



South Vermillion Community School Corporation

Community Meeting #1 | May 19, 2022

Agenda

- **Background & Overview**
- **Contemplated District Configuration Scenarios**
- **Financial Analysis**
- **Small Group Discussion**
- **Small Group Reporting**





BUILDING A BETTER FUTURE

South Vermillion's Vision and Mission



THE BACKGROUND...

- Enrollment Trend/Projections
 - Overall...Decreasing
 - Hopeful that elementary numbers will rebound
- 3 Elementary Schools
 - Older Buildings with high maintenance needs
- Focus on Improved Learning Opportunities
 - Need for larger/balanced class sizes and grade level alignment/continuity
 - For teachers' and students' benefit
 - Allows for better collaboration among grade levels
 - Allows for enhanced programming options



HOW IT STARTED...

- 2014 Demographic Study
- Realignment of the elementary schools
 - Grade specific
- Superintendent's recommendation to the Board
- Community spoke in opposition to the recommendation
- Result was a realignment at the elementary school level at that time



LET'S TRY THIS AGAIN...ONLY BETTER

- 2019
 - Demographic Study #2 (updated information)
 - Development of Strategic Plan Framework
 - Focus on the K-12 Educational Program
 - Facilities Assessment conducted by consulting group
 - Align elementary grade levels in the same building
- 2021
 - Facility Study Report (delayed due to COVID)
 - Options for Consideration presented to the Board
 - Consultants provided several options for consideration



LET'S TRY THIS AGAIN...ONLY BETTER (CONT.)

- 2022
- Board Resolution
 - Establishment School Facilities Advisory Committee
 - Wide range of Stakeholders
 - Hold community meetings to inform and discuss options
 - Answer questions
 - Provide the Board with a recommendation on the options provided
 - Best path moving forward



WHAT IS DIFFERENT THIS TIME AROUND?

- Putting all the pieces together with a combined focus on:
 - Mission/Vision/Beliefs
 - 2019 Strategic Plan Framework
 - STEM Initiative
 - STEM Certified School Corporation by 2025
 - Facilities Study/Current State of Schools
 - Tech Plan
 - Demographic Studies
 - Cohort Survival (Enrollment) Trends/Projections
 - Financial Aspects/Implications
 - Community Involvement/Input
 - Website...Full Disclosure/Transparency



MOVING FORWARD

- A New Plan is needed for our elementary program
 - Continuity in teaching and learning
 - Pooling Resources A New Focus
 - Access to Enhanced Programming
 - Future-Minded Learning Environment
- Community Support
 - Not just today or tomorrow...but for decades to come
- Fiscal Responsibility for today and down the road.
- One Footprint
 - We are "South Vermillion"
 - ***"Together We Believe, Together We Achieve, Together We Succeed"***



WHAT WE NEED...

- *We want and need a community supported solution that brings all of us together to best achieve our mission.*
- *We need you to help us provide a better learning environment for the future.*
- *All of us working together.*

2021 Administrator's Assistance Report

- Administrators Assistance study developed multiple educational options
 - **Option 1:** Renovate All Buildings
 - **Option 2:** Close 1 Elementary School with Grade Level Reconfigurations at Remaining Elementary Buildings
 - **Option 3:** Close Middle School, K-6 and 7-12 buildings
 - **Option 4:** New Elementary School
 - **Option 5:** Consolidate with North Vermillion
 - **Option 6:** Close 2 ES, K-2, 3-6 Blg, 7-12 Blg.

South Vermillion Community
School Corporation

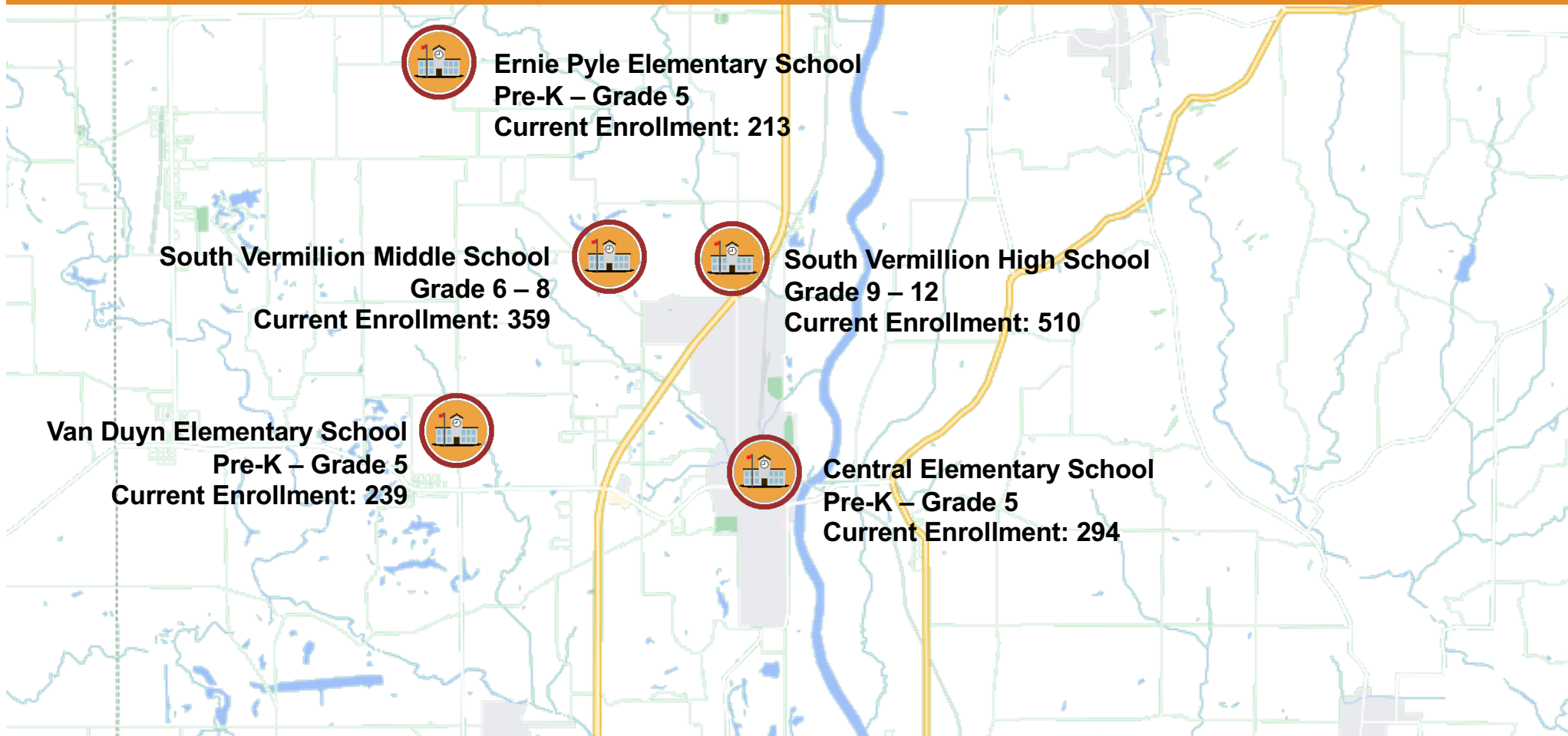
**A Review of the
South Vermillion Community
School Corporation**

