Written by MARK JAEGER
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Despite spending cuts, tax bill will likely increase as officials grapple with projected 4% reduction in valuation

Although Village of Saukville officials were tenacious in finding ways to reduce the 2012 village budget, it was two factors they have no control over that are likely to push the tax rate higher.

Anticipating a squeeze for tax dollars, trustees and department heads trimmed the operating budget by 2.4%

Capital spending was also reduced by 21%, more than $34,000.

In combination, the proposed spending plan of $3.3 million represents a 3.3% decrease from this year — more than $113,000.

Counteracting those moves, preliminary estimates for the village's assessed valuation project a 4% decrease. Final numbers from the state's Department of Revenue were expected this week.

"If that estimate holds up, losing 4% in valuation is huge, especially in a small community like ours," said Village President Barb Dickmann.

That decrease means the village budget must be supported by a smaller tax base, so village taxes would counter-intuitively have to increase if spending remained unchanged.

Thanks to the debt service related to Highway 33 improvements, the cost of village borrowing will have to rise $100,000 — an increase of about 12%.

When borrowing and operating expenses are taken into consideration, the total village levy is projected to increase 1.37% — to $2,653,515.

The figure is within the state's levy limit restriction of a 1.4% increase and well below the state's expenditure-restraint incentive program, which would have allowed the

village to increase taxes by 3.6% for general operations.

According to the village, the proposed budget would result in an increase in the local tax rate of 36 cents, to $6.76 per $1,000 of assessed valuation.

For a home valued at $200,000, the tax bill for village purposes would rise $72.

To hold village taxes in check, officials have already contracted with the Village of Grafton for building inspection services, and to rely on outside consultants for engineering and planning services. Those moves are expected to save the village $46,000.

Another approximately $40,000 is expected to be saved by personnel moves made at the library and police department, as well as the continuation of contracting with the Port Washington Recreation Department for recreation programs.

“We went into the budget process with the understanding that our goal was to have a zero increase in the operating budget, and the department heads were very good at coming up with ways to save money through collaboration,” Dickmann said.

The village’s labor contracts run through next year, so the cost-saving “tools” offered to municipalities in the state’s budget-repair law will have little effect until 2013.

The garbage and recycling charge, which appears on the village tax bill but is not part of the operating budget, will rise a nominal $5 — to $164.

Residents will be able to comment on the 2012 budget during a public hearing which will start at 7:45 p.m. Tuesday, Nov. 29, at Village Hall, 639 E. Green Bay Ave.