

**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. 13-011-REF
SCHOOL CITY OF MISHAWAKA,)
ST. JOSEPH COUNTY)

**FINDINGS AND FINAL DETERMINATION ON PROPOSED QUESTION SUBMITTED
JULY 3, 2013**

1. The School City of Mishawaka (“Corporation”) proposes to issue bonds or enter into a lease to finance the 2014/2015 School Building Basic Renewal/Restoration and Safety Project, which consists of restoring all or a portion of the basic site and building components, including safety and accessibility measures, to all or any portion of Battell Elementary School, Beiger Elementary School, Emmons Elementary School, Hums Elementary School, LaSalle Elementary School, Liberty Elementary School, Twin Branch Elementary School, John Young Middle School, Mishawaka High School, the Administrative Center and Service Buildings, Baker Field, and any other building as determined by the Board of School Trustees in response to a natural disaster, an accident, or an emergency that makes the building unavailable for its intended use, which is estimated to cost not more than \$28,000,000.
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 July 3, 2013, the Department received an e-mail from the St. Joseph County Election Board (“Board”) presenting the proposed ballot question for the referendum sought by the Corporation.
9. The Board requested that the Department review this proposed question:

“Shall the School City of Mishawaka, St. Joseph County, Indiana, issue bonds or enter into a lease to finance the 2014/2015 School Building Basic Renewal/Restoration and Safety Project which consists of restoring all or a portion of the basic site and building components including safety and accessibility measures to all or any portion of Battell Elementary School, Beiger Elementary School, Emmons Elementary School, Hums Elementary School, LaSalle Elementary School, Liberty Elementary School, Twin Branch Elementary School, John Young Middle School, Mishawaka High School, the Administrative Center and Service Buildings, Baker Field and any building that the Board of School Trustees determines is in response to a natural disaster, an accident or an emergency that makes the building unavailable for its intended use, which is estimated to cost not more than \$28,000,000 and is estimated to increase the property tax rate for debt service by \$0.2944 per \$100 of assessed valuation?”

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 determines the estimated maximum tax rate increase of the project to be \$0.3099 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 \$0.3099 per \$100 of assessed valuation. The ballot question must use this certified rate and not the proposed rate of \$0.2944 per \$100 of assessed valuation.

Dated this 8th day of July, 2013.

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

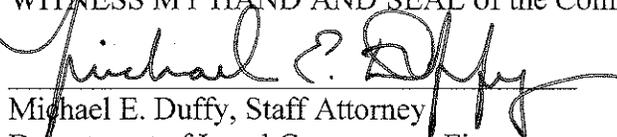


Micah G. Vincent, Commissioner
Department of Local Government Finance

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

I, Michael E. Duffy, Staff Attorney 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 his statutory authority.

WITNESS MY HAND AND SEAL of the Commissioner on this the 8th day of July, 2013.



Michael E. Duffy, Staff Attorney
Department of Local Government Finance