

School budget calls for no levy hike

Written by STEVE OSTERMANN

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District residents' vote paves way for spending plan that could also mean no increase in school tax rate

Grafton School District residents on Monday approved a \$16.1 million levy to support a 2012-13 budget that calls for no increase in the tax rate.

The budget, which school officials said holds the line on taxes despite losses in state and federal funding, includes an increase of \$771,126 in general-fund expenses.

However, the levy translates to a projected tax rate of \$10.50 per \$1,000 of equalized valuation, the same rate used to support the 2011-12 budget.

The new rate, which is based on the district's property valuation remaining unchanged from 2011, means the owner of a \$250,000 house would pay \$2,626 in school taxes. The owner of a \$300,000 house would pay \$3,151.

The rate could change once the district's valuation is certified by the state in October, Board Treasurer Paul Lorge told an audience of about 25 who attended the district's annual meeting.

If the valuation increases by 1%, for example, the rate would drop to \$10.40 per \$1,000. A 1% valuation decrease would mean the rate would increase to \$10.61.

Residents approved the levy by a 17-0 vote without discussion after Lorge gave a presentation on the financial state of the district.

Lorge said the district was able to minimize the tax impact despite an anticipated reduction of \$112,000 in state equalized aid and the loss of \$351,000 in federal aid for education jobs. The district's fund balance will be used to cover a \$886,158 shortfall between total revenues and expenses, he added.

The district faces an increase of \$430,000 in staff salaries but will be able to cut benefit costs by \$77,000, Lorge said.

The state law requiring teachers and other public employees to pay 12.6% of the cost of their health insurance and 5.8% to the Wisconsin Retirement System continues to help the district trim expenses.

An employee handbook adopted by the district as part of the law also pared expenses by increasing insurance deductibles, providing cash in lieu of insurance benefits and changing sick-day and retirement benefits, Lorge said.

In addition, the district saved money by obtaining a lower interest rate on debt service due to a favorable lending market, he noted.

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Although the state set Grafton's revenue limit at \$15.7 million, the district kept the total at \$14.8 million to minimize the impact on the levy, according to Lorge.

"Despite having the legal ability to increase the property tax levy, it will remain consistent with last year," he said.

Lorge said this marks the fourth consecutive year the district is keeping its levy below the state's allowable limit.

There were no audience comments following the presentation.

The School Board is expected to approve the final budget, including levy figures, in October. That action will follow certification of enrollment figures, equalized property valuation and state aid.

Besides adopting the levy, residents voted to keep the salaries of board members the same for the 2012-13 school year. The president, vice president, clerk and treasurer are paid \$1,450, and all other members receive \$1,350.