Spring 2021



Conducted by Administrator's Assistance

Current Corporation School Organization

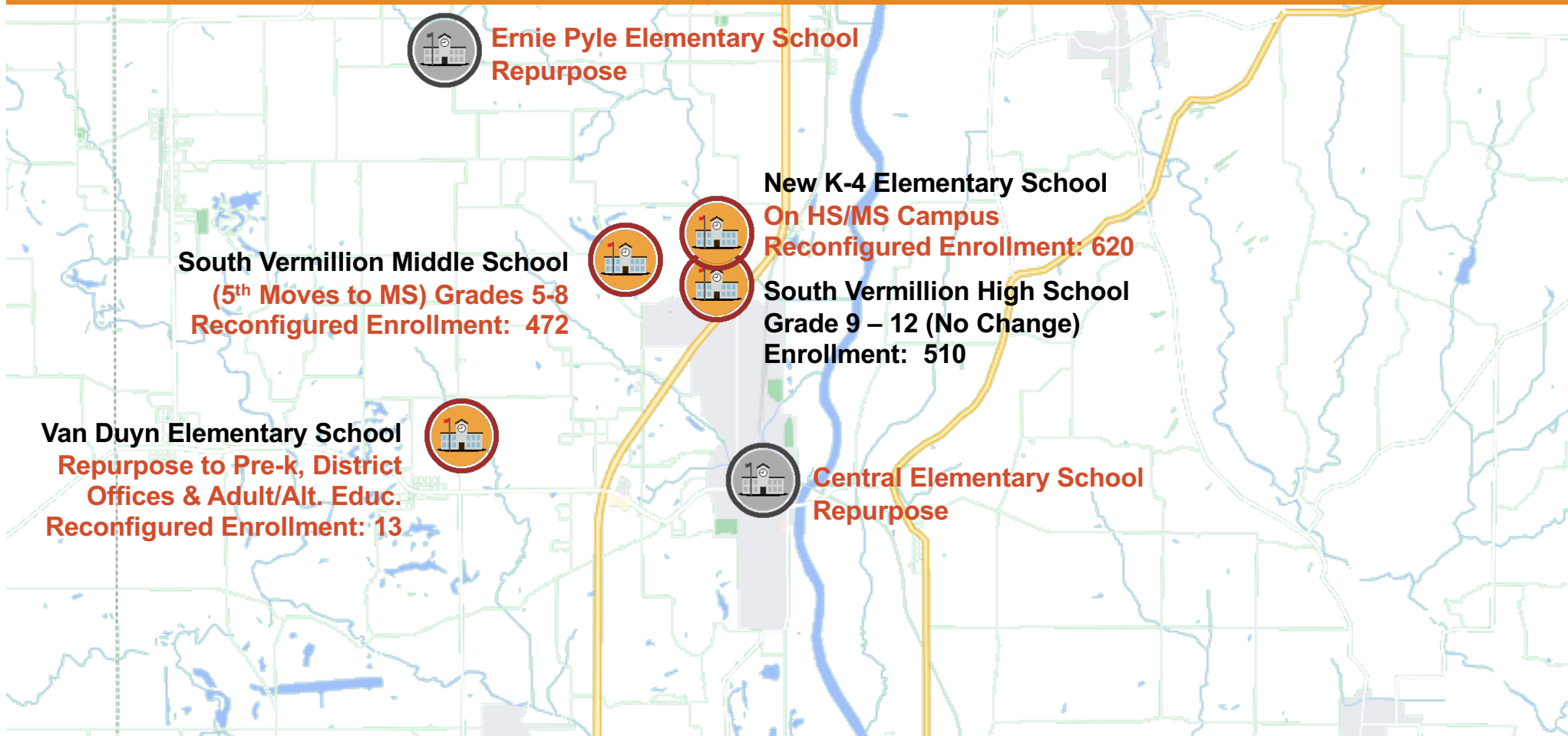


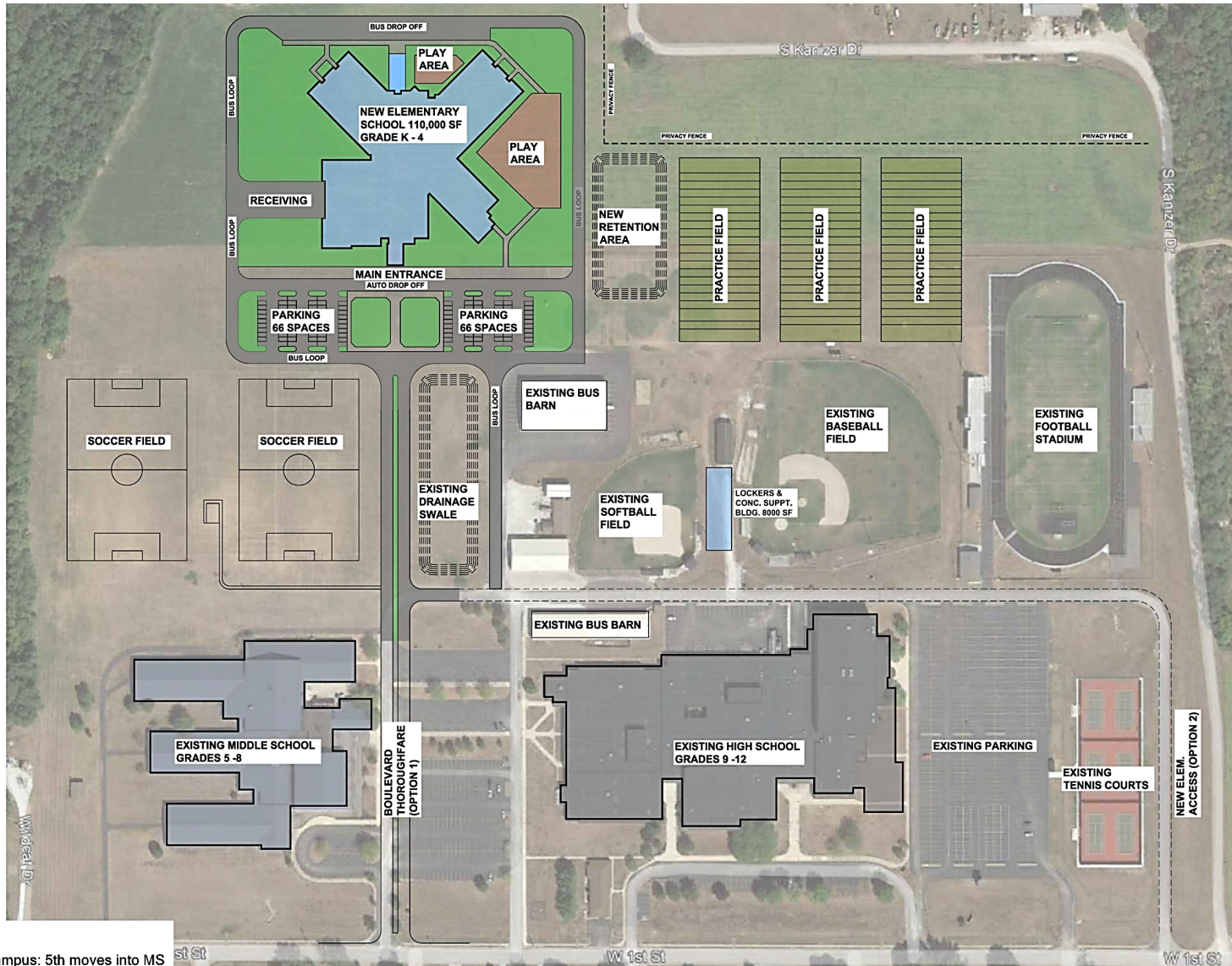
Currently Contemplated Reconfiguration Scenarios

