Spending package with 0.5% levy reduction given approval with little fanfare

With little fanfare, Grafton School District residents on Monday approved a $16.1 million levy to support a 2011-12 budget that calls for a slight decrease in the tax rate.

The spending plan has a $579,000 reduction in general-fund expenditures and includes a 0.5% cut in last year's levy. That translates to a projected tax rate of $10.70 per $1,000 of equalized valuation, also a 0.5% reduction from the previous rate.

The new rate, which is based on the district's property value remaining unchanged from 2010, means the owner of a $250,000 house would pay $2,674 in school taxes, down $13.44. The owner of a $300,000 house would pay $3,209, or $16.13 less.

The rate could drop even further once the district's property value is certified by the state in October, according to Board Treasurer Paul Lorge.

"The early indication is that district valuation will go up 1% to 1.5%," Lorge told an audience of about 30 people who attended the annual meeting.

A 1.5% valuation increase would drop the tax rate by 2%, to $10.54, officials said.

Residents approved the levy by a 23-0 vote without discussion.

The vote came after Lorge gave a 45-minute presentation on the financial state of the district and how the budget was prepared. He said district officials were able to cut the levy through a combination of pared expenses and increased revenues.

Under the state budget, teachers and other public employees are required to contribute 12.6% of the cost of health insurance and 5.8% to the Wisconsin Retirement System. Those contributions, which are part of a law that strips public unions of collective bargaining rights, will save the Grafton district $942,000 in the 2011-12 school year.

However, the district will lose $883,000 in revenue, including $741,000 in state per-pupil aid, Lorge said.

Lorge said the budget includes a variety of cost cuts, including nearly $99,000 in purchased services and $30,000 for supplies. In addition, the district has hired the consulting firm of Willis of Wisconsin to explore ways to pare insurance costs, including new carriers and coverage plans, he noted.

"Our district is in a stable financial situation," Lorge said.

There were no questions from the audience following the presentation.

The School Board is expected to certify the final budget, including levy figures, on Oct. 24.

In addition to adopting the levy, residents voted 20-0 to keep salaries of board members the same for the 2011-12 year. The president, vice president, clerk and treasurer are paid $,1450, and all other members receive $1,350.