

Village budget calls for 1% tax rate hike

Written by Steve Ostermann
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Board will seek union concessions to hold line on spending for 2011

Village of Grafton property owners will face a slight hike in the tax rate to support municipal spending in a proposed 2010 budget that's being fine-tuned this week.

As prepared by Village Administrator Darrell Hofland, the budget calls for a 1% increase in the assessed tax rate. The new rate of \$6.44 per \$1,000 of assessed valuation would be six cents more than the current rate.

For the owner of a \$250,000 house, the new rate means paying \$1,610 on the village portion of the total tax bill, a \$16 increase.

The total levy in the preliminary budget is \$6.9 million, up 1.3% from 2010.

The Village Board will hold its budget workshop at 8 a.m. Saturday, Oct. 16, at the Village Hall to review department requests.

Included in the spending package are expenditures totaling \$26.1 million for operating costs and capital improvements, a 13% decrease from 2010. The largest reduction is \$2.8 million for capital improvements, primarily because of the completion of the new municipal services facility.

A projected general fund of \$8.5 million represents a drop of \$304,000, but is based on freezing all employee wages and benefits for 2011, Hofland said. The freeze would result in a \$138,298 savings in personnel costs but will require renegotiating contracts with unions representing water and wastewater employees, police officers and telecommunicators and clerical workers, he added.

Union employees are scheduled to receive wage increases averaging 3% next year, but nonunion employees have had wage and benefit freezes the past two years, Hofland said.

"The Village Board has met with union representatives to begin talks," he said. "The board's goal is to renegotiate contracts and make a decision by the end of the year.

"Failure to reopen the contracts for wage concessions could result in layoffs or furloughs."

The proposed budget includes several projects in the five-year capital improvement program. The three largest expenditures are \$1.6 million to urbanize Falls Road between Blackhawk Drive and Port Washington Road; \$775,000 for a disinfection system at the wastewater treatment plant; and \$600,000 for a stormwater relay system in conjunction with redevelopment of the former lumberyard site.

The 2010 tax base is projected at \$1.08 billion, down 3.3% from 2009.

A public hearing on the budget will be held at 6 p.m. Wednesday, Oct. 27, at Village Hall. The board is expected to adopt the budget at its 6 p.m. meeting Monday, Nov. 1.

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