South Vermillion - District Planning Options for Discussion 05.19.22

Scenario	Option Concept	New Building	Central ES	Ernie Pyle ES	Van Duyn ES	Middle School	High School	District Offices	Major Impacts	Overall Scope Description
			K - Grade 5	K - Grade 5	K - Grade 5	Grades 6-8	Grades 9-12			
1	New K-4 on HS/MS Campus; 5th moves into MS	K-4	Repurpose	TBD	Pre-K, Multipurpose, Adult Ed, Alternative Ed	Grade 5 - 8	Grades 9-12	Relocates to Van Duyn	VD Renovations; New K-4 Building; HS Circulation Improvements	Van Duyn would require renovations for Pre-K and other repurposing options like district offices, adult ed/alt ed and multipurpose functions; New K-4 building would require a minimum of 30 general education classrooms plus spec ed, related arts, office space and all other related programming required. Current Middle School and High School could accommodate additional academic programs; Select HS Interior Common Space Interior Improvements & Campus Site Access and Circulation Improvements
2	VD Primary, Intermediate 3-8, HS Unchanged	None	Repurpose	TBD	Pre-K - 2nd	Grades 3-8	Grades 9-12	No Change	Expand VD for additional classrooms; Expand MS for additional classrooms	Pre-K- 2nd at Van Duyn would require 20 classrooms with 18 available. This would require an addition of 6 classrooms plus appropriate space to support special education (1 classroom), Title 1 services as well as renovation for preschool program; An addition to support grades 3 and 4 (12 classrooms) would be needed at the middle school with 5th grade being absorbed into current areas in academic wings; Select HS Interior Common Space Interior Improvements
3	VD PreK/K, MS becomes 1-6; HS becomes Secondary 7-12	None	Repurpose	TBD	Pre-K - K	Grades 1-6	Grades 7-12	No Change	VD Renovations; Expand Middle School Renovations to High School (Possible Addition)	Pre-K & K could be accommodated at Van Duyn; Minimum of 14 classrooms added to Middle School including 1 for special education; Renovation at the HS would be required to assure classrooms are appropriate to house grades 7 and 8; Select HS Interior Common Space Interior Improvements

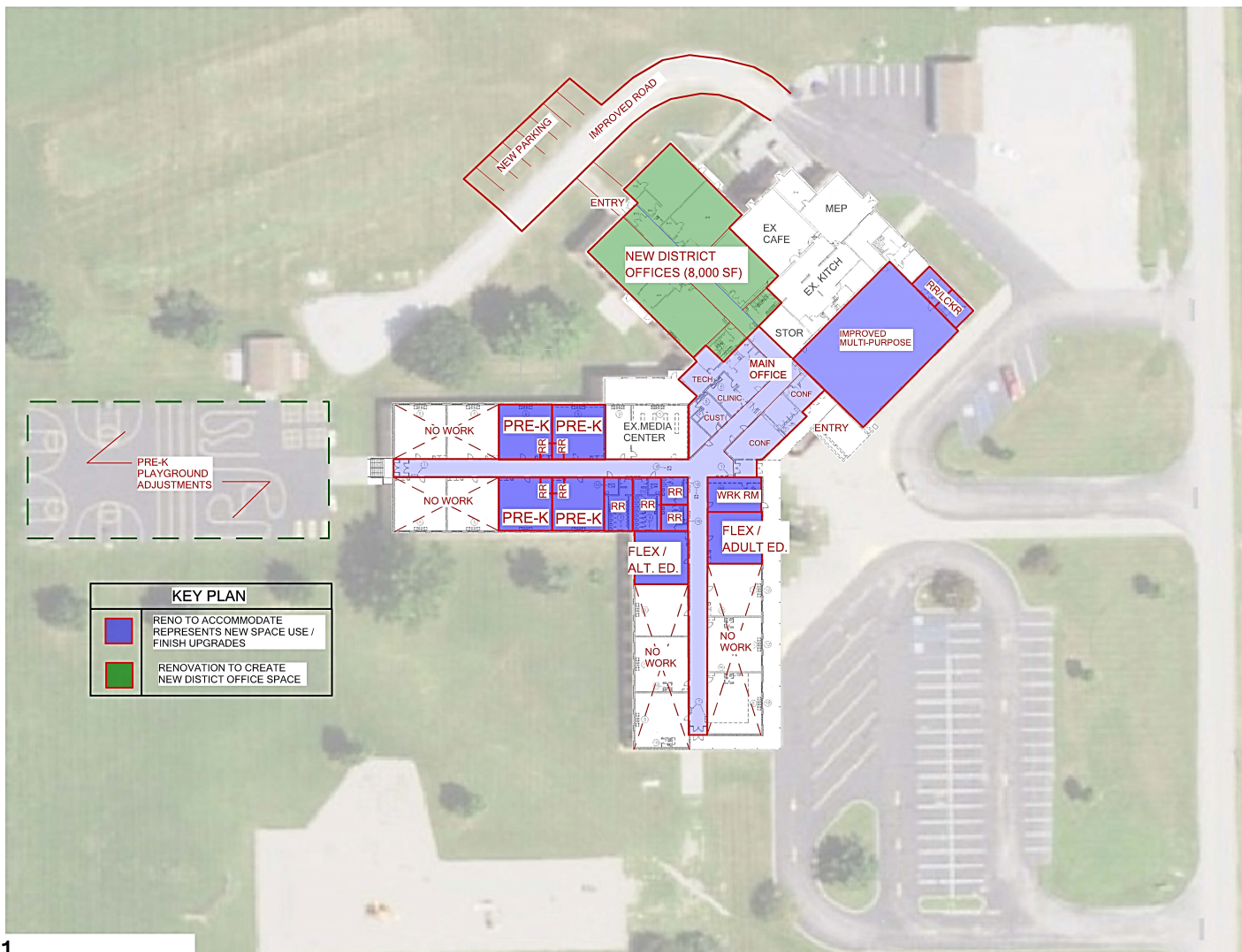
Scenario 1: New K-4 on HS/MS Campus: 5th moves to MS





SCENARIO 1

New K-4 on HS/MS Campus: 5th moves into MS



SCENARIO 1

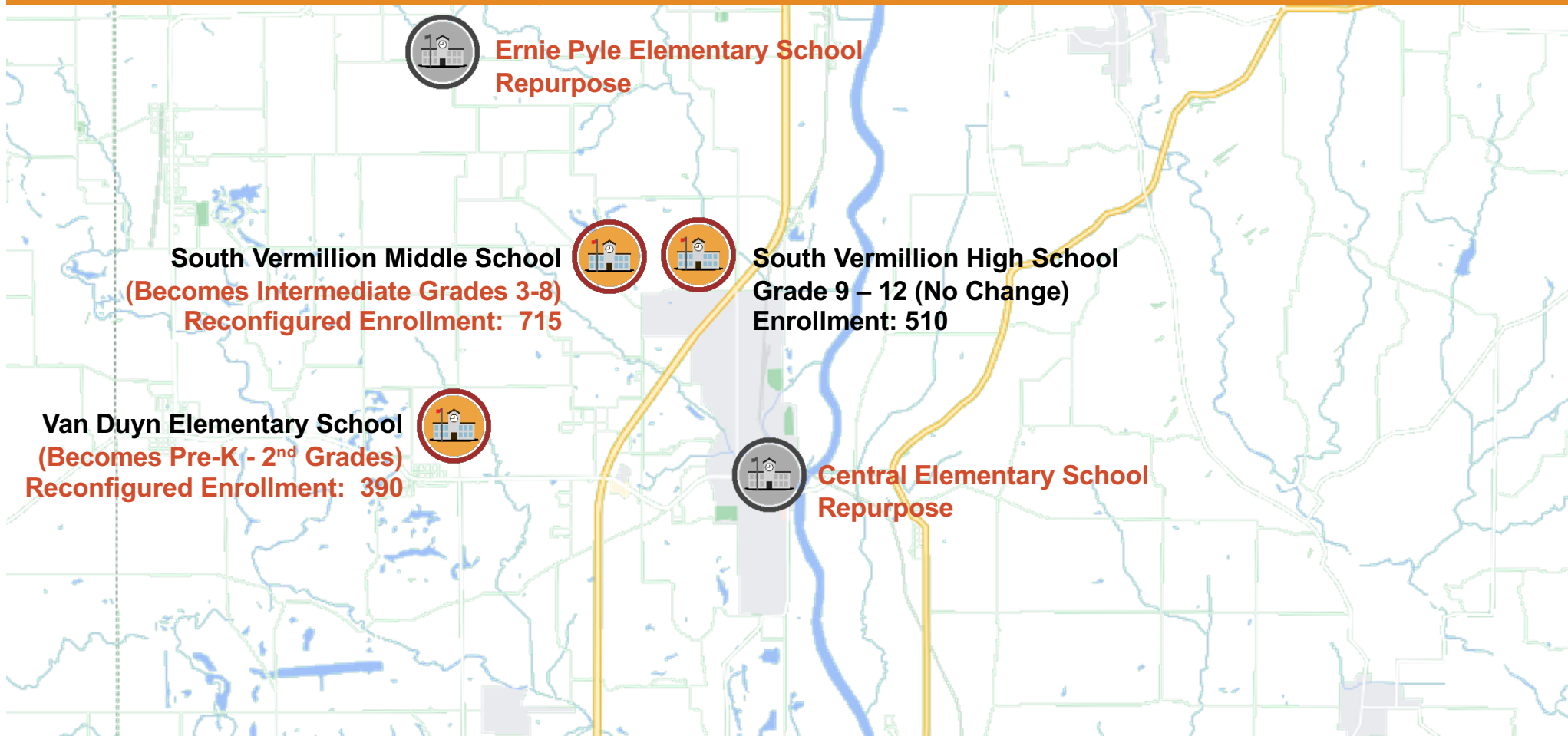
New K-4 on HS/MS Campus: 5th moves into MS

