

Frequently Asked Questions—Bond

Question: What is the difference between a bond and an operating levy?

In short, bonds are for building and levies for learning. A bond referendum is used to raise funds to renovate or build facilities. Funds from a bond referendum can only be used for this stated purpose and cannot be used to pay for the general operations of the district. An operating levy is used to raise funds to pay for the general operations of the district, which includes the cost of teachers and other staff.

Question: How did the district decide what projects would be addressed?

The district continually monitors facilities conditions and needs for both annual and long term planning. The District worked with Wold Architects to conduct an extensive review of all of the district's buildings to update District lists and offer additional expertise. During the review, which involved discussions with administrators at every building, Wold developed an updated list of facilities-related needs. That list was presented to community members, three board members, and administrators who participated in a five-month Community Task Force on facilities. The entire school board then listened to, and reviewed, the consensus recommendation from the Community Task Force. Both the Task Force and the School Board (would have loved to propose even more) spent a lot of time prioritizing needed facility improvements - (but) while the needs totals were much higher the school board wanted to move forward with a proposal that had a Zero Tax Impact for the residents of the school district, thus the proposal remained under \$50 million.



Question: Is it true that the \$49.5 million dollar bond vote will not increase the taxes on my property?

Yes, the high school bond will be paid off in 2021. The school board will structure the financing so that the first three years 2018-2021 the payments are primarily interest and when the high school bond obligation is paid off the new bond payments begin in full. The net tax impact is zero (chose to pay interest only on the \$49.5-million-dollar bond for the first three years from 2018 to 2021). When the high school bond is fully paid then the district will start paying on the principal of the \$49.5-million-dollar bond. The net tax impact is zero.

Question: Why will the ballot state - "By voting Yes for the bond there will be a tax increase?"

By law that we must say that on the ballot. Technically speaking, if the bond vote would fail, then the property taxes would go down in 2021 when the high school is completely paid for. However, the reality is that a Yes vote, on the bond question, will not increase your current School Taxes above and beyond what you are currently paying on your home/property.

Question: What will happen if the bond vote fails?

The school board will (quickly) do an analysis to find out why the community voted no on a Zero Tax Impact request to reinvest in our communities facilities. We will ultimately need to come back to the voters, in the very near future because needs such as the roof at the high school won't last forever and the heating system at the middle school site is fifty years old and has been operating on borrowed time for the past five years. These are likely the two core facility issues that will dictate the need to come back to the voters in a short period of time if the bond would fail.

Question: It feels like my taxes keep going up, what is happening with all of my tax money?

There are three entities that your property tax statement is comprised from; school, county and city. Since 2004 the district has approved a levy in 2005, approved a \$19.25 million dollar 0% interest bond in 2009, and renewed a levy in 2013. Due to the fact that the number of taxing paying residents has increased since 2000 there are more people to help pay for school district bond and levy costs. The amount of locally generated tax revenue has not increased over the past five years and is not expected to increase over another five years.



Frequently Asked Questions—Levy

Question: What is the tax impact of a Yes Vote on the Operating Levy?

That depends on the value of your property. The average value of a home in Hastings is \$250,000. The tax impact on a \$250,000 home is approximately \$10.56 a month.

Question: Didn't the district just pass an operating levy?

The community currently has two operating levy's that have been approved by the voters. The current levy has been in place since 2011 and is due to expire in 2019. In 2013, the voters renewed a second levy which will expire in 2023. The district has not asked for an increase in the operating levy since 2005.

Question: What will happen if the operating levy fails?

The passage of the operating levy would allow us to minimize our employee reductions. If the levy fails we would make deeper reductions which would result in having increased class sizes across the district. The District would most likely come back to the voters in November of 2019, the year in which the current levy expires.

A Property Tax Comparison 2007 vs. 2017

The graph comparisons, outlined below, are taken from actual Hastings residents' tax statements.

The graph illustrates that "School Taxes" are not escalating out of control.

Homeowner #1—\$200,000 Home Value



Homeowner #2—\$270,000 Home Value



How can I find out more?

Tune Into KDWA Radio
Every Friday at 9:00 AM
For the Tim Collins Show

Go to our website at: www.hastings.k12.mn.us

Public Meetings Scheduled
September 20th
5:00 PM in the HMS Auditorium
7:30 PM at Vermillion City Hall

October 25th
5:00 PM in the HMS Auditorium
7:30 PM at Hampton City Hall

Or Contact Superintendent Collins at 651-480-7001
Or by email at: tcollins@hastings.k12.mn.us

