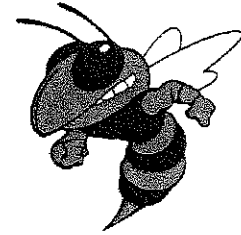


# Beech Grove City Schools

5334 Hornet Avenue  
Beech Grove, IN 46107-2306  
Phone (317) 788-4481  
Fax (317) 782-4065  
[www.bgcs.k12.in.us](http://www.bgcs.k12.in.us)



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May 3, 2013

## Via Courier

Mr. Chris Atkins, Chairman  
c/o Distressed Unit Appeal Board  
Office of Management and Budget  
200 West Washington Street, Room 212  
Indianapolis, Indiana 46204

Re: Beech Grove City Schools Petition to the Distressed Unit Appeal Board as Required Pursuant to Indiana Code 5-1-5-2.5 For Approval of Financial Plan to pay Restructuring Bonds

Dear Chairman Atkins:

Pursuant to Indiana Code 5-1-5-2.5, Beech Grove City Schools (the "School Corporation") Board of Trustees and Superintendent hereby jointly petition the Distressed Unit Appeal Board (the "DUAB") for an approval of its financial plan regarding refunding bonds which are proposed to be issued on behalf of the School Corporation pursuant to Indiana Code 5-1-5-2.5 (the "Refunding").

The School Corporation is an "eligible school corporation" as defined in Indiana Code 5-1-5-2.5 because the School Corporation's percentage computed under Indiana Code 5-1-5-2.5(c)(1)-(3) is at least twenty percent (20%), as certified by the Department of Local Government Finance (the "DLGF") in a Final Determination to the School Corporation dated March 18, 2013 attached hereto. Further, the School Corporation adopted a resolution on March 18, 2013, which resolution sets forth the School Corporation's percentage of circuit breaker loss as certified by the DLGF and makes the determinations required by Indiana Code 5-1-5-2.5(g) attached hereto.

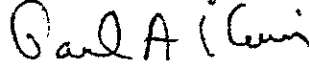
Enclosed is a comprehensive collection of information and materials regarding the School Corporation and the Refunding, including but not limited to the contents listed under Rule 6 of the DUAB's *Administrative Policies and Procedures*, for the use of the DUAB in reviewing the Financial Plan to repay the Refunding Bonds.

Please feel free to contact me ([pkaiser@bgcs.k12.in.us](mailto:pkaiser@bgcs.k12.in.us)) or Dr. Tom Keeley, Assistant Superintendent ([tkeeley@bgcs.k12.in.us](mailto:tkeeley@bgcs.k12.in.us)) at the School Corporation, or Jane Herndon at Ice Miller, LLP, as our bond

counsel, with any questions or if additional information is needed. We appreciate your attention to this matter.

Sincerely,

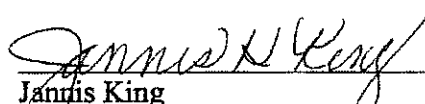
**Beech Grove City Schools**



Dr. Paul A. Kaiser, Superintendent



Mike Jarvis  
Board of School Trustees



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Jannis King  
Board of School Trustees




Tim Luttrell  
Board of School Trustees



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Nancy Mobley  
Board of School Trustees



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Beth Prindle  
Board of School Trustees



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Rick Skirvin  
Board of School Trustees



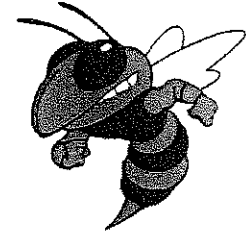
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Tammy Storey  
Board of School Trustees

cc: Senator Pat Miller

# *Beech Grove City Schools*

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May 3, 2013

## *Via Courier*

Mr. Chris Atkins, Chairman  
Distress Unit Appeal Board  
c/o Office of Management and Budget  
200 West Washington Street, Room 212  
Indianapolis, Indiana 46204

Re: Beech Grove City Schools Petition Seeking Relief Under  
Indiana Code 6-1.1-20.3-8.3 – Rainy Day Loan

Dear Chairman Atkins:

Pursuant to Indiana Code 6-1.1-20.3-6(b), the members of the Board of School Trustees (the "Board") and the Superintendent of Beech Grove City Schools (the "School Corporation") jointly petition the Distressed Unit Appeal Board (the "DUAB") seeking relief under Indiana Code 6-1.1-20.3-8.3 (added by HEA 1192). By such petition, the Board and Superintendent request a loan from the counter-cyclical revenue and economic stabilization fund (the "State Rainy Day Fund") in an amount not to exceed \$2,000,000 or as otherwise permitted by law.