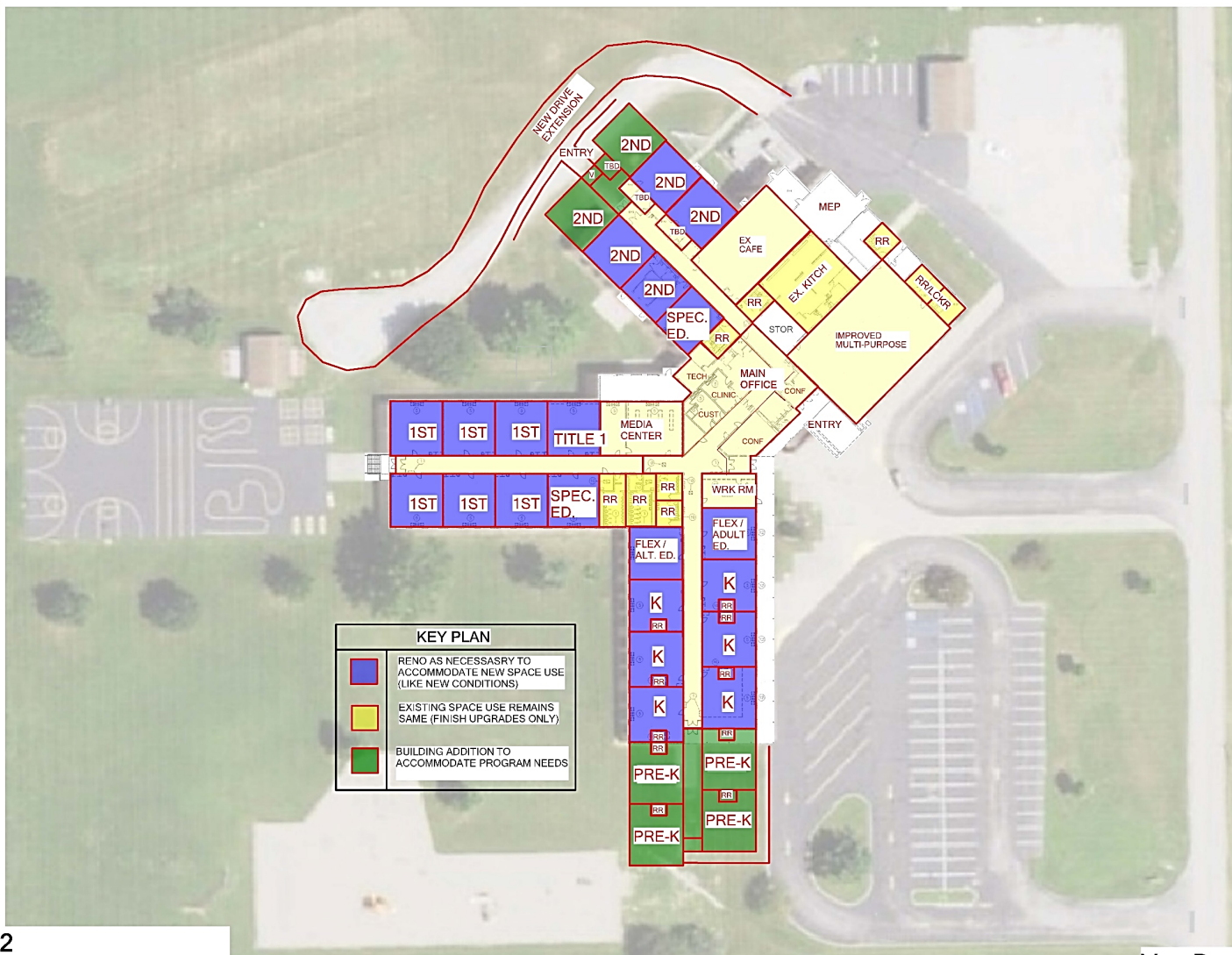
Van Duyn Elementary



SCENARIO 1
New K-4 on HS/MS Campus: 5th moves into MS

Scenario 2: VD Primary; Intermediate 3-8; HS Unchanged

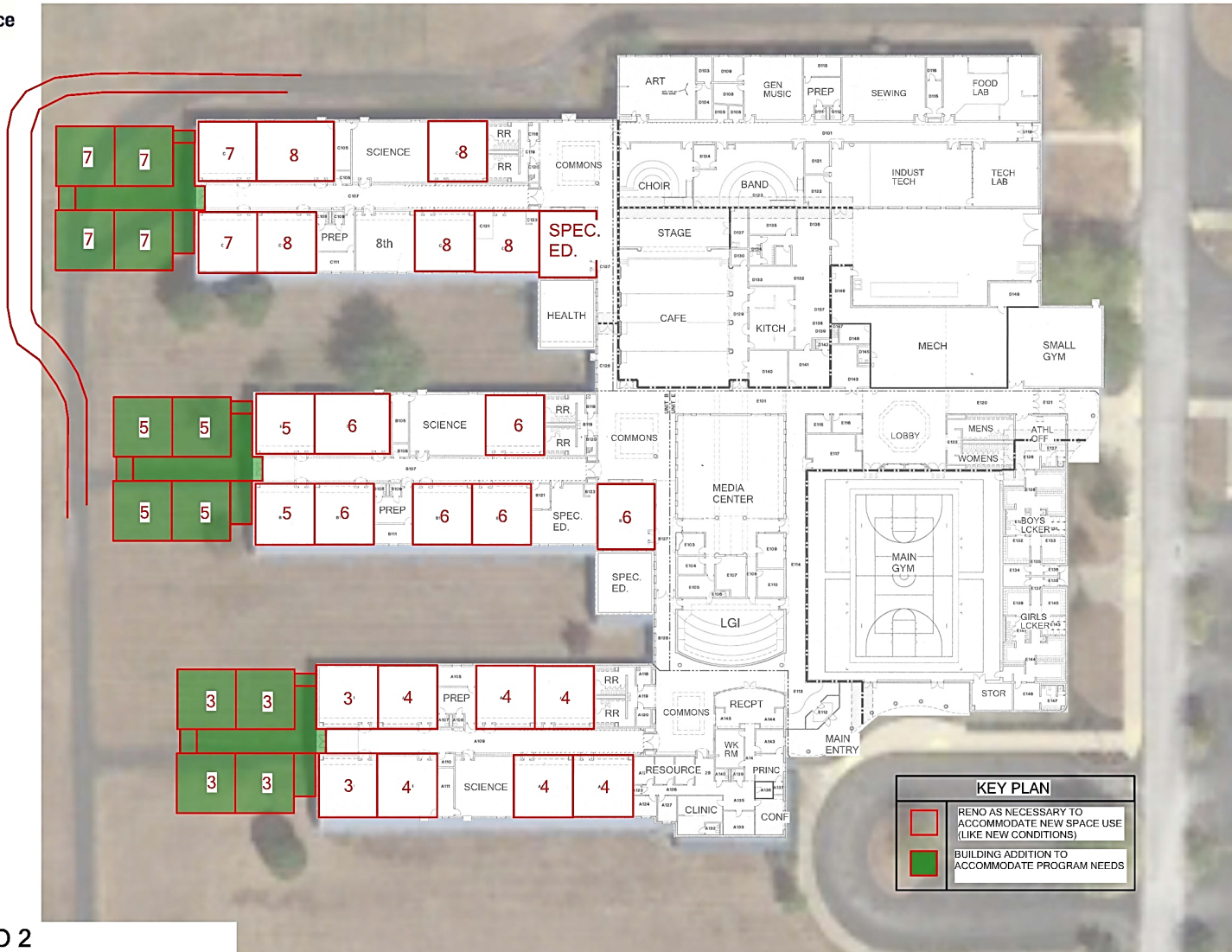




SCENARIO 2

VD Primary, Intermediate 3-8, HS Unchanged

