

Cremona council to debate tax increase

Options to be presented at tonight's meeting

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Cremona council is expected to decide whether or not to increase the village's residential tax rate for 2016 during tonight's council meeting.

Councillors debated a tax increase during a public budget meeting held on March 30 and the general consensus was to increase it by at least two per cent.

Luana Smith, the village's chief administrative officer, proposed the 2016 budget to council during the meeting and said \$588,780 is required in taxes. That's \$97,080, or 20 per cent more than what was generated in 2015.

She said taxes should increase slightly each year to avoid such a large increase, but council has made the decision not to increase taxes for the past few years, except for a one per cent increase in 2015.

"We've been zero for too long and now we're behind," said Smith, recommending at least a two per cent increase with the remaining shortfall – which would be \$92,000 – taken from tax rate stabilization reserves.

A two per cent increase would add an extra \$2.82 a month to the average single-family homeowner's tax bill and 30 cents a month to the average mobile homeowner's tax bill.

"I think that's not unrealistic," said Smith.

Coun. Sonia Temple said she is in favour of increasing the tax rate by as much as 3.5 per cent.

"I'm a realist," said Temple.

"I feel like we're showing the community that we're doing things for them but it all costs money and it has to come from somewhere," she said.

"I mean it's hard on everybody."

Mayor Tim Hagen said he wouldn't be in favour of more than a three per cent increase, while Joseph Shi said he wouldn't agree to more than a two per cent increase.

Smith said she would present both a two per cent and a three per cent option to council during tonight's meeting.

She was also waiting for the province to release its budget last week so she could include its requisition for education taxes.

She said Cremona's residential taxes are below average when compared to

"We've been zero for too long and now we're behind."

LUANA SMITH,
Village of Cremona CAO

communities like Carstairs, Didsbury, Sundre, Bowden and Irricana.

However, Cremona's commercial taxes are above average when compared to those same municipalities.

Councillors said they would not like to see commercial taxes increase this year.

"The poor businesses are struggling anyways. It's already too high," said Coun. Robert Reid.

Smith said the 2015 operating budget was approved at \$952,675 but an estimated \$1,052,331 was spent.

She proposed an operating budget of \$1,053,050 for 2016. The final operating budget and capital budget will be presented to council during tonight's meeting.

She said the village is saving money in the budget by reducing training and

conference expenses, cutting back on overtime hours and not providing wage increases.

Staff members have also recently been trained to provide water services, which will reduce contract expenses, she added.

The village would also like to re-assume financial administration duties from Mountain View County and purchase a \$36,750 financial system.

Smith said the average assessment of a single-family home in Cremona is \$228,000 and the average assessment of a mobile home is \$24,000.

Last year's total house assessment in Cremona was \$43 million. This year there is a \$60,000 decrease in value because there were no new builds, she added.

Eighty-nine per cent of the total assessment is residential property and 11 per cent is non-residential.

She also said the village has zero debt and has never had to use its line of credit.

"We have no debt, which is very rare for a municipality, so you should be proud of that," Smith told councillors.

"This budget is realistic. I feel confident about this."