

Village of Cremona **Viability Review**

Initial Findings Report

April 2013

A report concerning the viability of the Village of Cremona
by the Village of Cremona Viability Review Team

Viability Review Team

Village of Cremona Viability Review

Alberta Municipal Affairs

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Table of Contents

How to read this report	4
Municipal Sustainability Strategy	5
Viability Review	5
Village of Cremona Viability Review	6
Viability Review Team.....	6
Overview of the Village of Cremona	7
Profile	7
Municipal Statistics	7
Performance on Key Measures of Sustainability	8
Analysis of Village of Cremona’s Self-Assessment	11
Analysis of Village Viability	12
1. Sustainable Governance	12
2. Operational and Administrative Capacity.....	15
3. Financial Stability	16
4. Service Delivery	26
5. Regional Co-operation	28
6. Infrastructure	28
7. Community Well-being.....	30
8. Risk Management	32
How You Can Contribute To The Viability Review	34
Considerations for Public Input	34
How you can contribute to the viability review	35
Questions?	35

How to read this report

This Initial Findings Report provides information on the Village of Cremona's finance and governance, as well as programs and services that are offered by the village for the Cremona community.

The information contained in this report is based on information collected from the Village of Cremona between November 2012 and February 2013 and is reflective of the most current information at the time of writing.

Introduction

The Initial Findings Report was developed as part of the Village of Cremona Viability Review in order to determine the viability of the Village of Cremona as a municipality. The structure of this report reflects the spirit of the Government of Alberta's Municipal Sustainability Strategy, and the Viability Review Team's approach to the determination of the village's viability.

This report is divided into seven sections.

Section 1 provides an overview of the Government of Alberta's Municipal Sustainability Strategy and the history behind the shift from municipal restructuring of the past to the current viability review process.

Section 2 contains information on the Village of Cremona Viability Review, including composition and mandate of the Viability Review Team, and the viability review process.

Section 3 provides a profile of the Village of Cremona, including some statistics about the municipality and how it compares with other municipalities within the region or municipalities with similar population across Alberta.

Section 4 contains the Village of Cremona's performance on the Key Measures of Sustainability found in the Municipal Sustainability Strategy.

Section 5 provides a summary of the village's viability self-assessment and the definitions of the eight broad areas in which the viability of the village are assessed.

Section 6 presents the Viability Review Team's analysis of the village's viability based on the eight areas identified in the Municipal Sustainability Strategy. The analysis includes comparisons with municipalities in the region, and municipalities with similar populations across Alberta.

Section 7 provides information on the opportunities for the public to provide input and to participate in the viability review process.

Municipal Sustainability Strategy

The Municipal Sustainability Strategy was developed in collaboration with Alberta's municipal associations to bring key decision makers together, and to empower communities to make sound decisions about their future that are based on collaboration, cooperation and a vision of success.

The Municipal Sustainability Strategy involves:

- a focus on solutions for the municipality and moving beyond the status quo;
- earlier engagement with Municipal Affairs;
- more cooperative processes that directly involve neighbouring municipalities and the municipal associations; and
- recognition of the importance of community identity.

The Municipal Sustainability Strategy can be found on the Municipal Affairs website at: <http://municipalaffairs.alberta.ca/1330.cfm>.

Viability Review

The viability review process is one of the major components of the Municipal Sustainability Strategy that was announced by the Minister of Municipal Affairs in June 2012. The viability review process replaces the dissolution study process formerly used by the ministry. The viability review is the process to determine the viability of a municipality and if required, to develop a plan that would lead the municipality to viability.

The viability review process includes the completion of a self-assessment questionnaire, a detailed viability review, and the development of a viability plan for the municipality.

- The **self-assessment questionnaire** is designed to help municipalities assess and enhance their own viability by assisting them to identify where and how they could improve.
- The **viability review** will include an Initial Findings Report that will review the finances and governance of the municipality, as well as the programs and services that are currently provided by the municipality. The Initial Findings Report will also contain the Viability Review Team's determination of viability.
- The **viability plan** will identify options for the municipality to achieve viability. The viability plan will be developed with community and stakeholder engagement if the Viability Review Team determines that the municipality is trending towards being non-viable.

Village of Cremona Viability Review

In March 2012, the electors of the Village of Cremona submitted a petition to the Minister of Municipal Affairs, requesting the Minister undertake a dissolution study for the Village of Cremona. The Minister found the petition to be sufficient and in October 2012 advised that a study would be done using the viability review process.

The official Village of Cremona Viability Review began in October 2012 with the establishment of the Viability Review Team that would lead the Village of Cremona Viability Review.

The Initial Findings Report was developed based on the information collected from the two municipalities, and from provincial records.

Viability Review Team

Each viability review is led by a Viability Review Team composed of representatives from Alberta Municipal Affairs, elected officials and administrators from the affected municipalities, and municipal associations.

Viability Review Team
❖ Alberta Municipal Affairs
❖ Village of Cremona (elected official and administrative official)
❖ Mountain View County (elected official and administrative official)
❖ Alberta Association of Municipal Districts and Counties
❖ Alberta Urban Municipalities Association
❖ Alberta Rural Municipal Administrators Association
❖ Local Government Administration Association

The Viability Review Team was given the mandate to collaboratively:

- evaluate the viability of the Village of Cremona;
- if required, develop a viability plan for Cremona that focuses on partnerships between neighbouring municipalities, municipal associations, and Municipal Affairs;
- lead public engagement of local residents, property owners, and other stakeholders in the affected municipalities;
- develop an implementation plan for the selected viability option; and
- provide feedback to Alberta Municipal Affairs on the municipal viability review process.

Overview of the Village of Cremona

Profile

The Village of Cremona was formed on January 1, 1955 when land was withdrawn from the Municipal District of Mountain View No. 49. The village subsequently grew to its existing size through annexation of lands from the County of Mountain View No. 17 in 1980 and from Mountain View County in 2008. The total land area of the municipality is 155 hectares.

The Village of Cremona is located approximately 75 kilometres northwest of Calgary and 45 kilometres north of the Town of Cochrane on Highway 22. Two highways provide access to the community. Highway 22 runs north-south and connects Cremona with the Town of Sundre to the north and the Town of Cochrane to the south. Highway 580 runs east-west and connects the Village of Cremona with the Town of Carstairs to the east.

The 2011 federal census found that the village had a population of 457 residents; this was a decline of six residents from the 2006 federal census when 463 residents were counted.

The village's rural neighbour is Mountain View County. The county's office is located north of Didsbury, 54 kilometres from Cremona. In 2012, the population of the county was 12,359. Cremona is located at the intersection of the Dogpound, Fallentimber, and Water Valley/Winchell Lake rural neighbourhoods in Mountain View County.

The Village of Cremona is one of five urban municipalities (the others are: Carstairs, Didsbury, Olds and Sundre) within Mountain View County.

Municipal Statistics

For the purposes of analyzing the Village of Cremona, a group of municipalities was selected to compare the village's finances, governance and other statistics with. The municipalities chosen are found either within the region or were included because their population was similar to the Village of Cremona.

The municipalities selected within the region are listed in Table 1.

Table 1: Municipalities in the Region and Population of those Municipalities

Municipality	2011 Population
Mountain View County	12,359
Town of Carstairs	3,442
Town of Cochrane	17,580
Town of Crossfield	2,853
Town of Didsbury	4,957
Town of Olds	8,235
Town of Sundre	2,695
Village of Cremona	457

Due to the differences between the population, finances and capacity of the municipalities within the region, a group of municipalities with populations similar to the Village of Cremona were also selected for comparison. The population of similar-sized municipalities are found in Table 2.

Table 2: Municipalities Similar in Size to Cremona and Population of those Municipalities

Municipality	2011 Population
Town of Granum	447
Village of Bawlf	403
Village of Caroline	501
Village of Clyde	503
Village of Cremona	457
Village of Edgerton	401
Village of Glendon	486
Village of Hay Lakes	425
Village of Irma	457
Village of Rosemary	421
Village of Ryley	497

The municipalities similar in size to Cremona will appear throughout the analysis of this report.

Performance on Key Measures of Sustainability

The Municipal Sustainability Strategy outlines eight key measures of sustainability for municipalities in Alberta. The key measures were designed so that a municipality which triggers three of the eight key measures, or measure #3, will be flagged for further review. If flagged, Alberta Municipal Affairs initiates contact with the municipality to review the cause(s) of the trigger and to discuss options for assisting the municipality to strengthen performance if necessary. The ministry would also advise the relevant municipal association. The key measures are:

1. Has your municipality incurred an annual deficit for the past two consecutive years, or five out of the past 10 years?
2. Does your municipality have less than a 1:1 ratio of current assets to current liabilities?
3. Has your municipality received a “qualified audit opinion”, “denial of opinion” or an “adverse opinion” with respect to your most recent annual financial statements?
4. Has your municipality reached 80 percent or more of its debt and debt service limit?
5. Do provincial and federal grants account for 50 percent or more of your municipality’s total revenue?
6. Has your municipality’s non-residential assessment base declined substantially as a proportion of the municipality’s overall assessment base, over the past 10 years?
7. Does your municipality have more than 10 percent of current property tax unpaid for the most recent completed fiscal year?
8. Has your municipality experienced a decline in population over the last 20 years?

When the Village of Cremona was assessed against these key measures, the village only triggered key measure #6, where the proportion of non-residential assessment to overall assessment in the village has declined 50.5 percent from 2003 to 2012. This one measure would not on its own trigger a follow-up with the Village of Cremona by Alberta Municipal Affairs.