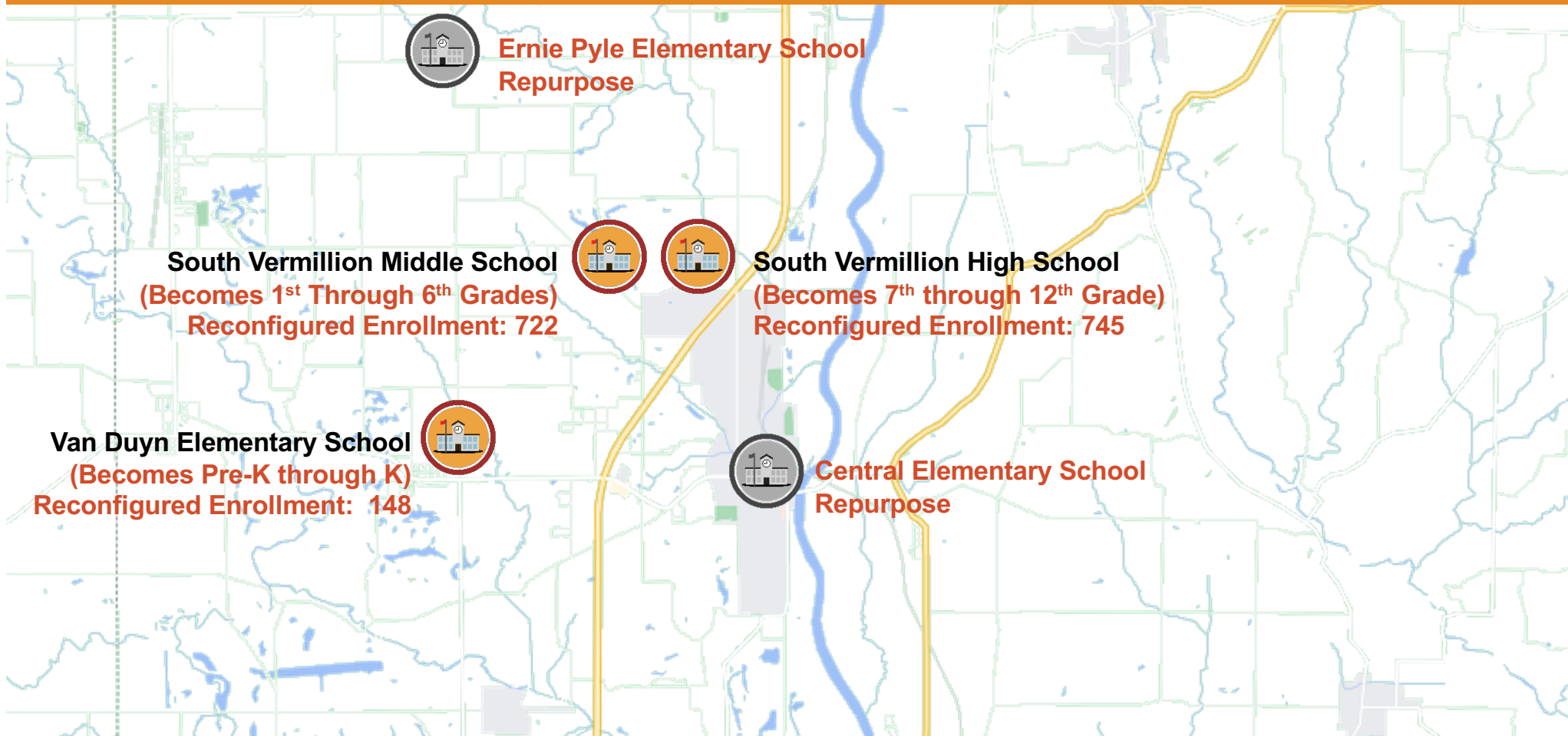
Van Duyen Elementary

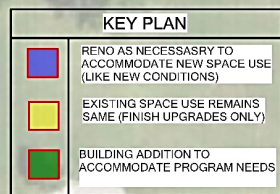


SCENARIO 2
VD Primary, Intermediate 3-8, HS Unchanged



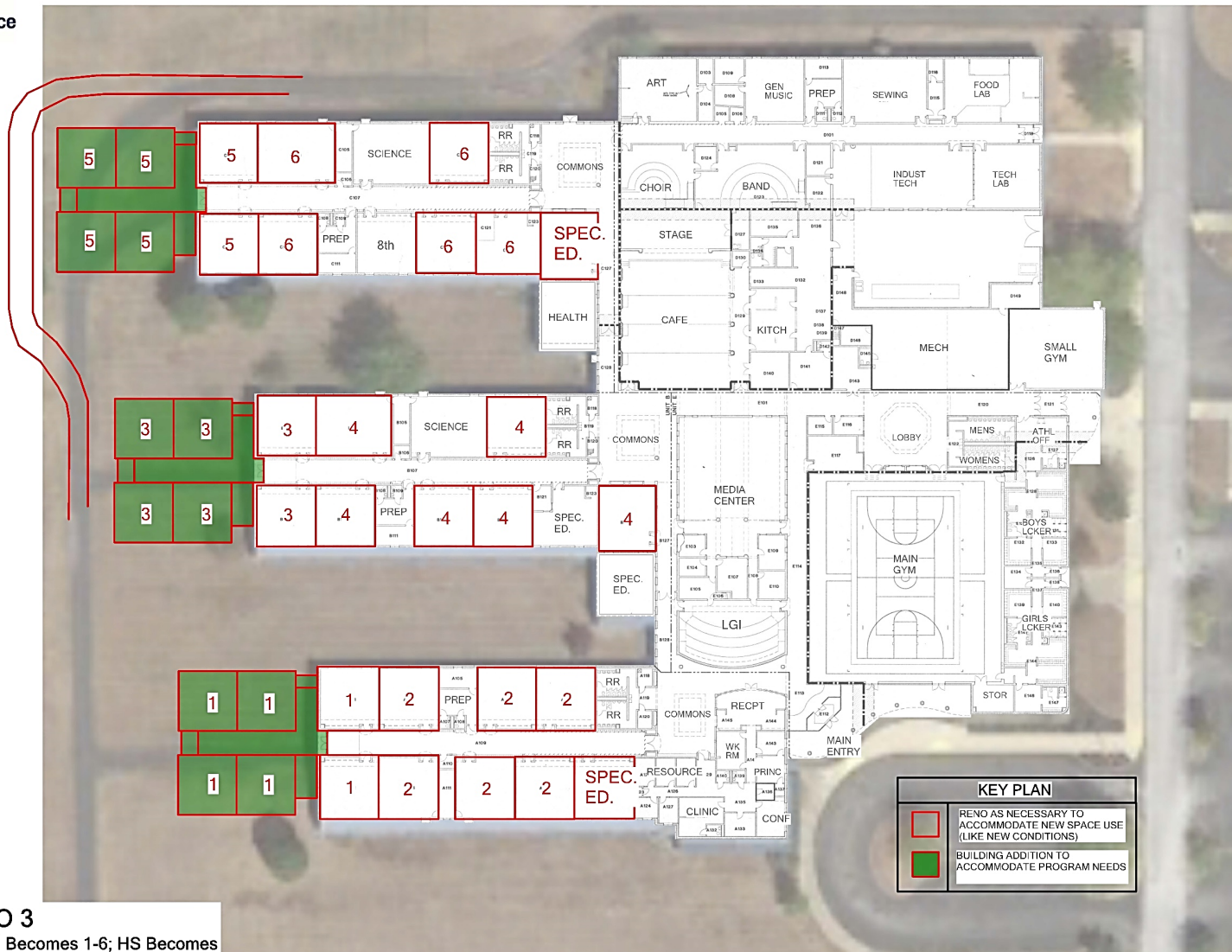
Scenario 3: Van Duyn Pre-K; MS 1st-6th, HS 7th-12th



