility Needs (Hard and Soft Costs) with a project cost of \$40.0 Million Capital Project Costs and a Total Bond Issuance of \$41.2 Million (Includes Finance Costs)
- Overview of Project Schedule showed Timeframe and Milestone. Some items he mentioned were the Referendum on November 7, 2017, and noted after approval of the referendum, he would anticipate that bids would be awarded in the spring of 2018 with the high school pool opening in August of 2019 and the new elementary school opening in August of 2020.

President Butler introduced Jim Elizondo from Stifel to speak about the project budget that was part of the presentation, and dealt with the estimated hard and soft costs, including the cost for the bond issuance. Mr. Elizondo provided information about repaying the bonds, the estimated tax impact, and shared information on how this financing would affect typical taxpayers with homes valued at \$93,000, \$128,600 (average value of a Hobart home), and \$250,000. He reviewed information from the PowerPoint presentation for the Financial Impact of Project, as follows:

- How to Pay for These Facility Assets? that showed a pie chart with the Estimated Budget – Bond Issue with Project Costs of \$40,000,000, Capitalized Interest of \$800,000 and Costs of Issuance of \$410,000.
- There were five charts showing the tax rates from 2016 through 2039 for an Estimated \$41,210,000 Bond Issue – November 2017 Referendum. Two charts showed the existing debt and that there was a pocket of time that a new project could be done with no change to the current debt service tax rate, and the second chart noted refinancing of the high school bonds that saved millions of dollars that provided the opportunity to do the project with no increase. Three charts showed the existing debt with the projected new debt and there should be no increase to the current debt service tax rate, and the last of these charts showed no increase over the 2016 debt service tax rate and noted the \$0.80 maximum increase will appear in the Question for the referendum
- Mr. Elizondo explained there were three charts showing the Estimated Tax Bill Change Due to Exempt Debt Roll-Off. The first chart showed the Current Obligations and New Construction for a \$93,000 home, and there was no change in the tax bill with the Post Exempt Debt Roll-Off. The second chart showed the first home's information but added the same information for a \$128,600 home. This tax bill would be decreased by \$391.00 with Post Exempt Debt Roll-Off. The last chart showed the same information for the first two homes but added a \$250,000 home, and with the Post Exempt Debt Roll-Off, the tax bill was decreased by \$992.00.
- The Question on the ballot for November 7, 2017 Referendum
Shall the School City of Hobart issue bonds or enter into a lease to finance the 2018 Safety, Efficiency, Technology, Renovation and Construction Project which consists of restoration, repair and renovation of Hobart High School, Hobart Middle School, Liberty Elementary School, The Early Learning Center at George Earle School, Ridge View Elementary School and Joan Martin Elementary School and the construction of a new elementary school and a pool at Hobart High School, and which is estimated to cost not more than \$41,210, 000 and is estimated to increase the property tax rate for debt service by a maximum of \$0.80 per \$100 of assessed valuation?

The audience was told that all interested people may give testimony and/or ask questions at the public hearing concerning the 2018 Safety, Efficiency, Technology, Renovation and Construction Project which consists of restoration, repair and renovation of Hobart High School, Hobart Middle School,

Liberty Elementary School, The Early Learning Center at George Earle Elementary, Ridge View Elementary School and Joan Martin Elementary School and the construction of a new elementary school and a pool at Hobart High School (collectively, the "Project").

President Butler opened the meeting for the public hearing to hear testimony/questions/comments from the public. Ten residents spoke at the public hearing and highlights of those remarks are as follows:

