

Assessment goes down, tax rate goes up for Cremona residents

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Cremona residents will see an increase on their tax bill this year due to a decrease in property assessment value in the village.

Luana Smith, the village's chief administrative officer, said the total assessment value of all taxable property in the village is \$44,231,650 – a decrease of \$59,040 from 2015.

"To bring in the amount of revenue you need from taxes, if your assessment's down, that means you have to increase your taxes," said Smith. "And if your assessment goes up, then you can decrease your tax rate."

Village council approved increasing residential taxes in Cremona by two per cent and passed first, second and third readings of the 2016 tax mill rate bylaw during the April 19 council meeting.

The increase will add \$64.62 to the average single-family homeowner's annual tax bill, which works out to \$5.38 a month. It will add \$6.80 to the average mobile homeowner's annual tax bill, which works out to 57 cents a month.

Smith said that's based on the average assessment of a residential single-family home in Cremona, which is \$228,000. She said the average assessment of a mobile home in Cremona is \$24,000.

Council also approved the 2016 operating budget at \$1,041,942 during the meeting. Of that money, taxpayers are on the hook for \$505,449.

Of the money being generated by taxes, \$118,392 is going to the Alberta School Foundation Fund and \$7,400 is going to Mountain View Seniors' Housing.

Smith said in order to fully make up for the loss in assessment value, coun-

cil would need to increase the tax rate by about 20 per cent. Council approved taking \$67,000 from roads and street reserves to fund the remaining shortfall instead, which leaves \$826,421 in the account.

Coun. Joseph Shi asked during the meeting if there was any way to reduce the budget and tax rate.

Smith said officials are already cutting back on overtime hours and not providing wage increases to staff members.

Mayor Tim Hagen said although it's more of an increase than council would like, at the end of the day, roads need to be paved and residents need water.

He also said council has to hold back from using money in reserves to make up for any loss in assessment value or keeping the tax rate low in future years.

Coun. Sonia Temple agreed.

"We don't want to ask our staff to take all the hits year after year; that's not fair to them," said Temple.

Council also approved a capital budget of \$1,062,000, which Smith said consists of grant money, reserves and borrowing.

Capital projects included in the budget are paving Centre Street and 2nd Street W to Edey Close, as well as renovations to the fire hall and public works shop.

A public budget meeting was also held on March 30, where Smith told councillors Cremona's residential taxes are below average when compared to communities like Carstairs, Didsbury, Sundre, Bowden and Irricana.

However, Cremona's commercial taxes are above average when compared to those same municipalities. Council decided not to increase the commercial tax rate this year because of that.