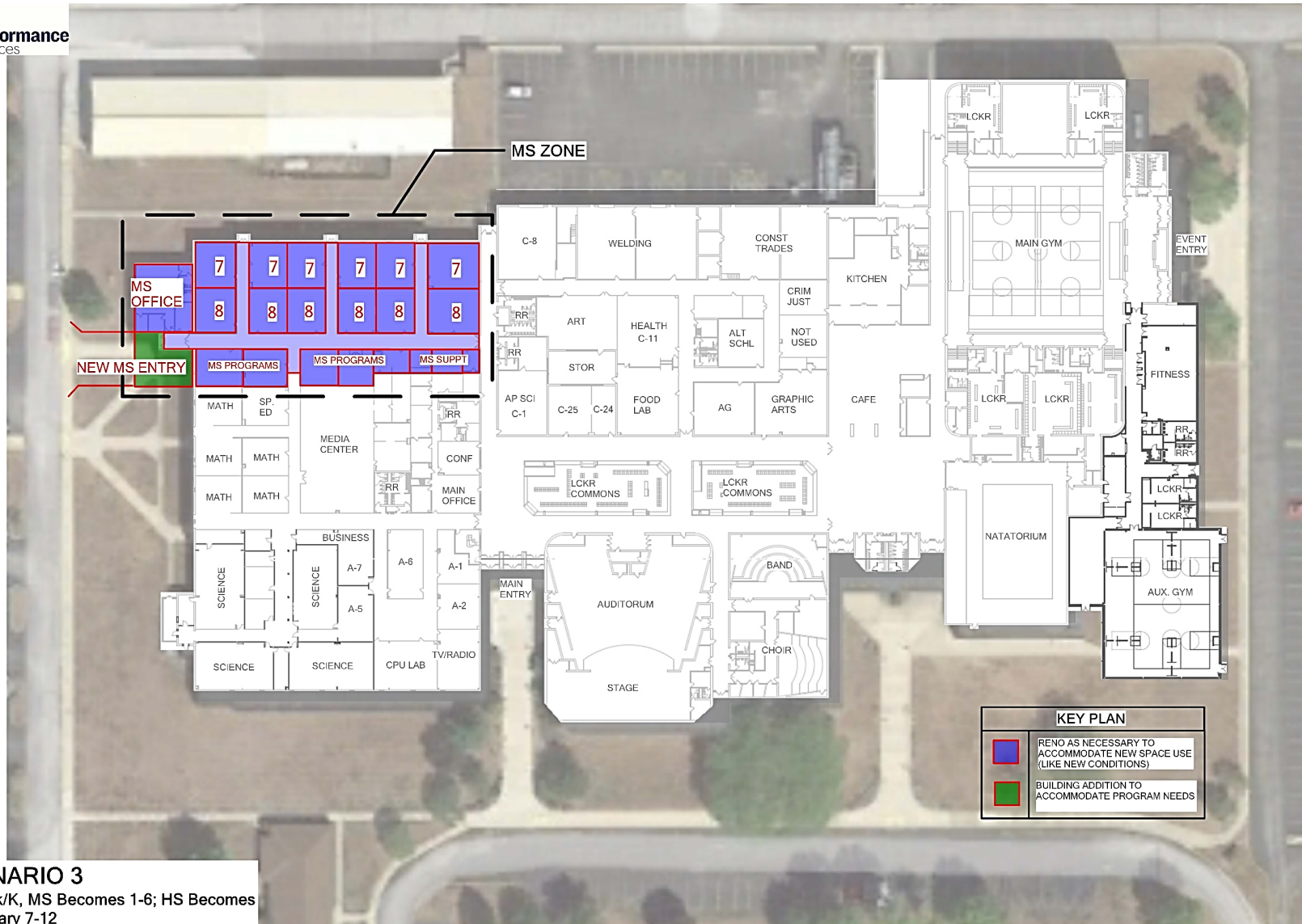


VD Prek/K, MS Becomes 1-6; HS Becomes Secondary 7-12

Van Duyn Elementary



SCENARIO 3
VD Prek/K, MS Becomes 1-6; HS Becomes
Secondary 7-12





CONSTRUCTION / RENOVATION COST ESTIMATES

- **Scenario 1** **\$ 49,700,000**
New K-4 Elem on HS/MS Campus
Van Duyn Pre-K
- **Scenario 2** **\$ 20,600,000**
Van Duyn PK-2, MS 3-8
- **Scenario 3** **\$ 20,600,000**
Van Duyn PK-K, MS 1-6, HS 7-12



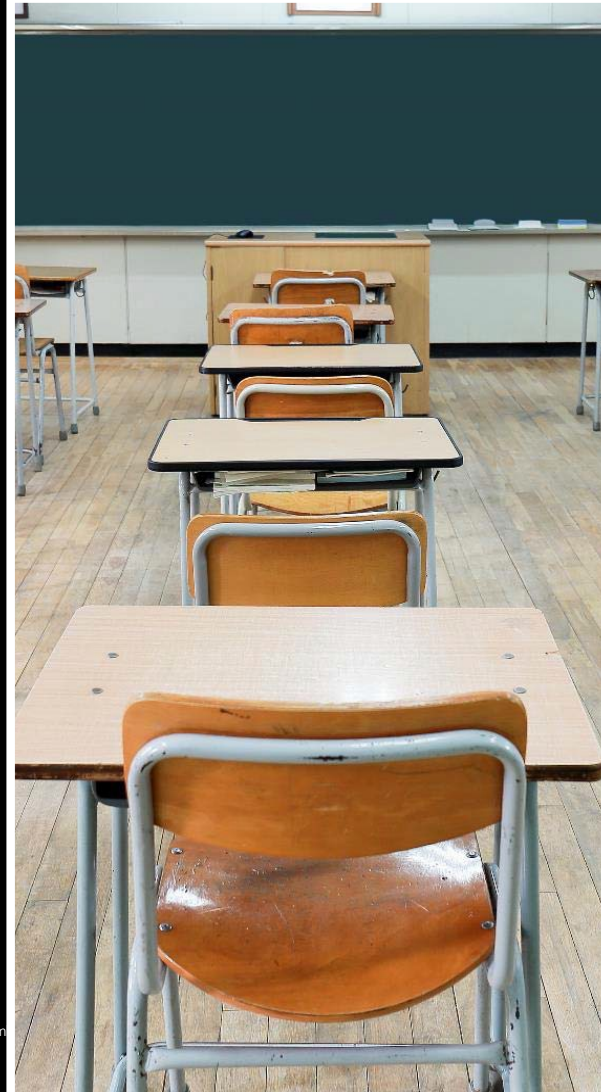
South Vermillion Community School Corporation