- Kathy Ragon, 265 North Wisconsin Street
Twenty-five year resident and was part of the support staff of the School City of Hobart for 20 years. Because she believes in the community, she will vote "Yes." Said she chose to live in Hobart and have her children attend Hobart schools because of the high standards and solid foundation students receive for the best education. It was an exciting time for the community to grow and increase property values. She believed in the future and the education that children receive in Hobart. These students would be tomorrow's leaders. She thanked the Board and Administration. Felt the cost was a small price for the educational value students would receive.
- Christina Meadows, 705 North Linda Street
Did not want taxes to drop, felt there was no other choice, now was the time, and liked the financial timing and the financial decision.
- Philip Buzolitz, 971 South Linda Street
Retiree from NIPSCO, 100% in favor of the project and thought, "It's a no brainer" and was "a win, win situation for our community."
- Lloyd Puchek, 701 North Wisconsin Street
Resident for 33 years and absolutely in favor. He noted the importance of utilization and noted George Earle understood this, because he utilized all the assets available after the city was founded. Noted the Board needed to secure the future of the children in the district. Said the state government does not always support public education the way we would like them to do. If property taxes went up, he would like to see the tax monies spent on the children here in Hobart than elsewhere in the state.
- Shana Robertson, 3841 Barnes Street
Ridge View parent and one year one of her children was shuttled to Joan Martin because the student cap in that grade level. Because of this and being at Joan Martin, she realized that Ridge View students were lacking opportunities. She would vote "Yes" for the referendum. She liked living across from the school so she can just walk to the school without having worry about finding a parking space for school events. Her children would have increased opportunities with a new school, and she hoped to partner as a resource with the school district regarding child abuse and to continue to serve her community.
- Drummond Bell, 17 North Wisconsin Street
Lived at his residence for 50 years. Times have changed since the former Mundell School was on the site. Wisconsin Street now has a great deal of traffic and was concerned about the additional traffic from the new school. Thought the district should look into buying the Cressmoor property and felt the new school should be located there.
- Nicole Carlisle, 5575 Swift Street
Was in favor of the referendum. Has experience in special education and knows the importance of schools being accessible and ADA compliant for the success of its students.
- Kristy Galinsky, 232 Ellendale
Really wants the pool for the high school swimmers to keep them safe and to have all sports on one campus. Thanked the Board and Administration.
- Robb Zimmerman, 222 Rush Court
Originally was not in favor because of additional traffic but now was in favor. He asked a couple of questions pertaining to traffic flow, and Mr. Butler noted the actual site and school plans were not yet finalized but concerns about traffic flow would be kept in mind.

- Dani Johnston, 955 Duck Creek Court

Lives near the high school, and noted there was traffic in the a.m. and p.m. but that happens around all schools. She was part of Tiger Sharks program and was very much in favor of a new pool. Noted her elementary child waits in line for 15 minutes to get lunch at Joan Martin School and only has five minutes to eat it. She was very much in favor of the referendum.

There being no further testimony/questions/comments, President Butler closed the public hearing. He thanked the speakers for participating and noted the "Board serves at the pleasure of the people" and does what they feel is best for the district's students.

CONSIDERATION: Project Resolution: Attorney William Longer presented Resolution 2017-16 for the Board's consideration. The resolution established the estimated costs of the project, the tax impact and the timing of the impact.

Secretary Michael Rogers read Resolution 2017-16 aloud, and President Butler requested a motion and a roll call vote.

Dave Bigler moved that the Board approve Resolution 2017-16. Seconded by Stuart Schultz. Vote on motion: Secretary Rogers called roll on the vote, as follows: Aye – Robbins, D. Rogers, Bigler, Schultz, M. Rogers, Guthrie, and Butler. Nay – No one. Motion carried 7-0 in favor. (Note: Due to a glitch in ESB, Mr. Bigler's electronic vote was not recorded. On the voice roll call, he was recorded as "aye" by the Board's recording secretary.)

A copy of Resolution No. 2017-16, as presented to the Board, is attached to the minutes of this meeting.

CONSIDERATION: Preliminary Determination Resolution: Attorney William Longer presented Resolution 2017-17 for the Board's consideration. The resolution sets forth the maximum: (1) term of the lease and/or bond issue; (2) lease rental; (3) annual debt service levy; and (4) annual debt service rate. Other information – including estimated principal amount, estimated interest rates, total interest costs, current debt service levy, and rate and estimated increase of the same, and a statement of the purpose of the bonds/lease.

Attorney Longer read Resolution 2017-17 aloud. President Butler requested a motion and a roll call vote.

Stuart Schultz moved that the Board approve Resolution 2017-17. Karen Robbins seconded. Vote on motion: Secretary Rogers called roll on the vote, as follows: Aye – Robbins, D. Rogers, Bigler, Schultz, M. Rogers, Guthrie, and Butler. Nay – No one. Motion carried 7-0 in favor.

A copy of Resolution No. 2017-17, as presented to the Board, is attached to the minutes of this meeting.

