

December 5, 2024

Diamond Valley Approves 2025 Budget with Balanced Approach to Service and Financial Sustainability

The Town of Diamond Valley has approved its 2025 Operating and Capital Budgets, reflecting a careful balance between maintaining affordability for residents and managing the growing financial pressures faced by municipalities. The final budget results in a 5.81% increase in tax revenue to be collected compared to 2024 - a significant reduction from the initially proposed 10.18% which would have been required to maintain 2024 service levels.

Mayor Barry Crane acknowledged the challenges inherent in this year's budget. "It's never easy to increase taxes, especially in tough times. But we've made sure to focus on what really matters to our residents—maintaining essential services while cutting costs where we can. This budget strikes the right balance between fiscal responsibility and investing in the future. Some reductions, like scaling back community events, donations, and public transportation, were tough decisions to make. But keeping taxes affordable means making those hard choices. I hope people understand that in this economy, maintaining lower taxes requires service level reductions."

Capital Budget

The Town receives approximately \$1.4 million annually in provincial grants, primarily allocated to infrastructure projects. When funding needs exceed this amount, the Town typically relies on either debentures (loans) or withdrawals from its reserves to cover the gap. However, for the 2025 Capital Budget, the Town has committed to funding all planned projects entirely through these provincial grants, avoiding the need for loans or reserve withdrawals. The approximately \$1.4 million Capital Budget for 2025 will support several essential projects, including:

- **Sheep River Watermain Crossing Replacement:** This critical project, delayed in 2024, is pending a provincial grant that could cover 70% of its estimated \$1.3 million cost.
- **Fire Engine Diesel Exhaust Upgrades:** The \$100,000 project ensures compliance with safety standards.
- **Arena Ice Plant Completion:** The final phase of this three-year project, totaling \$1.6 million, will be completed in 2025.
- **Arena Tile Replacement:** \$12,000 allocated for refreshing worn tiles.
- **Infrastructure Management Plan:** A comprehensive evaluation of roads, water systems, and other infrastructure to prioritize future funding.

Although an operating expense, the Town will undertake a major Infrastructure Management Plan in 2025 to evaluate its extensive network of roads, sewer and water systems, and other municipal infrastructure, forming the foundation of an asset management strategy to prioritize future capital funding for critical replacements and upgrades.

Operating Budget

The 2025 Operating Budget, totaling \$15,846,143, reflects a 5.81% increase in the amount of taxes to be collected compared to 2024, ensuring the Town can maintain essential services while addressing rising costs. It is important to note that actual tax changes for individual taxpayers will vary based on factors such as assessed property value, whether the property is residential or non-residential, and the education requisition rates set by the province, which the Town collects on their behalf.

To minimize tax increases, several non-essential services have been scaled back:

- Reducing the number of municipal events; removing Town support for Project Green Day, the Volunteer Appreciation Event, the Seniors' Tea, Light-Up Diamond Valley and the New Year's Eve Celebration. These events will only take place in 2025 if community groups take on their organization and funding.
- Discontinuing the Community Support Grant.
- Reduction in printed communications.
- Ending public transportation services.
- Implementing a hiring freeze and limiting non-mandatory staff training.
- Adjusting Municipal Office hours to Monday – Thursday, 8:00 a.m. – 4:30 p.m. (extended from the current 4:00 p.m.), and closed Fridays.

Chief Administrative Officer Adam Davey emphasized the importance of these changes. "This year's budget required tough decisions, but these adjustments allow us to manage rising costs while positioning the Town for long-term sustainability. Our focus remains on prioritizing essential needs over nice-to-haves to ensure responsible and effective use of public resources."

Utility Rate Adjustments

As part of the Town's move toward a full cost recovery model, utility rates will see an increase to consumption charges only, with fixed rates remaining unchanged:

- **Water Consumption:** Increasing from \$2.46/m³ to \$2.87/m³.
- **Wastewater Consumption:** Increasing from \$2.46/m³ to \$3.02/m³.
- **Paper Bill Fees:** There will be a new \$2 fee for paper bills, which will not apply to residents using the Town's online billing eServices. There will also be a \$10 charge for reprints of utility bills.

Balancing Affordability and Rising Costs

The 2025 budget reflects Diamond Valley's commitment to sustainable financial planning in the face of rising costs driven by inflation, insurance premiums, IT infrastructure upgrades, and increased RCMP funding obligations. Despite these pressures, the Town has prioritized maintaining affordability for residents while ensuring long-term fiscal responsibility.

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