Preliminary Financing Information

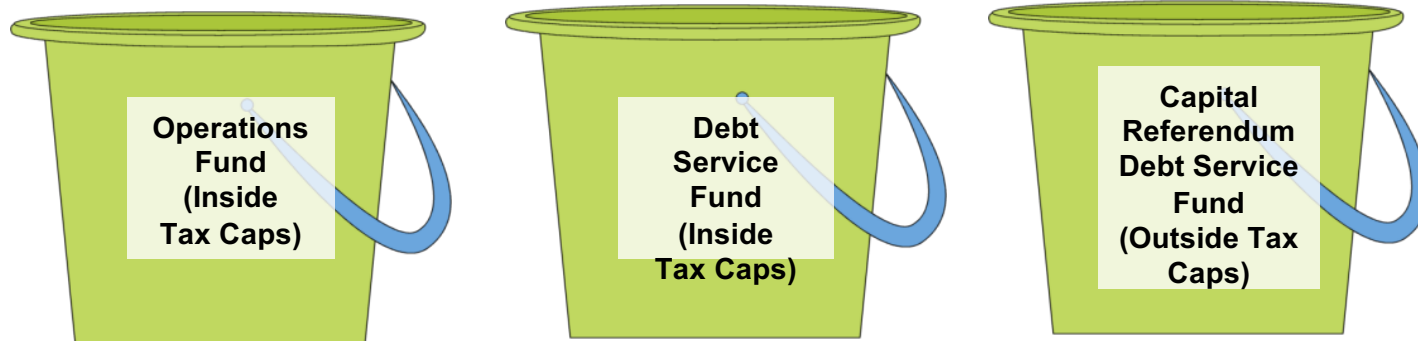
May/June 2022



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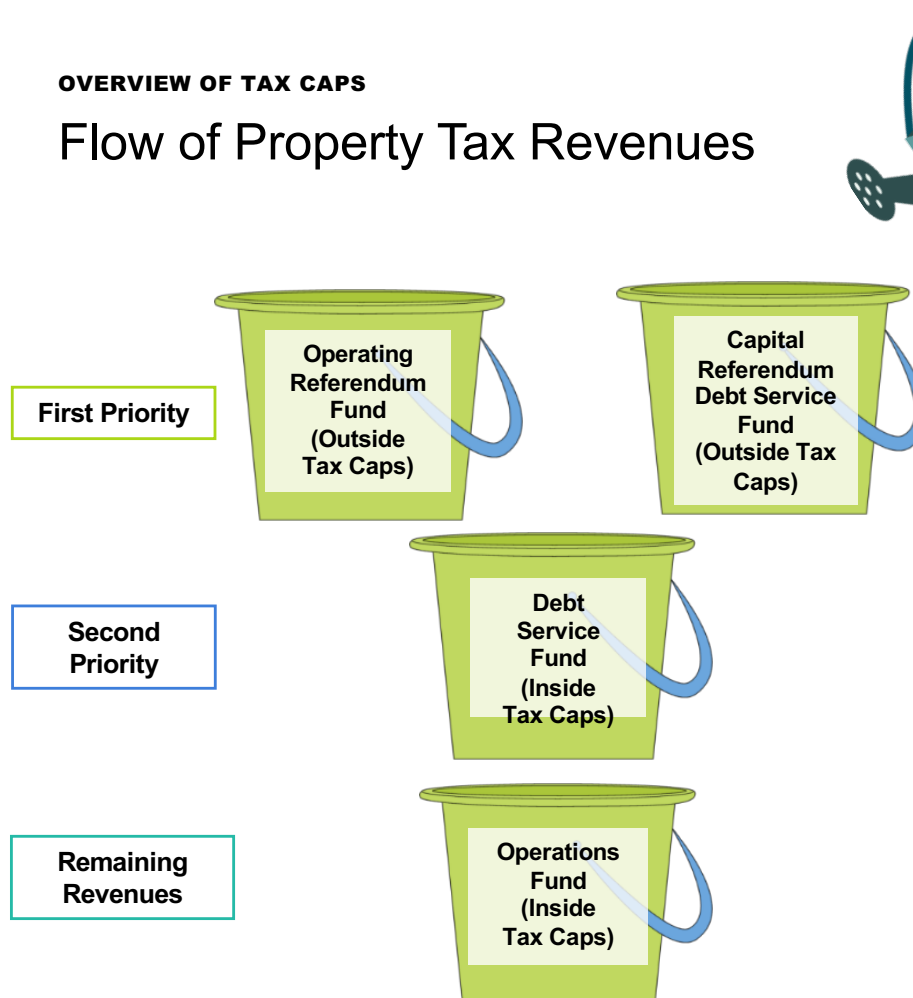
Overview of Funding Sources for Capital Projects



- One of the School's property tax supported funds
 - May be used to carry out capital projects plan, transportation expense plan, bus replacement plan, and overhead
 - State limits the amount that can be collected annually
- Short or long term financing for projects
 - Must be approved by applicable legal process
 - Considered a protected fund and thus has priority in receiving property tax revenues.
- Short or long term financing for projects
 - Voter approved (referendum)
 - Not subject to tax cap revenue losses