CONSIDERATION: Declaration of Official Intent to Reimburse Expenditures Resolution: Attorney William Longer presented Resolution 2017-18 for the Board's consideration. It was noted that if the School Corporation pays any preliminary costs related to the project prior to receiving bond proceeds, it may reserve its ability to be reimbursed from bond proceeds after the closing. In order to do so, the Internal Revenue Service requires that the School Corporation declare its official intent to receive reimbursement. Resolution 2017-18 reserved the School Corporation's ability to reimburse itself.

Secretary Michael Rogers read Resolution 2017-18 aloud, and President Butler called for a motion with a roll call vote.

Karen Robbins moved that the Board approve Resolution 2017-18. Dave Bigler seconded. Vote on motion: Secretary Rogers called roll on the vote, as follows: Aye – Robbins, D. Rogers, Bigler, Schultz, M. Rogers, Guthrie, and Butler. Nay – No one. Motion carried 7-0 in favor.

A copy of Resolution No. 2017-18, as presented to the Board, is attached to the minutes of this meeting.

CONSIDERATION: Resolution Approving Operating Referendum: Dr. Peggy Buffington, Superintendent, gave a presentation about the Operating Referendum using a document entitled,

Vision 2020, Presentation of Operational Needs and Initiative to Provide for School City of Hobart that was included in the electronic meeting packet. The information included the following:

- Introduction and Mission that included the Vision for Student Learning and the Mission statement of the school district.
- What is Coming in 2020 for Lake and St. Joseph Counties? that included information about the circuit breaker tax caps becoming effective in Lake and St. Joseph Counties in 2020. The school district estimates there will be a loss of almost \$2,000,000 annually in funds that pay for transportation, maintenance of facilities and technology. The rest of the state had experienced the circuit breaker tax caps since their inception in 2008. The tax caps will limit a homeowner's total property tax bill to 1% of the home's gross assessed value, a landlord or farmer to 2% and business to 3%. The loss of tax monies due to the tax caps in 2020 will reduce taxpayers' bills. The reduction to the taxpayers' bills will be a loss to all taxing units such as the school district, the city, and the county.
- Understanding the Fund Requirements included information that Capital [facility] Fund cannot be used for Operations. The state of Indiana requires two separate funds – Capital Debt Service Fund and the Operational (Educational) Fund. The Capital Debt Service Fund is for building projects and related only, and the Operational (Educational) Fund is for the school district operations such as staff, activities, school supplies, and utilities. The School City of Hobart manages both with great care.
- Operation Funds – What are they? Transportation (Buses), Technology – Infrastructure and Utility Costs, and Maintenance of facilities. Dr. Buffington noted that without the referendum funds that transportation would be the most feasible fund to reduce or eliminate. She noted the state requires a three-year notice before transportation could be stopped.
- Operational History – In 2009, the state cut funding to K-12 school districts due to the new law where state tuition to schools started coming from sales taxes verses property taxes along with the great recession.

Because of this, Hobart lost \$1.2 million annually from their budget. After working tirelessly, the district was able to restructure and make adjustments so they would not have to ask taxpayers to pay for this reduction in annual revenue. In order to utilize staff more efficiently, they consolidated Grades 1-5 into three schools and took advantage of the full-day kindergarten grant to pay teachers and opened the Early Learning Center at the George Earle School. There were early retirement incentives, attrition, but no rifting of staff. Custodial staff took furloughs, and administrators were reduced as well as their pay by reducing the days worked. They moved to an elementary magnet high ability program that is housed at Joan Martin School. Healthcare adjustments were made, but no cuts were made to programming.

The district operated fiscally and responsibly and did not ask taxpayers for more funding when most school districts had to do to balance the deficits in their budgets.

There is nothing left to cut except transportation and programming without recouping the \$2,000,000 loss that will happen in 2020.

- Operational Referendum Vision 2020 – Preparation for Annual Operational \$2,000,000 Reduction in Revenue Due to Property Tax Caps: 1% Homestead, 2% Rental/Farmland, and 3% Business/Commercial
- What does that mean? – Local property tax bills will go down in 2020 due to the tax caps and means a loss of revenue for school districts, and the School City of Hobart will lose \$2,000,000.
- 3 Houses and the 1% Tax Cap – An example was shown for a total assessed value of a \$128,600 home (averaged value of a Hobart home) and a current tax bill of \$1,556 after the tax caps take effect, that taxpayer's bill will drop to \$1,280, which is 1%. The \$276 reduction to the taxpayer will be a \$276 loss to all of the taxing units, such as School City of Hobart, the city, and county.
- A Proactive Solution in Fall 2017 – An Operational Referendum for \$2,000,000 fund replacement. Can this be done with the result of a neutral tax bill impact?

