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## Island Forum | Council not to increase city portion of property taxes

By [MIKE CERO](#)

Mercer Island Reporter Contributor

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This past week, the City Council voted not to raise its portion of your property tax bill. In spite of tough financial times, and unlike a number of surrounding cities and King County, the City of Mercer Island's budget is in good shape.

This is the result of years of strong fiscal management at the city and over the past year, working hard to cut back costs and make the city government more efficient. We have more work to do, but the city can continue to deliver an outstanding level of essential services without adding to the financial burden that many of us are facing this year. We are proud the Council voted against the predominate and seemingly constant trend of raising taxes.

The Nov. 16 City Council meeting was primarily spent reviewing the city's budget. The Council participated in a lively debate about whether to increase or decrease the city portion of your 2010 property taxes. This is an annual debate in the Council, and every year over the past six years, the Council has voted to increase its portion of the property tax. This year, the Council compromised by simply holding the line: no decrease but no increase.

The rationale for advocating a property tax decrease was one of perspective. In this time of ever-increasing taxes leading to ever-increasing government spending, citizens can ill-afford additional taxes.

Islanders are not immune to downturns. We are all affected by the decline in the real-estate market. Foreclosures have increased on the Island and the number of unpaid utility bills is higher than a year ago. The local economic figures supplied to the Council continue to show many more “red” figures than “green.” We will continue to face a tough economy in the near future.

As we look at the tax policy from the citizen’s perspective, we recognize that citizens will have what we’ll call “Property Tax Shock (PTS).” In years past, property tax increases were rationalized by appreciating property values. This year, anticipate at least the same taxes on your property even though its value has most likely declined. The Council’s actions in not increasing the city’s portion of property taxes speak to the Council’s understanding of everyone’s strained financial situation.

To the city staff’s credit, through open vacancies and delayed spending, the staff cut expenses by almost a percent compared to last year. Additionally, the Council voted to give the city manager additional flexibility to adapt to economic realities.

Even without raising property taxes, the city’s property tax revenues will increase by \$50,000 because of new construction. Additionally, in real terms, our vote not to raise property taxes is still an increase, because the Implicit Price Deflator (IPD) used to adjust property taxes decreased by 0.85 percent. But, we are very happy and satisfied with at least holding the line in absolute terms.

Through efficiencies and a continued focus on the Council’s Priorities of Government, the city remains committed and able to provide quality essential services to its citizens. Reports are that the nation has turned the corner on what has come to be known as “The Great Recession.” But the recovery is fragile, and the new normal should not be the usual government approach of continuously rising taxes.

*Mike Cero serves on the Mercer Island City Council. Councilmembers El Jahncke and Steve Litzow also signed this letter.*

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