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**FOR IMMEDIATE RELEASE**

## **2025 BUDGET**

*Town of Redwater Council has approved the 2025 budget that addresses long term and current challenges while providing valuable services for residents.*

**Redwater, AB, (December 16, 2024)** – The Town of Redwater Administration presented the 2025 Operating and Capital Budget at the Special Council Meetings and Regular Council Meetings from the end of November until early December, 2024. Details are available at [www.redwater.ca](http://www.redwater.ca).

At the December 10 meeting, Council approved a budget increase of 4.41%. The 2025 Operating and Capital Budget includes critical maintenance of equipment and facilities, maintenance of essential infrastructure, and a continuation of the long-term strategy to address the Town's aging underground infrastructure with Phase 2 of the 52 Ave Watermain project.

Mayor McRae acknowledges the difficulties experienced developing this year's budget and points out its successes, stating:

*"Municipalities only have three means of revenue creation: grants, taxation and user fees. These funding sources are needed to achieve the service levels our community needs and expects. Federal and Provincial grant funding has been reduced for many years meaning councils are left to struggle with the right mix of user fees and taxation. I think this year we got it right. Only time will tell!"*

*For the first time in decades, we replaced a section of a water line. We borrowed over \$400,000.00 that we must now pay back over time at an inflated rate. Borrowing is not a funding method; it is a financing method. We will repay this loan using funds that paid off debentures in past budgets, not by increasing taxes. This replacement strategy will continue for many years to come. Increased revenue from taxation will fund other new projects, purchase goods and replace reserves.*

*This year we also undertook raising user fees, especially in our utilities. These increases are also needed to maintain or enhance linear and vertical infrastructure. Maintenance is needed to ensure longevity and sustainability. User fee increases assist in leveling the costs between taxation and user pays across our utility and infrastructure spectrum. It also allows the consumer consumptive control."*

Administration worked with Council to find a balance between taxation and user fees as a source of funding for the 2025 budget, in addition to grant funding available. For the average Redwater home (assessed at \$212,455), 2025 municipal taxes will be approximately \$2,256 annually (\$188/month), an increase of around \$11 per month compared to the previous year.

As for utility rates, to ensure sustainability of funding for future capital and operating projects the Utility Infrastructure Reinvestment rider has been increased to \$0.40 per cubic meter of water (\$0.20/m<sup>3</sup> in 2024). To find balance between funding from taxation and user fees, the variable water rate has been increased to \$1.65 per cubic meter (\$1.45/m<sup>3</sup> in 2024) as well as an increase in the Sewer charge to 75% of water consumption charge (up from 45% in 2024). The monthly price of water set by CRNWSC has decreased during 2024, down to \$1.483/m<sup>3</sup> from \$1.8233/m<sup>3</sup> in 2024, which offsets the variable increase set by the Town.

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