- What would a \$0.246 operational tax rate increase look like for an average \$128,600 A.V. homeowner's tax bill in Fall 2020?

By going out on this operational referendum in 2017, there would be NO tax rate increase until needed in 2020 (forgoing two of the eight years the referendum could be done) when the property tax caps become effective and school levies for the tax increase to replace the lost revenue – AND

In 2020, a tax rate increase of \$0.246 begins which equals approximately \$127 per year on an average \$128,600 home – HOWEVER,

In 2020, the tax bill goes down for those homeowners hitting the tax cap.

Example from (the chart)below: in 2020: approximately \$532 savings from reduction in tax bill due to exempt debt roll off:

- ▶ Results in an estimated \$265 reduction in tax bill even with both the Operational and Capital referendums added.
- ▶ An example used was for a taxpayer who owns an average home with a total assessed value of \$128,600 and an estimated current tax bill of \$1,818, after tax caps take effect, that taxpayer's non-exempt bill will drop to \$1,286, which is 1%. The \$532 reduction to the taxpayer will be a \$532 loss to all of the taxing units, such as the School City of Hobart, the city and county.

- The Question on the ballot for November 7, 2017 Referendum
Operating Referendum

For the eight (8) calendar years immediately following the holding of the referendum, shall the School City of Hobart impose a property tax rate that does not exceed twenty-four and 6/10 cents (\$0.246) on each one hundred dollars (\$100) of assessed valuation and that is in addition to all other property taxes imposed by the school corporation for the purpose of funding and maintaining current educational and operational programs including student safety and transportation and any other educational and operational needs of the school corporation?

- Operational Referendum Fall 2017

School City of Hobart adds an Operational Referendum to this proposed Capital Referendum Fall 2017 – results in a \$0.246 tax rate increase – but not levied for the tax rate increase until needed in 2020. Then the tax bill goes down with the 1% property tax cap cut as the tax rate increase is levied resulting in a neutral tax bill.

Advantages

- ▶ Proactive approach to revenue loss coming in 2020
- ▶ Low interest rates right now
- ▶ Tax rate increase \$0.246 would be offset by lower tax bill going down in 2020 when tax caps effect – resulting in neutral tax bill

Disadvantages

- ▶ The possibility of a No vote means the following:
 - A No vote will result in program cuts in 2020
 - Largest impact – Transportation - Buses

- Your Support

- ▶ Continue Commitment to Children of Hobart
- ▶ Fiscally Responsible Protection of Funds and Programs
- ▶ Take Advantage of Current Financial Opportunity
- ▶ Capital Referendum has no tax rate increase
- ▶ Operational Referendum has a 2020 tax rate increase offset by the 1% property tax cap cut which would result in a neutral tax bill

After Dr. Buffington's presentation, Attorney William Longer presented Resolution 2017-19 for the Board's consideration. The resolution approved the adoption an Operating Referendum for the November election.

Attorney Longer read Resolution 2017-19 aloud, and President Butler called for a motion followed by a roll-call vote.


Donald Rogers moved that the Board approve Resolution 2017-19. Seconded by Karen Robbins. Vote on motion: Secretary Rogers called roll on the vote, as follows: Aye – Robbins, D. Rogers, Bigler, Schultz, M. Rogers, Guthrie, and Butler. Nay – No one. Motion carried 7-0 in favor.

A copy of Resolution No. 2017-19, as presented to the Board, is attached to the minutes of this meeting.

ADJOURNMENT: There being no further business to come before the Board, President Butler adjourned the meeting around 9:57 p.m.

NEXT MEETING: The next regular session meeting is June 15, 2017.

BOARD OF SCHOOL TRUSTEES
SCHOOL CITY OF HOBART

By 
Terry D. Butler, President

ATTEST:

By 
Michael J. Rogers, Secretary

PROJECT RESOLUTION 2017-16

WHEREAS, the Board of School Trustees (the "Board") of the School City of Hobart (the "School Corporation") at a meeting on June 5, 2017 held a public hearing in accordance with I.C. 20-26-7-37 for the purpose of answering questions and listening to taxpayers' comments and any evidence they may present about the proposed 2018 Safety, Efficiency, Technology, Renovation and Construction Project which consists of restoration, repair and renovation of Hobart High School, Hobart Middle School, Liberty Elementary School, The Early Learning Center at George Earle Elementary, Ridge View Elementary School and Joan Martin Elementary School and the construction of a new elementary school and a pool at Hobart High School (collectively, the "Project"); and

WHEREAS, the Board has carefully studied all of the known options and feels that the proposed Project is in the best interests of the present and future students to be served by these facilities; now, therefore,

BE IT RESOLVED, that the purpose of the Project is to provide an improved educational environment for students.