Attached please find the Resolution adopted by the Board on March 18, 2013 authorizing such petition of the DUAB. Also attached is a comprehensive collection of information and materials regarding the School Corporation, including but not limited to the contents listed under Rule 5 of the DUAB's *Administrative Policies and Procedures*, for the use of the DUAB in consideration of the request to make a recommendation to the state board of finance regarding the loan from the State Rainy Day Fund.

Please feel free to contact me ([pkaiser@bgcs.k12.in.us](mailto:pkaiser@bgcs.k12.in.us)) or Dr. Tom Keeley, Assistant Superintendent ([tkeeley@bgcs.k12.in.us](mailto:tkeeley@bgcs.k12.in.us)) at the School Corporation, or Jane Herndon at Ice Miller, LLP, as our bond counsel, with any questions or if additional information is needed. We appreciate your attention to this matter.

Sincerely,

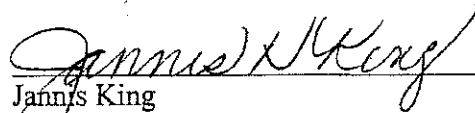


Dr. Paul A. Kaiser



Mike Jarvis

Board of School Trustees



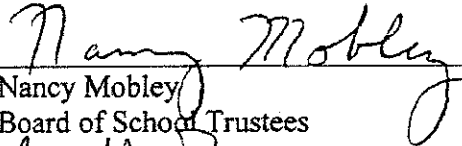
Jannis King

Board of School Trustees



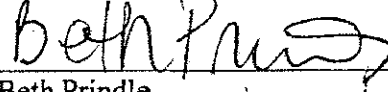
Tim Luttrell

Board of School Trustees



Nancy Mobley

Board of School Trustees



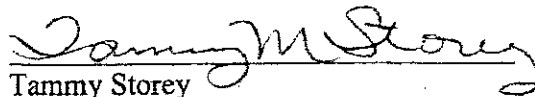
Beth Prindle

Board of School Trustees



Rick Skirvin

Board of School Trustees



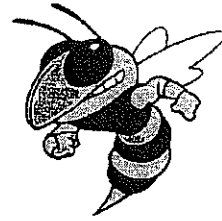
Tammy Storey

Board of School Trustees

cc: Senator Pat Miller

# Beech Grove City Schools

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February 28, 2013

Mr. Micah Vincent, Commissioner  
Indiana Department of Local Government Finance  
100 North Senate N-1058B  
Indianapolis, Indiana 46204  
[mvincent@dlgf.in.gov](mailto:mvincent@dlgf.in.gov)

Re: Beech Grove City Schools - Request for Certification of Percentage of Loss due to Credits

Dear Mr. Vincent:

On behalf of Beech Grove City Schools (the "School Corporation"), pursuant to Indiana Code 5-1-5-2.5(c), we hereby request that the Department of Local Government Finance certify that the School Corporation's percentage of loss due to the tax credits is 154.95% as shown on Exhibit A attached hereto.

Interest rates are once again at historic lows and the School Corporation would like to complete the procedures to authorize the restructuring, including consideration by the Distressed Unit Appeal Board, as quickly as possible. The School Board is scheduled to take action on this matter on Monday, March 18, 2013. Your assistance in this matter would be greatly appreciated.

Please feel free to contact me ([pkaiser@bgcs.k12.in.us](mailto:pkaiser@bgcs.k12.in.us)) or Dr. Tom Keeley, Assistant Superintendent, ([tkeeley@bgcs.k12.in.us](mailto:tkeeley@bgcs.k12.in.us)) at the School Corporation or Jane Herndon at Ice Miller, LLP, as our bond counsel, with any questions.

Sincerely,

Dr. Paul A. Kaiser, Superintendent of Schools  
Beech Grove City Schools

**EXHIBIT A**  
**CALCULATION OF PERCENTAGE OF LOSS PURSUANT TO IC 6-1.1-20.6**

**The amount of the Credits granted under IC 6-1.1-20.6 as follows:**

Debt Service Fund (including pension obligation) :	\$2,078,681
Capital Projects Fund:	354,129
Transportation Fund:	287,564
School Bus Replacement Fund:	0
Racial Balance Fund:	<u>0</u>
 Total Credits Granted for such Funds:	 \$2,720,374

**The School Corporation's combined levy for:**

Capital Projects Fund:	\$968,892
Transportation Fund:	786,772
School Bus Replacement Fund:	0
Racial Balance Fund:	<u>0</u>
 Total Combined Levy for such Funds:	 \$1,755,664

**Total Credits (\$2,720,374) ÷ Combined levy (\$1,755,664) = 154.95%**

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

**IN THE MATTER OF THE REQUEST OF BEECH                    )  
GROVE CITY SCHOOLS FOR CERTIFICATION                ) CERT13-001  
OF ITS CIRCUIT BREAKER TO FUND PERCENTAGE        )**

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**CERTIFICATION OF PERCENTAGE PURSUANT TO IC 5-1-5-2.5(c)(3)**

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Under IC 5-1-5-2.5, certain eligible school corporations may issue refunding bonds to refund a percentage of their outstanding bonds to obtain an annual savings to their debt service funds that can be transferred from those funds to the school corporations' capital projects funds, transportation funds, or school bus replacement funds.