Table 3: Village of Cremona’s Performance on Key Measures

Key Measure(s) Flagged							
1 ✓	2 ✓	3 ✓	4 ✓	5 ✓	6 ×	7 ✓	8 ✓

The detailed calculations for the Village of Cremona’s performance on key measures are as follows:

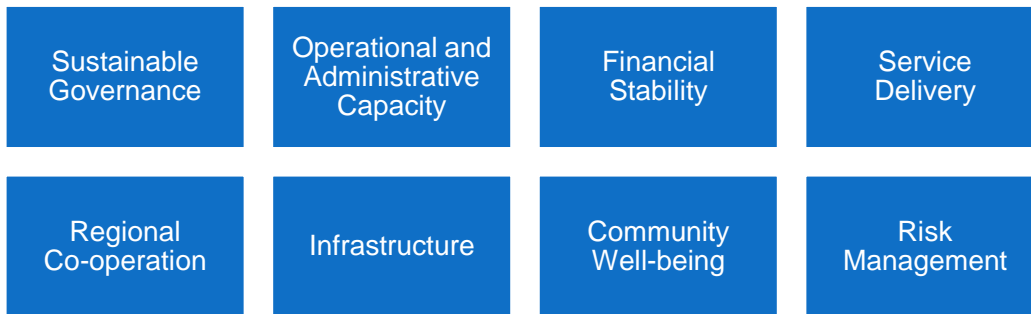
<p>Key Measure 1:</p> <p>Finding:</p> <p>Data:</p> <p>Data Sources:</p>	<p>Has your municipality incurred an annual deficit for the past two consecutive years, or five out of the past 10 years? (SAQ # 3.7)</p> <p>No, the Village of Cremona has not incurred an annual deficit for the past two consecutive years or five out of the past ten years.</p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Deficit/Surplus (amount)</th> <th>Fiscal Year</th> <th>Deficit/Surplus (amount)</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>Surplus - \$421,219</td> <td>2006</td> <td>Surplus - \$344,458</td> </tr> <tr> <td>2010</td> <td>Surplus - \$487,048</td> <td>2005</td> <td>Surplus - \$176,286</td> </tr> <tr> <td>2009</td> <td>Surplus - \$836,035</td> <td>2004</td> <td>Surplus - \$99,042</td> </tr> <tr> <td>2008</td> <td>Surplus - \$185,688</td> <td>2003</td> <td>Surplus - \$88,582</td> </tr> <tr> <td>2007</td> <td>Surplus - \$401,041</td> <td>2002</td> <td>Surplus - \$21,244</td> </tr> </tbody> </table> <p>Village of Cremona, financial statements, 2002 to 2011; and Village of Cremona, financial information returns, 2004 to 2011</p>	Fiscal Year	Deficit/Surplus (amount)	Fiscal Year	Deficit/Surplus (amount)	2011	Surplus - \$421,219	2006	Surplus - \$344,458	2010	Surplus - \$487,048	2005	Surplus - \$176,286	2009	Surplus - \$836,035	2004	Surplus - \$99,042	2008	Surplus - \$185,688	2003	Surplus - \$88,582	2007	Surplus - \$401,041	2002	Surplus - \$21,244
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2007	Surplus - \$401,041	2002	Surplus - \$21,244																						
<p>Key Measure 2:</p> <p>Finding:</p> <p>Data:</p> <p>Data Sources:</p>	<p>Does your municipality have less than a 1:1 ratio of current assets to current liabilities? (SAQ #3.8)</p> <p>No, the current assets to liabilities ratio is 1.87:1</p> <p>Current financial assets are \$1,492,191 Current liabilities are \$799,668</p> <p>Village of Cremona, financial statements, 2002 to 2011; and Village of Cremona, financial information returns, 2004 to 2011</p>																								
<p>Key Measure 3:</p> <p>Finding:</p> <p>Data Source:</p>	<p>Has your municipality received a “qualified audit opinion”, “denial of opinion” or an “adverse opinion” with respect to your most recent annual financial statements? (SAQ # 3.9)</p> <p>No.</p> <p>Village of Cremona financial statement, 2011.</p>																								
<p>Key Measure 4:</p> <p>Finding:</p> <p>Data:</p> <p>Data Source:</p>	<p>Has your municipality reached 80% or more of its debt and debt service limit? (SAQ #3.13).</p> <p>No, the village has not reached 80% or more of its debt or debt service limit.</p> <p>Current debt (FY2011): \$0 Debt Limit (FY2011): \$1,135,532 80% of debt limit (FY2011): \$908,426</p> <p>Current debt servicing (FY2011): \$0 Debt service limit (FY2011): \$189,255 80% of debt service limit (FY2011): \$151,404</p> <p>Village of Cremona financial information return, 2011.</p>																								

Key Measure 5:	Do provincial and federal grants account for 50% or more of your municipality's total revenue? (SAQ # 3.18)												
Finding:	No, 42.8% of the village's revenues are provincial and federal transfers.												
Data:	<table> <tr> <td>Provincial and federal transfers to the municipality:</td> <td>\$492,027</td> </tr> <tr> <td>Total Revenue:</td> <td>\$1,148,770</td> </tr> <tr> <td>Proportion of revenue that are government transfers:</td> <td>42.8%</td> </tr> </table>	Provincial and federal transfers to the municipality:	\$492,027	Total Revenue:	\$1,148,770	Proportion of revenue that are government transfers:	42.8%						
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Total Revenue:	\$1,148,770												
Proportion of revenue that are government transfers:	42.8%												
Data Source:	Village of Cremona financial information return, 2011.												
Key Measure 6:	Has your municipality's non-residential assessment base declined substantially as a proportion of the municipality's overall assessment base, over the past 10 years? (SAQ #3.20)												
Finding:	Yes, the proportion of non-residential assessment to overall assessment has declined 38.8% from 2003 to 2013.												
Data:	<table> <tr> <td>Non-residential (NR) assessment in 2003:</td> <td>\$4,684,170</td> </tr> <tr> <td>Non-residential (NR) assessment in 2013:</td> <td>\$6,135,840</td> </tr> <tr> <td>Overall assessment in 2003:</td> <td>\$22,355,240</td> </tr> <tr> <td>Overall assessment in 2013:</td> <td>\$46,996,544</td> </tr> <tr> <td>Proportion of NR to overall assessment in 2003:</td> <td>21.0%</td> </tr> <tr> <td>Proportion of NR to overall assessment in 2013:</td> <td>13.1%</td> </tr> </table>	Non-residential (NR) assessment in 2003:	\$4,684,170	Non-residential (NR) assessment in 2013:	\$6,135,840	Overall assessment in 2003:	\$22,355,240	Overall assessment in 2013:	\$46,996,544	Proportion of NR to overall assessment in 2003:	21.0%	Proportion of NR to overall assessment in 2013:	13.1%
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Overall assessment in 2013:	\$46,996,544												
Proportion of NR to overall assessment in 2003:	21.0%												
Proportion of NR to overall assessment in 2013:	13.1%												
Data Sources:	Alberta Municipal Affairs 2003 Equalized Assessment Report; and Alberta Municipal Affairs 2013 Equalized Assessment Report.												
Key Measure 7:	Does your municipality have more than 10% of current property tax unpaid for the most recent completed fiscal year? (SAQ #3.30)												
Finding:	No, the Village of Cremona had 7.3% in current tax receivables (unpaid taxes) for 2011.												
Data:	<table> <tr> <td>Tax Receivables at December 31, 2011:</td> <td>\$34,964</td> </tr> <tr> <td>Taxes Assessed for FY2011 (Schedule K):</td> <td>\$478,773</td> </tr> </table>	Tax Receivables at December 31, 2011:	\$34,964	Taxes Assessed for FY2011 (Schedule K):	\$478,773								
Tax Receivables at December 31, 2011:	\$34,964												
Taxes Assessed for FY2011 (Schedule K):	\$478,773												
Data Source:	Village of Cremona financial information return, 2011.												
Key Measure 8:	Has your municipality experienced a decline in population over the last 20 years? (SAQ # 7.1)												
Finding:	No. The population of the Village of Cremona increased 16.3% over the last 20 years.												
Data:	<table> <tr> <td>2011 Population (federal census):</td> <td>457</td> </tr> <tr> <td>1991 Population (federal census):</td> <td>393</td> </tr> </table>	2011 Population (federal census):	457	1991 Population (federal census):	393								
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1991 Population (federal census):	393												
Data Sources:	1991 federal census; and 2011 federal census												

Analysis of Village of Cremona’s Self-Assessment

The Self-Assessment Questionnaire was developed to assist municipal officials in assessing the municipality’s viability. The self-assessment includes measures and indicators of viability, highlights best practices, and may lead the municipal officials to consider some enhancements that the municipality may wish to adopt. The self-assessment is composed of 124 questions organized into eight broad subject areas. The self-assessment questionnaire can be found on the Municipal Affairs website at: <http://municipalaffairs.alberta.ca/1330.cfm>.

The eight broad areas in which to assess the viability of a municipality are:



Sustainable governance addresses topics such as council practices and procedures, compliance with legislation, citizen engagement, and strategic planning.

Operational and administrative capacity addresses the capacity of the municipality to operate on a daily basis and support council decisions.

Financial stability addresses the municipality’s capacity to generate and manage revenues sufficient to provide necessary infrastructure and services to the public.

Service delivery addresses the capacity of the municipality to provide essential services that meet residents’ expectations and any appropriate standards.

Regional co-operation addresses the municipality’s approach to collaborating with neighbours for the benefit of local and regional residents.

Infrastructure addresses the municipality’s capacity to effectively and efficiently manage public infrastructure on behalf of residents.

Community well-being addresses local community characteristics that contribute to the vitality of the community and the long-term viability of the municipality.

Risk management addresses the capacity of the municipality to identify and manage key risks on behalf of residents.

These eight areas and the Village of Cremona’s responses in each of these areas in the self-assessment questionnaire will be reflected throughout the Initial Findings Report.

