

East Peoria property tax holds steady

City Council approves levy with no rate hike for 2011

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EAST PEORIA —

Next year's real estate bill will mirror that of this year thanks to higher than expected sales tax collections and \$9.3 million in new construction.

The City Council on Tuesday unanimously approved a 2011 property tax levy of \$5.35 million, a \$102,760 increase from last year. The tax rate - \$1.24 per \$100 assessed value - will stay the same as the 2009 rate.

"It is our intention, based on the best estimate we've received from the county, to maintain exactly the same rate for the property owner that was utilized last year," said Commissioner Gary Densberger.

Last year, the council voted on a \$1.22 rate, but final property evaluations from Tazewell County caused the rate to climb to \$1.24. For the owner of a \$150,000 home, that translates into a yearly payment of \$620.11.

In a working session held prior to the council's regular meeting, more financial news was shared, specifically about how the 2010-11 budget is shaping out midway through the fiscal year.

City Administrator Tom Brimberry said the city's operating expenses are about 3 percent below budget. He credited the police and fire chiefs and department heads for being "thrifty and miserly" in their budgets.

Revenue also is 4 percent greater than expected, mostly because of higher than projected sales tax collections.

"Sales tax is about \$250,000 over the budgeted figure at this point," said Brimberry. He added, "How it compares with prior fiscal years, while that significant increase is noteworthy, it's still diminished over where we've been in the last couple of years."

A negative in the budget discussion came when the council learned the state is five months behind on payments to the city. The state still owes the city about \$692,000 in sales tax payments.

Looking ahead to the 2011-12 budget, which the council soon will begin work on, Densberger said there are "a few clouds on the horizon." The city is looking at just more than \$1 million in additional expenses because of increased payments to the police and fire pensions, insurance and employee salaries. Also on the council's radar is the likelihood of having to hire additional police and firefighters to accommodate development in the new downtown.

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