BE IT FURTHER RESOLVED, that the estimated hard and soft construction costs of the Project are \$40,000,000, with estimated costs of issuance of \$1,210,000, resulting in total estimated Project costs of \$41,210,000.

BE IT FURTHER RESOLVED, that the estimated \$41,210,000 will be funded by one or more of the following: capital projects fund, general obligation bond issue, and a building corporation bond issue with an anticipated impact on the Debt Service Fund tax rate of \$0.80 per \$100 assessed valuation based on an estimated \$771,740,430 assessed valuation beginning in

2018. However, as existing obligations mature, the anticipated net increase to the Debt Service Fund tax rate is expected to be \$0.00.

Passed and adopted this 5th day of June, 2017.



President, Board of School Trustees



Secretary

PRELIMINARY DETERMINATION RESOLUTION 2017-17

WHEREAS, School City of Hobart (the "School Corporation") published a Notice of Preliminary Determination Hearing on May 25, 2017 in the Post-Tribune and in The Times and mailed such notice to the Lake County Clerk and any organizations requesting such notice as provided in Indiana Code 6-1.1-20-3.5 with respect to the 2018 Safety, Efficiency, Technology, Renovation and Construction Project which consists of restoration, repair and renovation of Hobart High School, Hobart Middle School, Liberty Elementary School, The Early Learning Center at George Earle Elementary, Ridge View Elementary School and Joan Martin Elementary School and the construction of a new elementary school and a pool at Hobart High School (collectively, the "Project"); and

WHEREAS, the School Corporation has made the following information available to the public at this public hearing: (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; and

WHEREAS, a preliminary determination hearing has been held in accordance with said notice and the law of the State of Indiana; 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 \$6,500,000. The maximum annual lease rental has been estimated based upon an estimated principal amount of bonds of \$41,210,000, estimated interest rates ranging from 2.25% to 5.00%, and total interest costs of \$33,000,000. The School Corporation's current debt service levy is \$7,457,108 and the current debt service rate is \$1.0584. After the School Corporation enters into the proposed lease agreement and the bonds are issued, the debt service levy will increase by a maximum of \$6,500,000 and the debt service rate will increase by a maximum of \$0.80. However, as existing obligations mature, the anticipated net increase to the Debt Service Fund tax rate is expected to be \$0.00. 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 approximately \$84,000 to operate such new facility space.

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 I.C. 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 I.C. 6-1.1-20-3.5(b)(2) and any other required information to the Lake County Clerk.

Passed and adopted this 5th day of June, 2017.



President, Board of School Trustees



Secretary

DECLARATION OF OFFICIAL INTENT TO REIMBURSE EXPENDITURES

RESOLUTION 2017-18

WHEREAS, School City of Hobart (the "School Corporation") intends to finance the 2018 Safety, Efficiency, Technology, Renovation and Construction Project which consists of restoration, repair and renovation of Hobart High School, Hobart Middle School, Liberty Elementary School, The Early Learning Center at George Earle Elementary, Ridge View Elementary School and Joan Martin Elementary School and the construction of a new elementary school and a pool at Hobart High School (collectively, the "Project"); and

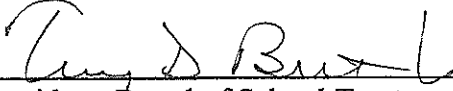
WHEREAS, the School Corporation reasonably expects to reimburse certain costs of the Project with proceeds of obligations to be incurred on behalf of the School Corporation in an amount not to exceed \$41,210,000; and

WHEREAS, the School Corporation, acting through a leasing entity, expects to have obligations issued on its behalf for the Project and to use the proceeds to reimburse or pay costs of the Project; and


NOW, THEREFORE, BE IT RESOLVED that the School Corporation declares its official intent to acquire, construct or rehabilitate the Project with proceeds of obligations incurred on behalf of the School Corporation in an amount not to exceed \$41,210,000 for the purpose of paying or reimbursing costs of the Project; and to approve obligations issued by a leasing entity that will lease the Project to the School Corporation.