Analysis of Village Viability

1. Sustainable Governance

Council

The Village of Cremona Council consists of two councillors and the mayor for a total of three members. All council positions are elected at-large by the electors of the village. The village council holds regular monthly meetings on the third Tuesdays of each month at the Gold and Silver Hall. Council has a Procedures Bylaw and council meetings are held in accordance with the bylaw.

When compared to other municipalities, the Village of Cremona has the lowest number of councillors within the region, and is one of the few municipalities with three councillors among similar-sized municipalities in Alberta.

Table 3: Comparison of Council Size and Council Remuneration, 2011

Municipalities in the region			
Municipality	Population	Size of Council	Total Council Remuneration
Mountain View County	12,359	7	\$357,274
Town of Cochrane	17,580	7	\$253,150
Town of Olds	8,235	7	\$173,265
Town of Didsbury	4,957	7	\$158,166
Town of Sundre	2,695	7	\$113,752
Town of Crossfield	2,853	5	\$80,124
Town of Carstairs	3,442	7	\$73,128
Village of Cremona	457	3	\$17,575

Council remuneration is managed in accordance with the Remuneration and Expenses Policy. The total council remuneration of \$17,575 at the Village of Cremona in 2011 is the lowest of the municipalities in the region and is in the middle of the group among similar-sized municipalities in Alberta.

Table 4: Comparison of Council Size and Council Remuneration, 2011

Similar-sized municipalities			
Municipality	Population	Size of Council	Total Council Remuneration
Village of Hay Lakes	425	5	\$28,551
Village of Ryley	497	5	\$28,255
Village of Irma	457	5	\$25,960
Village of Edgerton	401	5	\$25,750
Village of Caroline	501	5	\$24,056
Village of Cremona	457	3	\$17,575
Town of Granum	447	5	\$17,050
Village of Clyde	503	5	\$15,825
Village of Rosemary	421	3	\$14,738
Village of Bawlf	403	5	\$13,811
Village of Glendon	486	3	\$5,360

In the *Village of Cremona Municipal Sustainability Plan 2009-2012*, one of the identified priorities was to examine increasing the Council to five members. An assessment was completed on the additional cost of the additional councillors. The expansion of village council to five members was not implemented because council was of the belief that citizens do not support the change. However, village council did pass a bylaw in February 2013 that would increase the number of council members to five with the mayor elected at large.

During the annual organizational meeting held in October, council members are appointed to various boards and committees to represent the interests of village residents. Cremona council members share the responsibility of representing the village on at least sixteen boards and committees within the region.

Local Elections

Village councils were elected during the general municipal elections in 2004, 2007 and 2010. In 2004, seven candidates ran for three council positions and 152 electors voted in the municipal election. In 2007, six candidates ran for the three council positions and 137 electors voted in the municipal election. The village's bylaw concerning how council positions are elected was changed between the 2007 and 2010 elections so that the mayor was no longer appointed from among the elected village councillors following the election. In 2010, five candidates ran for the two councillor positions while five candidates ran for the mayor position. 193 electors turned out for the 2010 municipal election. No incumbent candidate was re-elected in either general municipal election. Based on Municipal Affairs records, the village has not had a by-election since 2004.

Strategic Planning

The Village of Cremona does not have a strategic plan or business plan. However, the village had developed a municipal sustainability plan which guides the municipality on community initiatives. The *Village of Cremona Municipal Sustainability Plan 2009-2012* is the most recent sustainability plan developed by the village with the assistance of Austrom Consulting Ltd. The sustainability plan was developed with the input of residents and landowners who attended an open, facilitated community planning session. The sustainability plan identified 12 strategic priorities and 32 action items for the municipality to implement. The village's implementation of the sustainability plan is included in the relevant sections of this analysis.

The village has not published an update to the Village of Cremona Municipal Sustainability Plan or a progress report on the implementation of the strategies and actions outlined in the plan. The plan was intended to be measured and reviewed annually as part of the budget process. An open house was held in 2012 to gather public input for a new municipal sustainability plan. The development of the new sustainability plan was halted by village council due to the viability review.

Communications and Community Engagement

The Village of Cremona does not have a communications bylaw or policy. Village announcements and information about the village programs and services are published in the *Village Voice*, the village's monthly newsletter. Public notices required by legislation are published in the Carstairs Courier newspaper. Special notices are mailed-out to residents by the village as required.

The Village of Cremona began the redevelopment of its municipal website in 2011 but the project had been suspended. Aside from basic contact information, the website does not have any content

concerning village governance, finance or administration. The website is located at www.village.cremona.ab.ca.

The village conducts community engagement through public consultation meetings and its citizen satisfaction survey. A public consultation meeting is held for members of the public to discuss budget issues following council's annual budget retreat.

A citizen survey was last conducted in 2010 and solicited residents on their opinion on community priorities, the level of satisfaction with various municipal services, and their level of satisfaction with village administration. The survey was mailed out to all 210 households in Cremona. Highlights from the 33 responses returned from the 2010 survey include:

- ❖ For residents who responded, 64 percent said that the quality of life has stayed the same in the past three years and 24 percent said it has worsened.
- ❖ 52 percent of respondents said that the infrastructure and roads have gotten worse in Cremona.
- ❖ 39 percent of those who responded said that the cost of living and the lack of services have gotten worse in Cremona.
- ❖ When asked about the services provided by the Village of Cremona, 6 percent said it was very good, 73 percent said it was good, and 21 percent said it was poor.
- ❖ Residents were mixed on the issue of information from the village as 42 percent said that they receive too little information and 58 percent said the amount was just right. No one said the amount was too much.
- ❖ Asked for their level of agreement with the statement, "the Village of Cremona practices open and accessible government"; 39 percent agreed and 52 percent disagreed.

In the past, Village Council held a Questions and Answers session that was open to members of the public during council meetings. This practice was discontinued in 2012. At this time, members of the public can appear as a delegation at a council meeting in accordance with the village's Procedure Bylaw which specifies that requests to appear as a delegation before Council must be communicated to the village on the Wednesday prior to the Council Meeting.

Bylaws and Policies

The village has a collection of approximately 120 bylaws dating back to 1955 that are either active, expired, or are not enforced and have not been rescinded. Based on a quick scan of the bylaw index, at least 14 bylaws are no longer applicable or have newer versions and the former bylaw has not been rescinded. Some of the actively enforced bylaws include bylaws concerning animal control, untidy and unsightly premises, licensing, snow removal, dogs and traffic within the municipality.

A review of non-enforced and inactive bylaws was proposed for when the Village of Cremona co-sponsored a municipal intern with a neighbouring municipality. The opportunity to host a municipal intern did not materialize due to the lack of a chief administrative officer in the other municipality and the review of bylaws was not completed.

In addition to the 120 bylaws, the village has 28 policies that were enacted between 2005 and 2010. The policies were developed and organized based on the findings of a 2004 Municipal Affairs review of the village's administrative practices.

2004 Municipal Review

At the request of village council in 2004, Municipal Affairs undertook a review of the administrative status of the village. The review did not indicate any immediate financial or administrative concerns, but the Ministry did continue to monitor the status of the village and offer assistance as requested.

In 2005 village council remained concerned, which resulted in the Minister of Municipal Affairs appointing an official administrator to supervise the village and its council. An individual was also contracted to provide on-site administration due to the need for a permanent replacement of the chief administrative officer. Upon conclusion of the direct involvement of the Ministry, the village was able to govern according to legislated requirements.

2. Operational and Administrative Capacity

The Village of Cremona administration office is located at 205 1st Street East in Cremona. The village office is open from 9:00 a.m. to 12:00 p.m., as well as from 1:00 p.m. to 4:00 p.m. on Mondays to Thursdays. The village office is staffed on Fridays, but is not open to the public. In addition to municipal services, the village office also provides photocopying and fax services to the public on a fee for service basis as outlined in the Rates Bylaw.

Human Resources

The village employs six staff members. The Chief Administrative Officer and Public Works Operator are full-time positions, while the Assistant Administrator, Municipal Office Staff, Peace Officer and the FCSS Director are part-time positions. The Public Works Foreman position is currently vacant and the Assistant Administrator and the Municipal Office Staff are covering some of the responsibilities of that position. In total, the village has a staff complement of five different permanent positions, plus seasonal staff in the summer.

In February 2013, the village’s chief administrative officer retired following seven years with the village. Village council has retained the services of the departing chief administrative officer on an interim basis until the village is able to recruit a permanent replacement.

Due to difficulties encountered by the village in attracting and retaining a water systems operator, the village has contracted a certified water systems operator from the Town of Carstairs to support the operation of the water system.

The village has a current Human Resources Policy that was last updated in June 2011. The Human Resources Policy addresses responsibilities, compensation, performance evaluation and discipline. Schedules to the Human Resources Policy define the salary grid for each staff position and for the chief administrative officer.

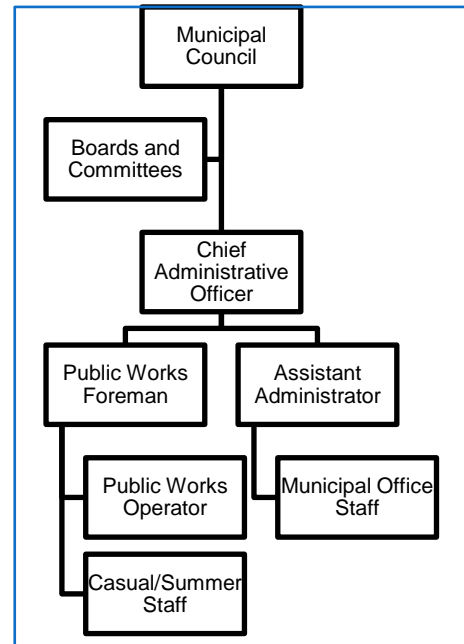


Figure 1
Village of Cremona Organizational Chart

Beyond the Human Resources Policy, the village does not have written job descriptions, nor was there an organizational chart available during the initial information gathering. An organizational chart produced by the chief administrative officer later showed the structure in Figure 1.

