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Seven Valleys might double its property tax

JOHN WALK *The York Dispatch*

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To help pay for an increase of about \$14,000 in the borough's 2011 budget, Seven Valleys officials are considering doubling the borough's property tax.

The borough is proposing a 2011 budget of nearly \$87,000; the 2010 budget was about \$73,000.

The increase is fueled by remaining costs from a roadwork project completed in the borough in 2008, said Cheryl Bahn, borough secretary.

The borough contracted York-based Stewart & Tate for milling and paving work on South and Maple Streets in 2008. The project cost about \$255,000.

The borough received about \$115,000 in federal grants to help pay for the project. To cover the remaining expense, it took out a \$140,000 bank

loan from Peoples Bank.

Over the past two years, the borough has been paying back the 10-year loan by pulling money out of its general fund reserve, Bahn said.

By the end of this year, Bahn said the borough will have about \$90,000 remaining in the fund.

The borough has eight annual payments -- about \$17,500 each -- remaining on the loan.

And if it continues to pay for the loan by pulling money out of the fund each year, Bahn said, the borough will "go broke."

So borough officials are considering raising the property tax rate from 0.6 mills to 1.2 mills. That means the owner of a property valued at \$100,000 would see a \$60 increase in property taxes.

The borough will vote on a final budget at its meeting Monday, Dec. 6, Bahn said.

-- Reach John Walk at 505-5439 or jwalk@yorkdispatch.com or follow on Twitter @ydcity.

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