

Indian Lake considering property tax reduction

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The property tax rate in Indian Lake Borough may fall by more than 15 percent.

During a meeting Wednesday, the borough council passed a tentative budget that decreases the tax rate by 3 mills. If finalized in December, the rate will be reduced to 16.3 mills.

The budget is balanced

with \$1.45 million in both expenditures and revenue.

Councilman Bob Hanson said the council is confident that the tax rate can be reduced because a 2013 dam remediation cost less than expected and two banks have reduced interest rates on debt taken out to pay for the project.

"It's because of less debt and lower interest on the debt we did have to take out," he said. "We

are very confident with it."

The dam project, he said, was completed under budget at about \$7 million. It was initially estimated to cost \$7.5 million. He said interest rates for the debt from the project from Somerset Trust Co. and 1st Summit Bank have been lowered to 3.795 and 2.875 percent, respectively. The payback period, he said, is 30 years.

Saying that the coun-

cil is "ecstatic" with the move, Hanson said the board carefully analyzed its finances before coming to a decision.

"We were apprehensive. When you lower rates, if you make a mistake, people are going to crucify you," he said. "We may be able to lower a couple (mills) more next year or the year after that."

He added that for five years under the current tax rate, the borough has

shown the ability to pay back its debt while still accumulating reserve funds.

"That history, and the accumulated reserves, has given the borough the knowledge and confidence to begin lowering taxes to a more tolerable level," he said. "We may still be the highest in the county, or in a dead-heat with Seven Springs, but it is a break for our property owners and in the right direction."