The village has a staff training and development budget, but there is no policy on staff training and development. Based on information collected from the chief administrative officer, staff are trained either in-house or are sent for training that relate to their position.

Administrative Processes and Procedures

The village administration has distributed its accounting responsibilities such as accounts receivable, accounts payable, bank reconciliation, cheque review and signing between the chief administrative officer, the assistant administrator and the municipal office staff member. This procedure is currently being reviewed by village administration in coordination with the auditor and will be modified in the future.

The village maintains a capital reserve fund, or a restricted accumulated surplus. The purpose of the reserves is not clear as most of the village's capital projects are wholly funded by a combination of provincial grants.

The village has a records retention and disposition policy and maintains a records management system that was developed by a previous administrator. The paper records are stored at the village office and filed according to a pre-defined system. Sensitive records and other valuables are stored in a safe at the Village Office.

The village's electronic records are currently stored on computers at the village office and are backed up on a portable hard drive on a weekly basis. The portable hard drive is stored at a private residence. In addition, electronic accounting files are backed up at the end of each working day to a USB memory drive.

3. Financial Stability

Financial position

The information below was compiled using the village's annual audited financial statements from 2009 to 2011. The *Statement of Financial Position* reports on the assets the municipality owns or controls; liabilities owed by the municipality, and what remains after the assets have been used to meet the liabilities, or the accumulated surplus (deficit).

The financial position of the village can be assessed using two amounts reported on the annual financial statements, Net Financial Assets (Net Debt) and Accumulated Surplus.

The Net Financial Assets (or Net Debt) shown in Table 5 is equal to the total financial assets less the total liabilities. A positive amount indicates that the municipality has financial assets available in excess of its current liabilities.

Table 5: Net Financial Assets for Village of Cremona, 2009 to 2011

	2011	2010	2009
Net Financial Assets (or Net Debt)	\$692,522	\$426,772	\$372,675

The Accumulated Surplus as illustrated in Table 6 provides another perspective on the village’s financial position by considering both financial and non-financial (physical) assets owned by the municipality.

The accumulated surplus has three components including unrestricted surplus, restricted surplus and equity in tangible capital assets. If the total accumulated surplus, less equity in tangible capital assets (TCAs) is positive, the municipality has assets on hand that will be used to provide future municipal services. Cremona has a positive result in each of the three years analyzed in Table 6.

Table 6: Accumulated Surplus for Village of Cremona, 2009 to 2011

Year	2011	2010	2009
Accumulated Surplus	\$3,408,876	\$2,987,657	\$2,500,612
Unrestricted ¹	\$495,870	\$235,074	\$679,063
Restricted ²	\$196,651	\$196,651	\$196,651
Equity in TCAs ³	\$2,716,355	\$2,555,932	\$1,624,898
Accumulated Surplus, net of Equity in TCAs	\$692,523	\$431,727	\$375,713
Notes:			
1. Unrestricted surplus is the unallocated amount of excess revenue available for a future purpose.			
2. Restricted surpluses is the amount that results from excess revenues which have been internally designated for a specified future purpose, or externally restricted			
3. Equity in Tangible Capital Assets is the net book value of tangible capital assets.			

Borrowing

Municipalities are permitted to borrow funds and incur debt for municipal projects. Municipal borrowing activities, including the total amount of borrowing allowed, and the amount of annual debt servicing costs as a percentage of municipal revenues, are legislated in the *Municipal Government Act*, and the Debt Limit Regulation.

Based on the 2011 revenues of the village, the village is eligible to borrow up to \$1,135,532 with debt servicing not to exceed \$189,255. As of December 2012, the village does not have any outstanding debt.

Budget

A municipal budget is the municipal government’s plan to fund all municipal programs and services for any given year. The budget is a financial plan that details the level of spending required to provide municipal programs and services to the community and to maintain infrastructure desired by residents, businesses and ratepayers.

The Village of Cremona begins the budget cycle with planning at a budget retreat for council which occurs around November of each year. At the budget retreat, budget priorities are discussed and a draft budget is developed that would be presented at the village’s public budget consultations. In 2011, 10 residents attended the budget meeting. In 2012, seven residents attended the budget meeting. Following the public meeting, a final budget is prepared and approved by council early in the calendar year.

The Village of Cremona, like other municipalities in Alberta, has several different sources to generate revenue to fund municipal services. The primary sources are through property taxes that are calculated based on the assessed value of a property. Other revenue sources include: grants from the federal or provincial government, user fees on municipal services, development fees from the sale of development

permits and franchise fees, which are collected by utility providers based on a percentage of the utility bill and forwarded to the municipality.

In 2011, the Village of Cremona collected \$352,732 in municipal property taxes, \$492,027 in provincial grants, \$211,879 in sales and user charges.

In 2011, the village incurred expenses of \$727,551 and acquired capital assets valued at \$220,963. Capital assets are amortized over their expected useful life. The expenses made by the village were divided into the categories as shown in Figure 2.

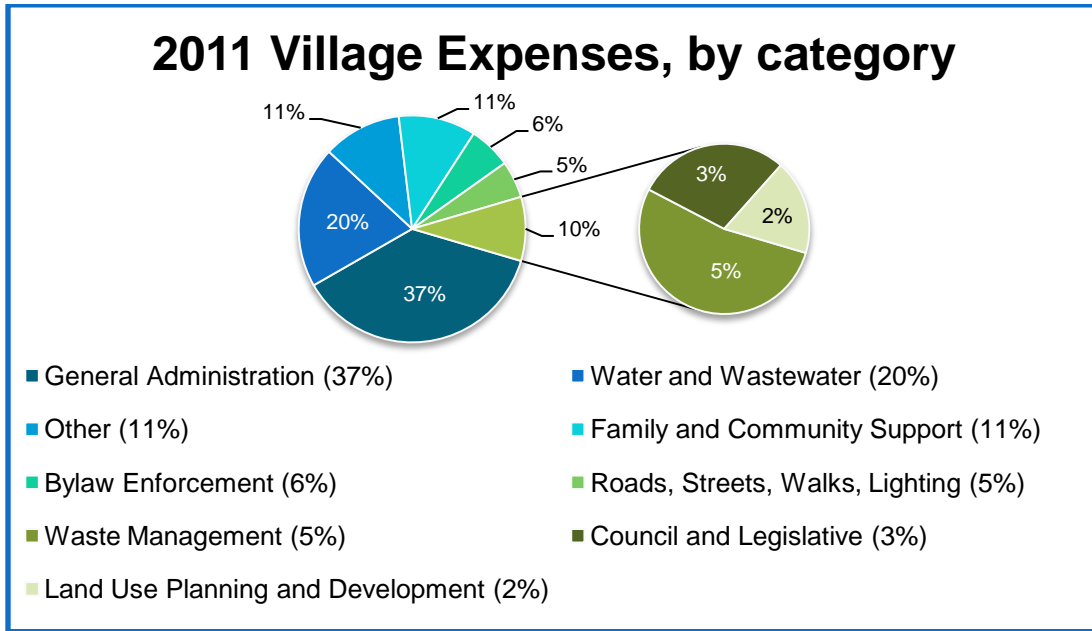


Figure 2 – 2011 Village Expenses, by category

Revenues and Expenses

The *Statement of Operations* is part of the annual audited financial statement and reports on revenues and expenses for the fiscal year. Table 7 shows the actual results for the Village of Cremona between 2009 and 2011.

Table 7: Net Revenue for Village of Cremona, 2009 to 2011

Year	Revenue	Expenses & Capital Investment	Excess (Shortfall)
2011	\$1,148,770	\$948,514	\$200,256
2010	\$1,247,118	\$1,262,655	(\$15,537)
2009	\$1,573,991	\$1,543,405	\$30,586

Note: Revenues included in government transfers for capital purposes and expenses include tangible capital assets acquired in the year that will be amortized over their useful life.

In the self-assessment completed by the village, the village acknowledged that municipal spending is not within ±5 percent of the approved operating budget each year. An analysis was completed on the village’s 2011 budgeted and actual revenues and expenses as found on the village’s audited financial statements.

The analysis of the village’s budgeted and actual revenues for 2011 found that overall, the variance was less than 2 percent. However, when the revenue sources were examined individually, wide variances of up to 338% from budgeted to actual amounts were found. The budgeted and actual revenue amounts for 2009 to 2011 are shown in Tables 8, 9 and 10.