OVERVIEW OF TAX CAPS

Flow of Property Tax Revenues



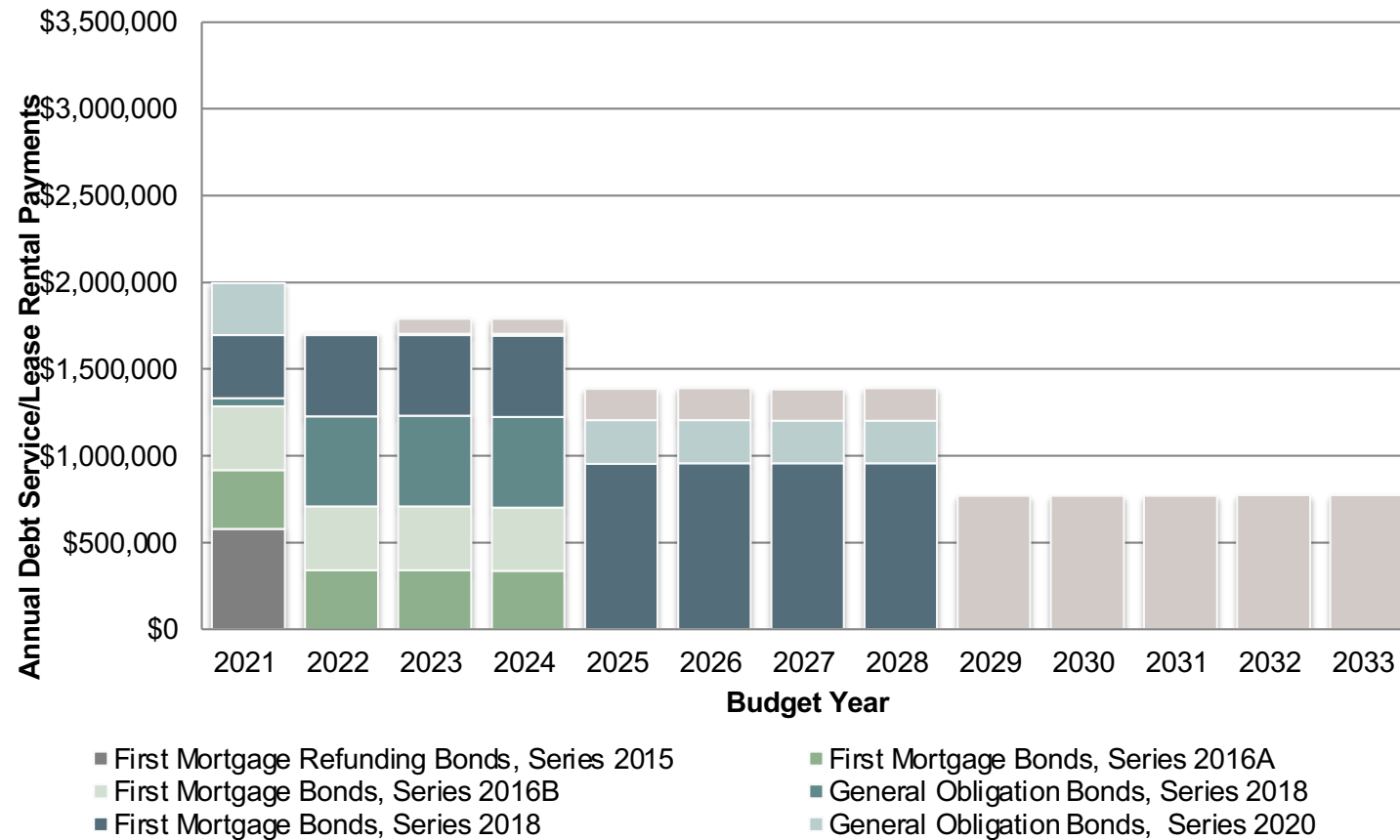
Note: A taxpayer's individual tax cap is adjusted for the Operating Referendum Fund and Capital Referendum Debt Service Fund if it was approved by voters via a referendum. Remaining property tax revenues would then first go to meet Debt Service obligations and then to the Operations Fund.

South Vermillion Community School Corporation Schedule of Existing Annual Debt Service/Lease Rental Payments

Payment Year	First Mortgage Refunding Bonds, Series 2015	First Mortgage Bonds, Series 2016A	First Mortgage Bonds, Series 2016B	General Obligation Bonds, Series 2018	First Mortgage Bonds, Series 2018	General Obligation Bonds, Series 2020	First Mortgage Bonds, Series 2021	Totals
	(1)	(1)	(1)	(1) (2)	(1)	(1)(2)	(1)	
2021	\$580,000	\$339,000	\$367,000	\$45,938	\$365,000	\$297,090		\$1,994,028
2022		340,000	367,000	522,338	466,000	10,400		1,705,738
2023		340,000	367,000	522,863	465,000	10,400	\$86,000	1,791,263
2024		336,000	367,000	522,863	468,000	10,400	86,000	1,790,263
2025					955,000	249,800	181,000	1,385,800
2026					957,000	247,400	184,000	1,388,400
2027					957,000	245,000	182,000	1,384,000
2028					956,000	247,600	185,000	1,388,600
2029							770,000	770,000
2030							771,000	771,000
2031							771,000	771,000
2032							772,000	772,000
2033							772,000	772,000
Totals	\$580,000	\$1,355,000	\$1,468,000	\$1,614,002	\$5,589,000	\$1,318,090	\$4,760,000	\$16,684,092

- (1) Assumes Bonds are payable on budget year basis based on the 2022 Debt Service Worksheet.
 (2) Payments include a \$750 annual Registrar and Paying Agent fee.

South Vermillion Community School Corporation Existing Annual Debt Service/Lease Rental Payments



South Vermillion Community School Corporation Summary of Illustrative Financing Information

Estimates:	Scenario 1	Scenario 2 & 3
Estimated Borrowing Amount	\$50,205,000	\$20,955,000
Estimated Project Proceeds	\$49,700,000	\$20,600,000
Estimated Repayment Term	19 Years, 1 Month	19 Years, 1 Month
Estimated Debt Service Tax Rate Impact in 2024	\$0.6206	\$0.2000

Note: For Scenario 1, it is estimated that there will be no future payment capacity for approximately 19 years. For Scenario 2 & 3, the annual debt payments decrease in years 2029 and 2033 which may allow for additional debt issuance opportunities.

South Vermillion Community School Corporation

Summary of Estimated Monthly Tax Rate Impact

Estimated Tax Rate Impact in 2024:		\$0.6206	\$0.2000
Market Value of Home	Net Assessed Value	Illustrative Scenario 1	Illustrative Scenario 2&3
\$50,000	\$13,000	\$6.72	\$2.17
84,000	23,400	12.10	3.90
100,000	33,800	17.48	5.63
125,000	50,050	25.89	8.34
150,000	66,300	34.29	11.05
1 Acre Agricultural Land		0.78	0.25
100 Acres Agricultural Land		77.58	25.00
\$100,000 Commercial/Rental Property		51.72	16.67

Note: Net Assessed Values listed above included changes to the mortgage and homestead deductions effective pay 2024.

South Vermillion Community School Corporation

Summary of Assumptions

(Preliminary, Subject to Change)

Interest Rates/Interest Costs

- Based upon 5% interest rates. Actual interest rates will be determined at the time of sale, and resulting interest expense, annual payments and capacity for borrowing could vary significantly from what is assumed in this analysis.

Tax Rates

- Based on the 2022 certified net assessed value \$486,896,787 of for the School Corporation with no growth assumed thereafter.
- Per \$100 of net assessed value. Assumes 8.59% miscellaneous revenue factor for license excise, CVET and FIT based upon 2022 certified distributions.
- Estimated debt service tax rate increase represents the estimated increase over the 2022 certified debt service fund tax rate of \$0.3350. Actual tax rates will vary based upon other factors such as net assessed valuation, available and authorized operating balance and actual tax collections.
- Assumes the School Corporation may need to utilize the operating balance of the debt service fund or capitalized interest to offset an increase to the debt service tax rate in 2024 in Illustrative Scenario 2 & 3. If capitalized interest is used, net bond proceeds will be reduced by the amount of capitalized interest and therefore not be available for the project.

Taxpayer Impact

- Assumes illustrative bonds are subject to the circuit breaker tax cap.
- Assumes properties are not hitting the circuit breaker tax cap. Actual impacts will vary depending upon where a taxpayer falls in relation to the tax cap. For properties at the cap, no incremental impact is anticipated.
- For residential properties, assumes \$48,000 standard deduction, 35% supplemental homestead deduction and no mortgage deduction due to changes in deductions effective in 2024.
- The median home value within the School Corporation is \$84,000 per the U.S. Census Bureau.
- Assumes no deductions on agricultural, rental and commercial properties.
- Per the DLGF, the base rate for agricultural land is \$1,500 per acre for taxes payable in 2022. Actual value will vary based on productivity factors.

Bond Repayment/Structure/Financing

- Based on an assumed dated date of December 2023 for the bonds.
- Assumes payments begin in the year following the date of issuance.
- Assumes estimated underwriter's discount of 0.5% and approximately \$250,000 of costs of issuance.

SMALL GROUP DISCUSSION

questions@svcs.k12.in.us



South Vermillion Community School Corporation

Community Meeting #1 | May 19, 2022

SMALL GROUP REPORTING



South Vermillion Community School Corporation

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NEXT STEPS

- **Community Meeting No. 2**
June 2, 2022, 6:30 p.m. - Central Elementary
- **Community Meeting No. 3**
June 13, 2022, 6:30 p.m. – Ernie Pyle Elementary
- **Community Meeting No. 4**
To Be Determined



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Performance Services



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