In order for a school corporation to be considered eligible, it must determine that its percentage as computed through the following formula is at least 20% before January 1, 2014 or at least 30% after December 31, 2013 regarding the year for which the latest certified levies have been determined:

- 1) Compute the amount of credits granted under IC 6-1.1-20.6 (the "circuit breakers") against the school corporation's combined levy for the school corporation's:
  - A) debt service fund, as described in IC 20-46-7-15;
  - B) capital projects fund;
  - C) transportation fund;
  - D) school bus replacement fund; and
  - E) racial balance fund.
- 2) Compute the school corporation's combined levy for its:
  - A) capital projects fund;
  - B) transportation fund;
  - C) school bus replacement fund; and
  - D) racial balance fund.
- 3) Divide the amount computed under subdivision 1) by the amount computed under subdivision 2) and express it as a percentage.

A school corporation that desires to be considered eligible must submit a written request for a certification by the Department of Local Government Finance ("Department") that the computation of its percentage is correct. The Department must, not later than ten working days after the date it receives the request, certify the percentage for the school corporation.

**FINAL DETERMINATION**

1. On February 28, 2013, the Department received a request from Beech Grove City Schools ("School Corporation") for certification of its circuit breaker to fund percentage.
2. Pursuant to IC 5-1-5-2.5(c)(3), the Department certifies that for Pay 2012, the year for which the latest certified levies have been determined, the School Corporation's percentage is 154.9%.
3. The Department determines that because the School Corporation's percentage is at least 20%, the School Corporation is an eligible school corporation for purposes of IC 5-1-5-2.5(c).

**WHEREFORE**, based on the above findings and applicable law, the Department certifies that the School Corporation's circuit breaker to fund percentage for Pay 2012 is 154.9% and that the School Corporation is an eligible school corporation for purposes of IC 5-1-5-2.5(c).

Dated this 8<sup>th</sup> day of March, 2013.

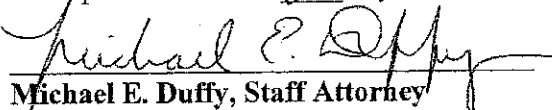
STATE OF INDIANA  
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

  
\_\_\_\_\_  
Micah G. Vincent, Commissioner

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 this Department on this 8<sup>th</sup> day of March, 2013.

  
\_\_\_\_\_  
Michael E. Duffy, Staff Attorney



**II. Resolution adopted by the school board under I.C. 5-1-5-2.5(d)(1) which includes the following:**

- i. The annual debt service payments, applicable debt service tax rate, and total debt service payments for the bonds proposed to be retired or refunded;
- ii. The annual debt service payments, applicable debt service fund tax rate, and total debt service payments for the proposed refunding bonds;
- iii. The annual increment for each year of the life of the bonds that are being retired or refunded and any other benefits to be derived from issuing the refunding bonds.

**EXHIBIT A**

**DETERMINATION RESOLUTION AUTHORIZING RESTRUCTURING  
PURSUANT TO INDIANA CODE § 5-1-5-2.5  
SERIES 2005 BONDS**

WHEREAS, pursuant to Indiana Code § 5-3-1 and § 20-47-3, School City of Beech Grove (the "School Corporation") published a notice of a public hearing on February 15, 2013, in the *Indianapolis Star* and the *Court & Commercial Record*; and

WHEREAS, the Board of School Trustees (the "Board") of the School Corporation has held a hearing in accordance with said notice and Indiana Code § 5-1-5-2.5 (the "Restructuring Statute"); and

WHEREAS, the Restructuring Statute provides that a school corporation may refund up to fifty percent (50%) of its outstanding bonds or leases issued by or on behalf of a school corporation under the Restructuring Statute; and

WHEREAS, pursuant to the School Corporation's most recently certified County Abstract (i) the amount of credits granted under Indiana Code § 6-1.1-20.6 against the School Corporation's combined levy for the funds stated under Indiana Code § 5-1-5-2.5(c)(1) is \$2,720,374; (ii) the School Corporation's combined levy for the funds stated under Indiana Code § 5-1-5-2.5(c)(2) is \$1,775,664; and (iii) the resulting percentage of credits granted against the combined levy as computed under Indiana Code § 5-1-5-2.5(c)(3) is 154.9% (the "Percentage of Circuit Breaker Loss"); and