Table 8: Budgeted and Actual Revenues for Village of Cremona, 2011

Revenue Source	2011 Budget	2011 Actual	Variance
Net municipal taxes	\$350,373	\$352,732	0.67%
User fees and sales of goods	\$219,950	\$212,048	-3.59%
Government transfers for operating	\$137,544	\$100,278	-27.09%
Investment income	\$7,700	\$14,851	92.87%
Penalties and costs on taxes	\$5,000	\$21,919	338.38%
Licenses and permits	\$10,200	\$5,206	-48.96%
Franchise and concession contracts	\$35,000	\$39,181	11.95%
Other	\$3,500	\$10,806	208.74%
Total Revenue	\$769,267	\$757,021	-1.59%

Table 9: Budgeted and Actual Revenues for Village of Cremona, 2010

Revenue Source	2010 Budget	2010 Actual	Variance
Net municipal taxes	\$347,989	\$334,655	-3.83%
User fees and sales of goods	\$219,550	\$215,343	-1.92%
Government transfers for operating	\$129,914	\$123,444	-4.98%
Investment income	\$1,200	\$5,943	398.25%
Penalties and costs on taxes	\$9,500	\$21,714	128.57%
Licenses and permits	\$3,600	\$4,469	24.14%
Franchise and concession contracts	\$38,000	\$35,353	-6.97%
Other	\$3,500	\$5,623	60.66%
Total Revenue	\$753,253	\$746,546	-0.89%

Table 10: Budgeted and Actual Revenues for Village of Cremona, 2009

Revenue Source	2009 Budget	2009 Actual	Variance
Net municipal taxes	\$291,069	\$344,915	18.50%
User fees and sales of goods	\$216,650	\$232,273	7.21%
Government transfers for operating	\$99,936	\$114,675	14.75%
Investment income	\$1,200	\$3,570	197.50%
Penalties and costs on taxes	\$9,500	\$21,061	121.69%
Licenses and permits	\$4,100	\$9,540	132.68%
Franchise and concession contracts	\$35,000	\$38,630	10.37%
Other	\$2,500	\$6,903	176.12%
Total Revenue	\$659,955	\$771,567	16.91%

The analysis of the village’s budgeted and actual expenses for 2011 found that variances were found across all expense types. The variance between the total budgeted and actual expenses was 17 percent. The 2011 budgeted and actual expenses amounts are shown in Table 11.

Table 11: Budgeted and Actual Expenses for Village of Cremona, 2011

Expense Type	2011 Budget	2011 Actual	Variance
Legislative	\$27,300	\$19,180	-29.74%
Administration	\$321,787	\$270,389	-15.97%
Protective Services	\$59,500	\$43,888	-26.24%
Transportation	\$125,694	\$97,660	-22.30%
Water supply and distribution	\$146,510	\$115,473	-21.18%
Wastewater treatment and disposal	\$78,218	\$67,670	-13.49%
Public health and welfare	\$77,444	\$83,015	7.19%
Subdivision land and development	\$7,500	\$11,908	58.77%
Parks and recreation	\$7,850	\$7,184	-8.48%
Culture	\$29,635	\$11,184	-62.26%
Total Expenses	\$881,438	\$727,551	-17.46%

Table 12: Budgeted and Actual Expenses for Village of Cremona, 2010

Expense Type	2010 Budget	2010 Actual	Variance
Legislative	\$26,800	\$22,278	-16.97%
Administration	\$325,250	\$295,986	-9.00%
Protective Services	\$15,500	\$32,771	111.43%
Transportation	\$112,000	\$88,411	-21.06%
Water supply and distribution	\$126,500	\$93,518	-26.07%
Wastewater treatment and disposal	\$56,300	\$39,146	-30.47%
Public health and welfare	\$62,500	\$64,469	3.15%
Subdivision land and development	\$8,000	\$34,572	332.15%
Parks and recreation	\$5,200	\$7,033	35.25%
Culture	\$22,800	\$10,334	-54.68%
Amortization of tangible capital assets	\$60,559	\$71,552	18.15%
Total Expenses	\$760,850	\$760,070	-0.10%

Table 13: Budgeted and Actual Expenses for Village of Cremona, 2009

Expense Type	2009 Budget	2009 Actual	Variance
Legislative	\$25,300	\$23,917	-5.47%
Administration	\$267,750	\$249,087	-6.97%
Protective Services	\$18,300	\$43,017	135.07%
Transportation	\$95,500	\$103,036	7.89%
Water supply and distribution	\$116,350	\$68,765	-40.90%
Wastewater treatment and disposal	\$52,700	\$55,777	5.84%
Public health and welfare	\$53,555	\$78,829	47.19%
Subdivision land and development	\$7,500	\$41,832	457.76%
Parks and recreation	\$5,000	\$6,065	21.30%
Culture	\$18,000	\$7,070	-60.72%
Amortization of tangible capital assets	\$0	\$60,559	--
Total Expenses	\$659,955	\$737,954	11.82%

In addition, in January 2012 the village began the practice of having actual municipal revenues and expenses, as well as the variances from the budget are reported quarterly to Council. The chief administrative officer monitors the variances periodically (at least once per month).

Grants

A substantial portion of village revenues comes from provincial and federal government grants. A breakdown of the grant funding allocated to the Village of Cremona is shown in Tables 14 and 15. From 2010 to 2012, the village was eligible to receive the government-allocated grant funds based on each grant program's policies.

Table 14: Municipal Affairs Grant Funding Allocated to the Village of Cremona, 2010 to 2012

Year*	Municipal Sustainability Initiative (MSI) - Operating	Municipal Sustainability Initiative (MSI) - Capital	Total Municipal Sustainability Initiative (MSI) Allocation
2010	\$37,826	\$176,009	\$213,835
2011	\$42,091	\$175,830	\$217,921
2012	\$40,307	\$176,156	\$216,463

Note: Municipal Sustainability Initiative grants are allocated based on the financial year of municipalities (January 1 to December 31).

In the past three years, the Village of Cremona was allocated approximately \$215,000 in grant funding through the Municipal Sustainability Initiative program (operating and capital combined). In addition to the Municipal Sustainability Initiative program, the Village of Cremona also received grant funding from the Fire Services and Emergency Preparedness Program as a part of the Calgary Regional Emergency Services partnership and from three provincial infrastructure grant programs (see Table 15).

Table 15: Alberta Transportation Grant Funding Allocated to the Village of Cremona for Infrastructure Projects, 2010 to 2012

Year	Basic Municipal Transportation Grant or Streets Improvement Program Grant	Federal Gas Tax Fund	Alberta Municipal Water/ Wastewater Partnership	Total Grant Funding from Alberta Transportation
2010/11	\$27,780	\$50,000	\$473,343	\$551,123
2011/12	\$27,780	\$50,000	\$461,397	\$539,177
2012/13	\$27,780	\$50,000	\$300,000	\$377,780
2013/14	\$27,780 (estimate)	\$50,000	\$145,250	\$223,030

Note: Alberta Transportation's grants are allocated based on the financial year of the Government of Alberta (April 1 to March 31). As such, the years shown are split as compared to the Municipal Affairs grants shown in Table 10.

Alberta Municipal Water/Wastewater Partnership grants are provided to municipalities on a project-by-project basis. The Alberta Municipal Water/Wastewater Partnership provides cost-shared funding to eligible municipalities to assist in the construction of municipal water supply and treatment and wastewater treatment and disposal facilities.

Assessment and Taxation

Property taxes are a primary source of revenue for municipalities. Property assessment is the process of assigning a value to a property for taxation purposes. In Alberta, property is taxed "according to value." This means that the amount of tax paid is based on the value of the property.

The terms "assessment" and "taxation" are often considered to be interchangeable. However, assessment and taxation are very different. "Assessment" is the process of estimating a dollar value on a

property for taxation purposes. This value is used to calculate the amount of taxes that will be charged to the owner of the property. “Taxation” is the process of applying a tax rate to a property’s assessed value to determine the taxes payable by the owner of that property.

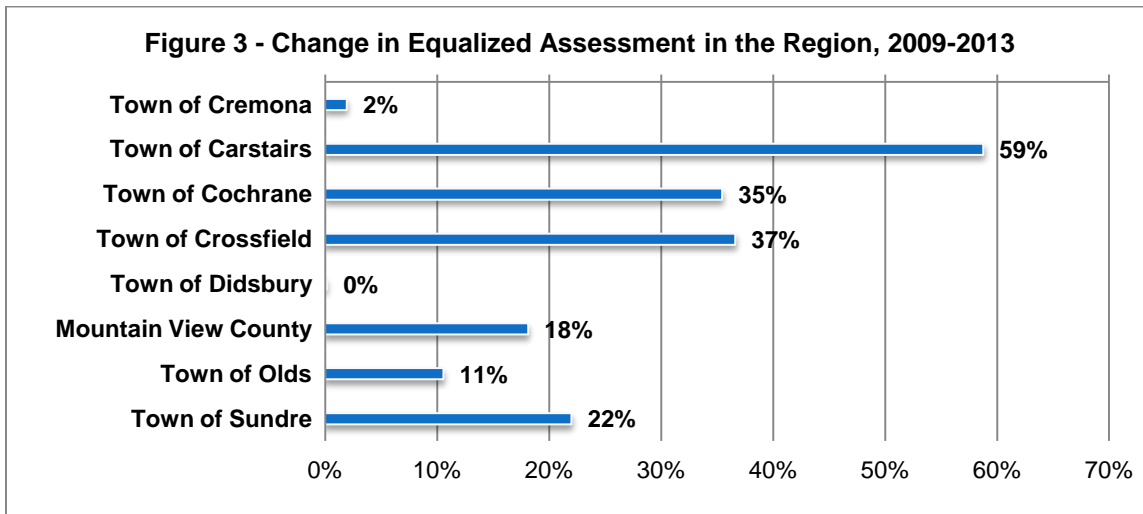
In Table 16, the equalized assessment for the Village of Cremona is shown. Equalized assessment is a means of comparing property wealth among municipalities. The assessed values of all properties in Alberta are brought to a common level, which is used for cost-sharing programs such as education funding. The value is calculated by Alberta Municipal Affairs and may differ from the assessment found in the municipal tax bylaw.

Table 16: Equalized Assessment for Village of Cremona, 2009-2013

Year	Residential	Farmland	Non-Regulated Non-Residential ¹	Linear ²	Total Assessment
2009	\$40,189,814	\$39,640	\$5,204,171	\$961,540	\$46,395,165
2010	\$41,209,312	\$39,640	\$5,631,541	\$1,038,660	\$47,919,153
2011	\$38,798,805	\$39,640	\$5,213,368	\$968,370	\$45,020,183
2012	\$40,445,057	\$39,640	\$5,210,574	\$949,650	\$46,644,921
2013	\$40,819,794	\$40,910	\$5,232,720	\$903,120	\$46,996,544

Notes:
 1. Non-Regulated Non-Residential assessment refers to all non-residential properties, excluding farmland, linear property, machinery and equipment, and railway property.
 2. Linear assessment refers to the assessment of oil and gas wells, pipelines to transport petroleum products, electric power systems (generation, transmission, and distribution facilities), telecommunication systems (including cellular telephone systems), and cable television systems.