BE IT FURTHER RESOLVED, that the School Corporation reasonably expects to reimburse itself from proceeds of obligations issued on behalf of the School Corporation for costs of the Project paid prior to the issuance of the obligations.

Passed and Adopted this 5th day of June, 2017.



President, Board of School Trustees



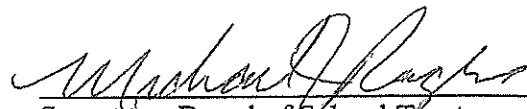
Secretary

CERTIFICATION OF REFERENDUM TAX LEVY RESOLUTION

I, Michael J. Rogers, Secretary of the Board of School Trustees (the "Board") of School City of Hobart, hereby certify that I was present at the meeting of the Board on June 5, 2017. Furthermore, I affirm under the penalties for perjury that the resolution attached to this certificate is a true and correct copy of the resolution that was adopted by a majority of the Board and signed by the President and Secretary of the Board.

I affirm, under the penalties for perjury, that the foregoing representations are true to the best of my knowledge and belief.

Date: June 5, 2017



Secretary, Board of School Trustees
Michael J. Rogers

REFERENDUM TAX LEVY RESOLUTION 2017-19

WHEREAS, Indiana Code 20-46-1, as amended, permits a public school corporation to adopt a resolution to place a referendum on the ballot if the governing body of the school corporation determines that the school corporation cannot, in a calendar year, carry out its public educational duty unless it imposes a referendum tax levy under Indiana Code 20-46-1, as amended; and

WHEREAS, the Board of School Trustees (the "Board") of the School City of Hobart (the "School Corporation"), being the governing body of the School Corporation, has determined that based on current revenue calculations for the years 2018 through and including 2025, the School Corporation will not be able to carry out its public educational duty based on current estimates on expected losses due to the Circuit Breaker Tax Caps, unless it annually imposes a referendum tax levy in accordance with Indiana Code 20-46-1, as amended; and

WHEREAS, based on the foregoing, the Board now desires to adopt a resolution to place a referendum on the ballot under Indiana Code 20-46-1, as amended, now therefore,

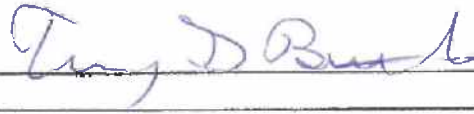
BE IT RESOLVED, that this Board hereby determines that based on current revenue calculations for the years 2018 through and including 2025, the School Corporation will not be able to carry out its public educational duty based on current estimates on expected losses due to the Circuit Breaker Tax Caps, unless it annually imposes a referendum tax levy of up to, but not to exceed \$0.246 per \$100 assessed valuation per year starting in 2018 through and including 2025, in accordance with Indiana Code 20-46-1, as amended.

BE IT FURTHER RESOLVED, that there shall be placed on a ballot to be considered in a referendum of the registered voters residing in the boundaries of the School Corporation at an election to be held on November 7, 2017, the following question: "For the eight (8) calendar years immediately following the holding of the referendum, shall the School City of Hobart impose a property tax rate that does not exceed twenty-four and 6/10 cents (\$0.246) on each one hundred dollars (\$100) of assessed valuation and that is in addition to all other property taxes imposed by the school corporation for the purpose of funding and maintaining current educational and operational programs including student safety and transportation and any other educational and operational needs of the school corporation"

BE IT FURTHER RESOLVED, that the Superintendent of the School Corporation (the "Superintendent") or Chief Business Officer (the "Business Officer") of the School Corporation or the Secretary of the Board be and hereby is authorized to certify a copy of this resolution to the Department of Local Government Finance in accordance with Indiana Code 20-46-1, as amended.

BE IT FURTHER RESOLVED, that any officer of the Board, the Superintendent or the Business Officer be, and hereby is, authorized, empowered and directed, on behalf of the School Corporation, to take any and all action as such person deems necessary or desirable to effectuate the foregoing resolutions, including any revisions to the form of the public question in order to receive approval from the Department of Local Government Finance, and any such actions heretofore made or taken be, and hereby are, ratified and approved.

Passed and adopted this 5th day of June, 2017.



President, Board of School Trustees



Secretary, Board of School Trustees