WHEREAS, the School Corporation desires to make a determination to issue bonds (the "Refunding Bonds") in order to refund all or a portion of 50% of the outstanding bonds issued by or on behalf of the School Corporation, as permitted by Indiana Code § 5-1-5-2.5 (collectively, the "Refunded Bonds"), which Refunding Bonds will have a final maturity date not more than

ten years beyond the final maturity of the Refunded Bonds (the "Restructuring"), which Restructuring will result in a reduction of annual debt service due to bondholders and a corresponding reduction in the lease payments due by the School Corporation (the "Increment"), which Increment may be transferred from the School Corporation's debt service fund to its capital projects fund, transportation fund or school bus replacement fund; and

WHEREAS, neither the petition/remonstrance process nor the referendum requirements pursuant to the Restructuring Statute apply to the School Corporation because the Board is adopting its resolution prior to January 1, 2014 and the percentage of loss computed pursuant to the Restructuring Statute exceeds 20%, as certified by the Department of Local Government Finance (the "DLGF"); and

WHEREAS, pursuant to Indiana Code § 5-1-5-2.5(d)(3)(A), in order to issue the Refunding Bonds pursuant to the Restructuring Statute, this Board must first petition the Distressed Unit Appeal Board ("DUAB") to approve the School Corporation's financial plan for paying the Refunding Bonds; and

WHEREAS, based upon current interest rates and expectations, the School Corporation has the present intention of refunding a portion of any or all of the Beech Grove Multi-School Building Corporation First Mortgage Refunding Bonds, Series 2005 (as assigned to Beech Grove Central Schools Building Corporation) through the Restructuring process; now, therefore,

BE IT RESOLVED that the School Corporation determines to refund up to fifty percent (50%) of its outstanding bonds or leases issued by or on behalf of the School Corporation, contingent upon the DUAB's approval of the School Corporation's financial plan to repay the Refunding Bonds.

BE IT FURTHER RESOLVED that proceeds from the Refunding Bonds, which Refunding Bonds shall be issued as current interest bonds, capital appreciation bonds or some combination of both in a combined issue or principal amount not to exceed \$7,000,000, shall be used to: (i) pay the cost of refunding the Refunded Bonds, which Refunded Bonds do not account for more than 50% of the outstanding bonds or leases issued by or on behalf of the School Corporation; (ii) pay the redemption premium on the Refunded Bonds, if any; and (iii) pay the costs of issuing the Refunding Bonds. The purpose of the issuance of the Refunding Bonds is to provide for the Restructuring.

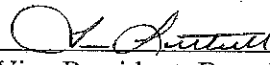
BE IT FURTHER RESOLVED that subject to the restrictions of the Restructuring Statute and contingent on the DUAB's approval of the Corporation's financial plan to pay the Refunding Bonds, the Board determines that in order to effect the Restructuring, it shall issue or have issued on its behalf Refunding Bonds to refund not more than fifty percent (50%) of outstanding bonds issued by or on behalf of the School Corporation. The maximum issued or principal amount of the Refunding Bonds to be issued shall be \$7,000,000, with a maximum interest rate of 6.00% and a final maturity date of no later than January 10, 2032, resulting in maximum annual lease rental payment of \$860,000. The estimated amount of the annual Increment that will occur and be available to transfer to the School Corporation's capital project fund, transportation fund or school bus replacement fund ranges from \$309,000 to \$580,000.

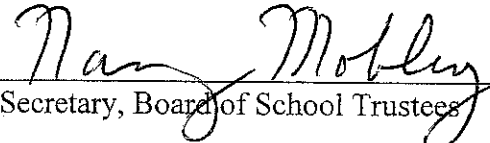
BE IT FURTHER RESOLVED that the annual debt service or lease payment on the Refunding Bonds will not increase the annual debt service or lease payment above the amount approved by the School Corporation for the original projects pursuant to which such debt service or lease payment was approved.

BE IT FURTHER RESOLVED that the annual difference between (i) the annual debt service payments for the Refunded Bonds and (ii) the proposed annual debt service payments on the proposed Refunding Bonds is estimated to be as shown in Schedule I attached hereto.

BE IT FURTHER RESOLVED that the officers of the School Corporation have the full and complete authority to execute any and all other documents necessary to accomplish such Restructuring, including but not limited to a Continuing Disclosure Undertaking and any Amendments and/or Addenda to the Lease.

*Passed and adopted this 18<sup>th</sup> day of March, 2013.*

  
\_\_\_\_\_  
Vice President, Board of School Trustees

  
\_\_\_\_\_  
Secretary, Board of School Trustees