For 2013, the equalized property assessment of all taxable properties in Cremona is \$46,996,544. In 2009, the equalized assessment was \$45,020,183. Figure 3 shows the change in the amount of equalized assessment for municipalities in the region between 2009 and 2013. During this time period, the equalized assessment of all properties in the Village of Cremona increased by 1.9 percent. Over the same time period, the change in equalized assessment of all properties in municipalities in the region varied from 0.18 percent in Didsbury to 59 percent in Carstairs.



The 2013 equalized assessment base in Cremona is comprised of 87 percent residential assessment and 13 percent non-residential assessment. The ratio for all villages in Alberta is 83 percent resident and 17

percent non-residential. This means that the ratio of residential to non-residential assessment in Cremona is greater than the average ratio for villages in Alberta.

Municipal property taxes are calculated by multiplying the assessed value of a property by the municipal tax rate. Municipalities also levy property tax for education purposes (Alberta School Foundation Fund) and for the senior housing foundation. These requisitions are not included in the examination of tax rates. The tax rates for the Village of Cremona are shown in Table 17.

Table 17: Municipal Tax Rates for Village of Cremona, 2011-2013

Year	Residential ¹	Residential Vacant Land ¹	Non-Regulated Non-Residential ^{1,2}	Linear ^{1,3}
2010	7.04724	11.37052	13.35070	13.35070
2011	6.85924	10.79671	13.70206	13.70206
2012	6.76456	10.18400	13.60815	13.60815

Notes:

- As per [Order in Council 46/2008](#), properties that were annexed from Mountain View County in 2008 are taxed at either the municipal tax rate established by Mountain View County, or the municipal tax rate set by the Village of Cremona, whichever is lower unless the property meets one of the conditions set out in section 3 of the Order in Council.
- Non-Residential assessment refers to all non-residential properties, excluding farmland, linear property, machinery and equipment, and railway property.
- Linear assessment refers to the assessment of oil and gas wells, pipelines to transport petroleum products, electric power systems (generation, transmission, and distribution facilities), telecommunication systems (including cellular telephone systems), and cable television systems.

In Tables 18 and 19, the 2012 municipal tax rates for residential and non-regulated non-residential properties for the Village of Cremona will be compared with municipalities in the region and with similar-sized municipalities across Alberta.

Table 18: Comparison of 2012 Tax Rates for Village of Cremona and Municipalities in the Region

Municipality	Population	Municipal Tax Rate for Residential Properties	Municipal Tax Rate for Non-Regulated Non-Residential Properties	Total General Municipal Taxes Levied
Mountain View County	12,359	2.35000	9.73000	\$23,968,907
Town of Crossfield	2,853	2.98840	4.17560	\$1,510,458
Town of Cochrane	17,580	4.65000	4.65000	\$16,647,046
Town of Olds	8,235	5.54320	7.58350	\$7,206,384
Village of Cremona	457	6.76456	13.60815	\$353,539
Town of Carstairs	3,442	6.80000	9.00000	\$3,046,088
Town of Sundre	2,695	6.87400	10.27400	\$2,509,739
Town of Didsbury	4,957	8.38900	8.63180	\$4,275,209

Note: This is a simple comparison of the municipal tax rate and does not take into consideration differences in assessment classes (such as vacant land), minimum taxes, and local improvement levies, special taxes, etc.

Based on the comparison from Table 18, the Village of Cremona is in the middle for municipalities in the region. Table 19 shows that the village has the lowest residential tax rate for similar-sized municipalities. For non-residential tax rates, the Village of Cremona is 8th highest out of 11 similar-sized municipalities compared and the village has the highest non-residential tax rate in the region.

Table 19: Comparison of 2012 Tax Rates for Village of Cremona and Similar-Sized Municipalities

Municipality	Population	Municipal Tax Rate for Residential Properties	Municipal Tax Rate for Non-Regulated Non-Residential Properties	Total General Municipal Taxes Levied
Village of Cremona	457	6.76456	13.60815	\$353,539
Village of Glendon	486	7.06540	7.06540	\$349,756
Village of Hay Lakes	425	7.36600	7.36600	\$269,944
Village of Bawlf	403	7.70680	7.70680	\$232,858
Village of Irma	457	7.77778	12.94500	\$471,968
Village of Clyde	503	8.50000	18.00000	\$297,208
Town of Granum	447	9.59000	11.52000	\$355,140
Village of Rosemary	421	10.05950	18.14340	\$259,285
Village of Caroline	501	10.31700	10.31700	\$377,150
Village of Ryley	497	11.27160	21.45360	\$570,407
Village of Edgerton	401	11.61800	11.61800	\$326,909
Note: This is a simple comparison of the municipal tax rate and does not take into consideration differences in assessment classes (such as vacant land), minimum taxes, and local improvement levies, special taxes, etc.				

The Village of Cremona does not have a minimum tax and there are no local improvement levies, which are additional charges on the property tax bill for approved local improvements affecting specific properties.

As of December 31, 2011, the Village of Cremona had 30 outstanding tax accounts (15 with more than \$10 in outstanding taxes), with \$6,556 in tax arrears. The village charges penalties on late payments. The tax penalties are 10 percent on the current balance one month after the tax levy date, 8 percent on the current balance three months after the tax levy date, and an additional 18 percent on the total outstanding balance on January 1 of the year after the tax levy. The village currently does not follow the tax recovery process outlined in Part 10 of the *Municipal Government Act* and has no system in place to actively pursue tax recovery on tax arrears.

Water and Wastewater Utility Rates

Water and wastewater (sewer) utility services in the village are funded through monthly fees charged to each customer. Water and wastewater utilities in the village are not subsidized from general revenues or property taxes as shown in Tables 20 and 21.

Table 20: Net Revenue for Water Services, Village of Cremona 2009 to 2011

Year	2009	2010	2011
Water Revenues	\$143,803	\$132,265	\$132,748
Water Expenditures	\$86,377	\$93,518	\$114,393
Net Revenue	\$57,426	\$38,747	\$18,355

Table 21: Net Revenue for Wastewater Services, Village of Cremona 2009 to 2011

Year	2009	2010	2011
Wastewater Revenues	\$46,674	\$35,965	\$35,269
Wastewater Expenditures	\$19,651	\$23,627	\$32,472
Net Revenue	\$27,023	\$12,338	\$2,797

The water and wastewater utility rates in the Village of Cremona are structured based on actual usage. As of April 2009, the water and wastewater rates charged to residential and commercial customers in the Village of Cremona are:

Table 22: Monthly Water and Wastewater Utility Rates, Village of Cremona

	Base Rate	Cost of Water or Wastewater
Water	\$2.50	\$3.36 per m ³
Wastewater	\$2.50	\$5.50 per m ³

In the village's self-assessment, the village had indicated that the village's utility rates are higher than rates from other municipalities and the rates are not competitive with rates from comparable municipalities. Due to differences in how utility rates are set in comparable municipalities, a comparison of utility rates is not available for this report.

Waste Management Rates

Waste management in the village is funded through monthly fees charged to each customer, and is also subsidized through property taxes each year. Residential and commercial customers are charged \$14.28 per month for waste management services.

Table 23: Net Revenue for Waste Management Services, Village of Cremona 2009 to 2011

Year	2009	2010	2011
Waste Management Revenues	\$29,780	\$30,851	\$31,925
Waste Management Expenditures	\$55,844	\$35,238	\$35,198
Net Revenue	(\$26,064)	(\$4,387)	(\$3,273)

Within the region, Cremona was one of three municipalities to show a net loss from its waste management services and it has the second lowest household waste management fees in the region (see Table 24). The Village of Cremona was also one of three municipalities to show a net loss when compared to other similar-sized municipalities in Alberta (see Table 25).

Table 24: Comparison of 2012 Waste Management Fees and Revenues for Village of Cremona and Municipalities in the Region

Municipality	Population	Monthly Waste Management Fees per Household	Net Revenue (Net Loss) for Waste Management Services
Mountain View County	12,359	--	\$13,499
Town of Crossfield	2,853	\$11.00	\$19,106
Town of Cochrane	17,580	\$18.00	(\$54,875)
Town of Olds	8,235	\$18.87	\$22,090
Village of Cremona	457	\$14.28	(\$3,273)
Town of Carstairs	3,442	\$16.00	(\$83,788)
Town of Sundre	2,695	\$17.50	\$13,759
Town of Didsbury	4,957	\$20.33	\$365,076

Note: Numbers in parentheses (brackets) are the net revenue amounts which are subsidized by the municipality for waste management services.

Table 25: Comparison of 2012 Waste Management Fees and Revenues for Village of Cremona and Similar-Sized Municipalities

Municipality	Population	Monthly Waste Management Fees per Household	Net Revenue (Net Loss) for Waste Management Services
Village of Ryley	497	\$6.30	\$3,181
Village of Bawlf	403	\$12.00	\$28,665
Village of Clyde	503	\$12.00	\$3,799
Village of Cremona	457	\$14.28	(\$3,273)
Town of Granum	447	\$14.42	\$17,614
Village of Hay Lakes	425	\$22.00	(\$1,617)
Village of Caroline	501	No information	\$13,270
Village of Edgerton	401	No information	(\$3,292)
Village of Glendon	486	No information	\$3,886
Village of Irma	457	No information	\$28,690
Village of Rosemary	421	No information	\$5,560

Note: Numbers in parentheses (brackets) are the net revenue amounts which are subsidized by the municipality for waste management services.

