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Officials to tap fund balance to keep tax rate stable at $9.27 per $1,000

Although electors at the annual meeting of the Cedar Grove-Belgium School District approved a tax levy that would have raised the equalized tax rate, the School Board unanimously lowered the levy to keep the tax rate at $9.27 per $1,000 of equalized valuation.

It was likely the first time electors were ready to pay more taxes than the School Board decided was prudent.

Laura Hatfield, a sixth-grade teacher, made the motion to set the tax levy at $5,538,607, the same as last year. That levy would have meant a tax rate of $9.70 per $1,000 of equalized valuation because the equalized valuation of the district decreased 4.4%.

It was estimated that the owner of a property valued at $200,000 would pay an additional $100 in taxes if the levy remained the same.

"I have a house valued at $200,000 and I feel $100 is a bargain for what we get in the school district," Hatfield said.

However, Matt Batzel, who moved to Cedar Grove a year ago, urged people to vote against the higher rate.

"As a new property owner in Cedar Grove, there are a lot of things we like about the school district, but we're shocked at how much higher our taxes are compared to other districts," Batzel said.

The motion was approved 16-7, but Board President Jim Lautenschlaeger noted the vote is advisory and the board could decide to set a different levy. The board has until Nov. 6 to set the levy.

"I feel we need to sharpen our pencils and try to get the tax rate lower with this economy," Lautenschlaeger said.

Board member Dan Bruhn said there were only four people at the meeting who were not connected to the school district.

Craig Droppers, who is treasurer of the Town of Holland, supported reducing the levy rate, but questioned if taxes would have increased if the levy remained the same.

Property taxes are based on assessed valuations and the tax rate varies in each municipality.

At a special board meeting after the annual meeting and budget hearing, the School Board

decided to reduce the tax rate.

Board member Chad Hoopman said the expenses as presented in the budget should remain the same, but the $50,000 levy for the community service budget should be eliminated and the budget balanced by taking money from the $2.8 million fund balance.

The new tax levy is expected to be $5.3 million.

Community service programs, which includes gym and swim, will not be cut, but $50,000 will be taken from the fund's balance reducing it from $123,900 to $73,900. Additional money was put into the account last year in hopes of expanding programs.

The fund covers personnel costs for recreational programs and some pool repairs. Operational costs for the pool are part of the general fund expenses.

The board's salaries will remain the same as last year — $1,000 for the president, treasurer and clerk and $900 for other board members plus $20 per night for meetings. Administrative Assistant Sue Voskuil checked previous annual meeting minutes to find out what board members are paid since no one remembered their salaries. The meeting pay was added in 2004.

The tax levy is less than allowed by the state revenue cap. If the board had taxed to the full amount, business manager Kris DeBruine estimated the rate would be more than $10 per $1,000 of equalized valuation.

The district will receive $5.8 million in state equalized aid, which is $368,270 more than last year, a 6.7% increase.

Student enrollment is down for the first time in more than 10 years. This year, there are 1,134 students compared to 1,196 last year. The biggest decline is in the early elementary grades.