



# Independent School District No. 2

*Serving Hill City, Jacobson and Swatara*

500 Ione Avenue  
Hill City, MN 55748  
Phone: (218) 697-2394  
Fax: (218) 697-2594

*Scott J. Vedbraaten, Superintendent*  
*Dean J. Yocum, Principal*

August 8, 2008

To: Taxpayers of Independent School District No. 2

In the early 1980's, legislation allowed property poor school districts, Hill City, to apply for what is called a Capital Loan. The Capital Loan Program covered 75 percent of the construction costs for schools at that time. Independent School District No. 2 and its voters agreed to a construction project, the current school that cost \$5,935,000 of which \$4,430,000 was paid for by the capital loan. The remaining \$1,505,000 was covered by the taxpayers with a general obligation bond. The Capital Loan was for 30 years at an interest rate of 5.3 percent.

When the district entered into this agreement, it agreed to become a "maximum levy effort" district, which is a percentage of the net property taxes set forth by the state. The current percentage is 28 percent.

As time has passed and property values have increased, the amount of money the state requires the district to levy has increased; however, the payment has remained the same. As one can see, excess dollars are generated. Current law states two things can be done with this money. 1. The excess is given to the state for its general fund, or 2. the tax payers of the district may vote to keep the money and spend it on capital needs. Either way, the state mandates the amount levied.

It is with this knowledge that the school district will ask the tax payers to vote on September 9. By voting yes, the district will keep the excess dollars local. By voting no, the district will be forced to send all the excess to the state general fund.

With a finite number of years remaining in the one day bond program, the school district would like to compile the dollars in advance and renovate the following areas: physical science (chemistry and physics), earth science (biology), and art. In addition to these rooms, the district will also purchase updated fitness equipment and office hardware.

To do this, the tax payers will be asked to vote on November 4. If the vote is successful, the levy mandated by the state will go to cover the costs.

By all means, if you have any questions regarding these elections, please feel free to call me at (218) 697-2394.

Sincerely,

Scott Vedbraaten, Superintendent

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