4. Service Delivery

Land Use Planning and Development

Land use planning in the Village of Cremona is governed by the Land Use Bylaw, which was approved in 2006 and last amended in 2011. At the present time, there are no active developments or development agreements in the village. In addition to the Land Use Bylaw, the village has an Intermunicipal Development Plan and an area structure plan which guides development in the village.

The Intermunicipal Development Plan provides a framework for both the Village of Cremona and Mountain View County to coordinate orderly development in the areas surrounding the village.

The East Area Structure Plan provides a framework concerning the proposed land uses, municipal servicing, and the approach to development within the area impacted by the Area Structure Plan.

Land use planning services are contracted by the village to Parkland Community Planning Services. Development services such as the issuing of development permits are handled by the Chief Administrative Officer of the village. Building or permit-related safety codes inspections are performed by a contractor. Since 2007, 33 development permits have been issued by the Village of Cremona.

Development permit fees range from \$100 for a residential dwelling to \$750 for a commercial, industrial, or multi-family development.

Waste Management

Village residents are provided with waste management services by the Mountain View Regional Waste Management Services Commission. The Commission provides residential and some commercial properties with biweekly garbage collection services. Households are limited to one bin (240 litres) of garbage per biweekly collection.

The recycling depot is operated by the Mountain View Regional Waste Management Services Commission and is maintained by the Village of Cremona. The recycling depot provides for the collection of recyclable materials to residents in Cremona and in the surrounding area.

Household waste disposal and recycling is also available to Cremona residents at all transfer sites operated by the Mountain View Regional Waste Management Services Commission.

Economic Development

The Village of Cremona is a member of the Central Alberta Economic Partnership, a regional economic development alliance composed of 42 municipal members and 14 associate members. As well, the village is a member of the Cowboy Trail Tourism Association. Membership to these two organizations is intended to bring greater awareness of the Cremona community through joint marketing initiatives conducted by these two organizations.

According to the *Village of Cremona's Municipal Sustainability Plan 2009 to 2012*, two economic development priorities were identified for implementation. The first priority was to develop a branding strategy for the village which included the development of a regional economic strategy with the Municipal Area Partnership and the development of a village marketing strategy in support of the regional economic development strategy. The second priority was to develop a business attraction and retention strategy which included the establishment of a council committee focused on business attraction and retention, the completion of an inventory of local businesses, and the development of a local business directory on the village's website.

As of December 2012, the village's marketing strategy has been developed. The village has produced an investment attraction brochure in collaboration with Mountain View County, but the village's economic development activities are limited to its membership and participation in the Central Alberta Economic Partnership, the Municipal Area Partnership, and the Cowboy Trail Tourism Association. The village has not formed a committee for business attraction and retention, the village did not complete its inventory of local businesses and the development of a business directory did not occur as the village's website project has been suspended due to the pending outcome of the Village of Cremona's viability review.

Policing and Bylaw Enforcement

Policing for the Village of Cremona is provided by the Royal Canadian Mounted Police (RCMP), from the Didsbury detachment.

Bylaw enforcement is performed by the village's Chief Administrative Officer and the village's part-time Peace Officer. The village has a collection of bylaws regulating activities and services within the municipality. Some of the actively enforced bylaws include bylaws concerning animal control, untidy and unsightly premises, licensing, snow removal, dogs and traffic within the municipality.

Cemetery Services

The Village of Cremona owns and maintains two cemeteries. One cemetery is full (all plots are sold). There is a perpetual fund for the cemeteries.

5. Regional Co-operation

Intermunicipal Relationships

The Village of Cremona has numerous inter-municipal relationships. The most prominent is the village's participation with the Municipal Area Partnership, a partnership between Mountain View County and the five urban municipalities within the county.

The Municipal Area Partnership facilitated the development of an Intermunicipal Development Plan which provided development standards in both urban and rural areas, coordinated planning of transportation networks, utility corridors, and economic development between the municipalities, and streamlined annexation between the partner municipalities.

The Municipal Area Partnership also developed a Memorandum of Agreement that forms the basis of an agreement between each urban municipality in the region and Mountain View County. The Memorandum of Agreement addressed the provision of urban municipal services to County residents, and provided revenue sharing for developments in the County that are connected to the urban municipalities' water and/or wastewater services.

The village also cooperates with other municipalities through participation in organizations such as:

- Mountain View Housing Foundation
- Mountain View Regional Waste Management Commission
- Central Alberta Economic Partnership
- Parkland Regional Library
- Cowboy Trail Tourism Association

6. Infrastructure

In 2005, the Village of Cremona commissioned MPE Engineering to conduct an infrastructure study of the Village of Cremona. The engineers found that since much of the municipal infrastructure was built between 1962 and 1990, there are some infrastructure issues that should be addressed by the village immediately. MPE Engineering found:

- Components of the water and wastewater (sewer) systems are just adequate or undersized for the village's population at the time;
- Roads were functional with some problem areas but some required upgrading to meet council's vision; and
- The storm drainage system was inadequate in some areas and a number of problem areas were reported.

The engineering firm provided an infrastructure priority list that identified \$8,989,500 (2005 dollars) of infrastructure projects that should be considered in the immediate future to 2025. The village has addressed some of the infrastructure issues identified by the engineering firm and these projects are reflected in Table 26 and in the Water and Wastewater, and Roads subsections.

Table 26: Village Infrastructure Priorities and Completion of Identified Projects to Date (2005-2013)

Infrastructure System	2005 Estimated Cost	Amount spent since 2005 to repair/replace infrastructure
Raw Water System	\$282,500	\$386,556
Water Treatment	\$1,725,000	\$2,183,662
Water Distribution	\$1,478,000	\$10,000
Sanitary Collection (Sewer/Wastewater)	\$1,808,000	\$10,000
Sanitary Treatment	\$840,000	\$305,196
Storm Drainage	\$638,000	\$120,000
Roads	\$2,174,000	\$183,303
All Infrastructure Priorities	\$8,945,500	\$3,178,717

Water and Wastewater

The Village of Cremona provides water and wastewater utility services to properties within the village through its network of five kilometres of water and wastewater lines. All water users are metered and bulk water sales are also available to the public.

The Village of Cremona water system consists of two water wells, a new water treatment plant completed in 2012, a pump house and a water reservoir/storage tank that was expanded in 2009. The village has a few decommissioned water wells as well as a new water well (Well 14) which was drilled in 2011, and came online in 2012.

According to the *Village of Cremona’s Municipal Sustainability Plan 2009 to 2012*, ensuring that existing municipal infrastructure is maintained was identified as a priority. The village has undertaken several major capital projects since 2009, including the completion of the treated water storage reservoir and the completion of upgrades to the village’s water treatment plant.

The village’s wastewater lagoon is currently working at capacity and requires an expansion in order to accommodate future growth in the community. An interim solution was implemented in 2006 at a cost of \$200,000 but a permanent upgrade is needed. Groundwater studies were initiated as part of this multi-year project in 2012 at a cost of \$50,000. The village’s 2013 budget has included \$50,000 for conceptual engineering plans to advance this project.

In addition to the lagoon project, the village had also identified an assessment of infiltration of the wastewater system in its Municipal Sustainability Plan. This assessment has not been completed.

Roads

The Village of Cremona has approximately four kilometres of paved and gravel roads within its municipal boundaries. The village is responsible for the construction and maintenance of the roads which includes

road or pothole repairs, dust control, and snow removal. Mountain View County is contracted by the village for grading and dust control application services. The village has two bylaws that address its roads and sidewalks. These bylaws are the Snow Removal Bylaw and the Street and Public Places Bylaw which are enforced by the RCMP, the village's part-time Bylaw Enforcement Officer, or in the case of snow removal, by village staff.

The portions of Highway 22 and Secondary 580 within the municipal boundaries of Cremona are maintained by Alberta Transportation.

In 2005, the village commissioned MPE Engineering Ltd. to complete an infrastructure study of the village's infrastructure systems. The engineering firm conducted an assessment of 16 different road sites and found the following:

- 5 roads/road sections need immediate upgrades or repairs to correct stability or drainage issues;
- 5 roads/road sections need medium-term upgrades as budgets allow; and
- 6 roads/road sections are deemed to be in reasonable condition and may need replacement in ten to fifteen years.

Since the infrastructure study was completed in 2005, the village has completed a few road projects to address the identified roads at a cost of \$260,000. In addition to the infrastructure repairs and replacements identified in the infrastructure study, the village had identified in the Municipal Sustainability Plan that investments in new infrastructure to accommodate growth were necessary. These upgrades include water and wastewater trunk line upgrades and road upgrades to the village's annexed lands. The upgrades will be completed once the village extends East Street and Boake Avenue to the annexed lands.

Currently, infrastructure assets within the Village of Cremona are not managed using a technology-based infrastructure management system.

7. Community Well-being

Based on the 2011 federal census, the population of the Village of Cremona was 457. This represents a small decline of 1.3 percent in the village population from 2006, when the last federal census was completed. The age profile of the Village of Cremona's population is shown in Table 26. The median age of the village's population is 39 years, which is 3 years older than the census division (Alberta Census Division 6) that the Village of Cremona is a part of.

Table 26: Age Profile of the Village of Cremona, 2011

Age Range	Number of Residents
0-19	135
20-54	260
55+	65

Note: The number of residents listed in this table is rounded based on Statistics Canada's census standards.

Family and Community Support Services

The Village of Cremona is served by Cremona Family and Community Support Services. Family and community support services are preventive social services offered within the village and the Cremona District in the county. The services offered by Cremona Family and Community Support Services include:

babysitting and parenting classes, a job board for local jobs, job coaching, an anti-bullying program, volunteer recognition, a seniors wellness program and literacy programs.

The Family and Community Support Services department is operated by a part-time director employed by the village. Funding for the Cremona Family and Community Services comes from a variety of sources including provincial grants and municipal contributions (see Table 27 for a breakdown of FCSS funding). The department also generates revenue through grants from the Cremona Recreation Board, donations, and user fees from classes and programs.

Table 27: Cremona FCSS Funding, 2012

Municipality	FCSS Funding (Provincial Grant + Municipal Contributions)	
	Total	Per Capita
Village of Cremona	\$16,122	\$35.28
Mountain View County	\$43,628	\$15.26
Note: The amount shown for Mountain View County includes the \$33,628 transfer of the county's provincial FCSS grant and \$10,000 for the Cremona FCSS coordinator.		

Parks and Recreation

The Village of Cremona maintains a few recreational facilities within the village and does not offer any recreation programs or services. The village maintains four parks, two playgrounds and the walking trails within Cremona. The remainder of the facilities such as the curling rink, arena, and the community hall are all owned and operated by community groups.

Some of the most active community groups in Cremona are the Lions Club, the Five-O (Seniors) Club, the Cremona and District Agricultural Society, the Curling Club, the Cremona Legion, and the two churches in the community.

Community groups in Cremona are partially funded through the Cremona Recreation Board, which is a board that is managed and funded by Mountain View County. The Village of Cremona does not fund any community groups for recreation programming. In 2012, the Cremona Recreation Board received funding from Mountain View County at a rate of \$59.66 per capita for each county resident residing in the Cremona District. This formula resulted in approximately \$ 176,600 that were distributed among the various groups in the Cremona District.

The development of an Open Space Master Plan was identified in the village's *Municipal Sustainability Plan 2009-2012*, along with strategies to maximize the use of recreation facilities in the village. The Open Space Master Plan has not been developed and the strategies to maximize the use of recreation facilities has had limited success as the village does not own or manage the recreation facilities in Cremona.

Based on social priorities found in the *Village of Cremona's Municipal Sustainability Plan 2009-2012*, Village council has hosted volunteer appreciation events for the community's firefighters, and for the Cremona School's theatre night. Strategies to work with the Family and Community Support Services Committee on a volunteer recognition program have not been implemented.

Library Services

The Cremona Municipal Library is located in the Village Office Building and is open to users for eleven hours per week, split between Monday, Wednesday, Thursday, and Friday.

In 2011, 6,789 items were directly circulated to users of the Cremona Municipal Library. In addition, approximately 1,200 items were lent or borrowed through interlibrary loans in 2011.

The library has four paid staff positions who worked a combined 729.75 hours in 2011. The library also has volunteers who contribute at least 85 hours of work per year towards the operation of the library, library programming, and fundraising.

The Cremona Municipal Library is funded by a combination of municipal contributions from the Village of Cremona and Mountain View County, provincial library operating grant, and other minor sources. In 2012, the Cremona Municipal Library received a grant of \$6,540 from the provincial government, \$17,100 (\$7.12 per capita for each county resident residing in the Cremona District) from Mountain View County and \$1,550 (\$3.39 per capita for each village resident) as well as in-kind contributions from the Village of Cremona.

The Village of Cremona is a member of the Parkland Regional Library. As a member of the Parkland Regional Library, the Cremona Municipal Library has access to the regional library's resources, services and support including, but not limited to computer and information technology support, resource sharing and references services such as interlibrary loans, eLibrary services, and the regional library's collection of audio books, large print books, and non-English materials.

Affordable Housing

The Village of Cremona is a member of the Mountain View Seniors Housing Foundation. Mountain View Housing Management Board manages six self-contained seniors apartment units in Cremona for low to moderate income seniors. In 2012, the housing foundation's requisition from the village was \$3,577.

According to the *Village of Cremona's Municipal Sustainability Plan 2009-2012*, affording housing for seniors and renters was a strategic priority for the village. Strategies were developed to complete a Regional Housing Needs Assessment, develop a plan to develop affordable rental housing in partnership with the Municipal Area Partnership, and develop a plan to provide affordable housing for seniors.

Implementation of these strategies has occurred – the Municipal Area Partnership did complete a housing study and seniors' accommodation is available in Cremona. However, vacancies at the seniors' apartments persist due to concerns about access to services and public perceptions about the state of the apartments.

Seniors Busing

The Village of Cremona does not operate any transit or transportation services. However, the village is served by a pilot handibus service that is funded jointly by the Tri-Community Transportation Committee (Mountain View County, the Town of Carstairs, and the Village of Cremona). The handibus is operated by the Rocky View Regional Handi Bus Society. The cost of the service to Cremona residents is: \$3.50 base fare + \$3.50 per 10 kilometres travelled. The handibus service is approximately 75 percent subsidized and Cremona riders are reimbursed \$20 per trip by the village for using the service.

8. Risk Management

Disaster services for the Village of Cremona are managed by Mountain View County. The village has an Emergency Response Plan that was developed as part of Mountain View County's Emergency Response Plan and is a participating member of the Mountain View Regional Disaster Services Agency.

Since the disestablishment of the Mountain View Regional Emergency Services Commission in 2011, ground ambulance services in the Village of Cremona are provided by Alberta Health Services.

The Cremona and District Fire and Emergency Services Authority provides fire and rescue services and is the first responder for the Village of Cremona, and the Cremona Rural Fire Protection Area. The Cremona Rural Fire Protection Area includes portions of the rural neighbourhoods of Dogpound, Elkton/Rugby, Fallentimber, and Water Valley/Winchell Lake within Mountain View County.

The Cremona and District Fire and Emergency Services Authority is governed by the Authority's members which are:

- 1 council member or alternate council member from the Village of Cremona;
- 2 members at large from the Village of Cremona;
- 1 council member or alternate council member from Mountain View County; and
- 2 members at large from Mountain View County.

The fire department is staffed by volunteer firefighters from the village and surrounding community.

The Cremona and District Fire and Emergency Services Authority is funded jointly by the Village of Cremona and Mountain View County. For the Fire Authority's operating budget, the village pays for 20 percent of the operating budget while the county pays 80 percent. Capital expenditures such as new fire trucks are cost-shared depending on the type of vehicle or equipment purchased.

Table 28: Cremona and District Fire and Emergency Services Authority Funding, 2012

	Village of Cremona	Mountain View County
Municipal Contribution (total)	\$30,000	\$120,000
Municipal Contribution (per capita)	\$65.65	\$46.35
Share of Fire Authority's Operating Budget	20%	80%

In January 2013, the Village of Cremona served notice to Mountain View County that the village would be withdrawing from the Fire Services Agreement. Unless a new fire agreement can be reached between the village and county prior to the termination of the existing fire services agreement, the fire department will not provide fire services in the county after January 2014. Fire services in the village will be provided after January 2014 in a manner to be decided by village council.

In addition to disaster, emergency and fire services, Cremona has limited health care services. A walk-in medical clinic operates in the village on Thursday mornings and pharmacy services are also provided on Thursdays as well. Beyond the walk-in clinic, the closest medical facilities are clinics in Carstairs and Cochrane, or the hospitals in Didsbury or Sundre.

How You Can Contribute To The Viability Review

The Initial Findings Report is meant to provide members of the Cremona community with information on what the Viability Review Team has analyzed and reviewed so far. Residents, concerned stakeholders and members of the public are asked to participate in the next phase of the viability review where they can contribute to the Viability Review Team's determination of the viability of the Village of Cremona.

Considerations for Public Input

The Viability Review Team would like to ask residents to review the Initial Findings Report and consider the following issues when contributing to the viability review:

1. After reviewing the Initial Findings Report, do you believe that the Village of Cremona is viable in the long-term?
2. Are there any services currently provided by the Village of Cremona that are not meeting your needs?
3. Are there any services currently provided by the Village of Cremona that you feel are not necessary?
4. Are there any viability issues not reviewed in the Initial Findings Report that you believe should be considered by the Viability Review Team?
5. Based on the information provided in the Initial Findings Report (pages 12 to 33), are there any areas that the Viability Review Team should reconsider?
6. In your opinion, what is the most significant viability issue in the Village of Cremona? How could this issue be corrected?
7. What do you believe is the main reason for the petition submitted by village residents that requested a dissolution study?

How you can contribute to the viability review

Residents, concerned stakeholders and members of the public can contribute to the Village of Cremona Viability Review in any of the following ways:

⇒ **Participate in a public meeting hosted by the Viability Review Team**

The Village of Cremona Viability Review Team and officials from Alberta Municipal Affairs will hold a public meeting on **May 22, 2013, at 7:00 p.m.** at the Cremona School, 206 - 3 St E., Cremona, AB to review the findings of the Viability Review Team, to answer questions concerning the viability review, and to gather input from the public on the findings of the Viability Review Team contained in the Initial Findings Report.

⇒ **Provide written input to the Viability Review Team**

For residents, concerned stakeholders and members of the public who are not able to participate in the public meeting, or would prefer to contribute by writing. Written submissions can be sent to the Viability Review Team at the following mailing address by **May 31, 2013**:

Alberta Municipal Affairs
Attention: Village of Cremona Viability Review
17th Floor, Commerce Place
10155 – 102 Street NW
Edmonton, AB T5J 4L4

Submissions will also be accepted via fax at 780-720-1016 or via email at viabilityreview@gov.ab.ca.

Questions?

For further information, please contact:

Coral Callioux
Chairperson
Village of Cremona Viability Team
Alberta Municipal Affairs

Kai So
Municipal Sustainability Advisor
Alberta Municipal Affairs

Email: viabilityreview@gov.ab.ca

Toll-free in Alberta by dialing: 310-0000 and entering 780-427-2225