

COUNCIL OPEN LETTER TO THE PUBLIC,



Recently there has been a lot of discussion about the Town's current financial position, our debt levels and what impacts it will have on our 2020 Municipal Budget. Council and Administration have extensively reviewed our operations and Council has accepted a number of recommendations that will guide them in finalizing their 2020 Operating and Capital budget. More information on what Budget 2020 will look like and its impact on the Town will be released next year.

CLARIFYING MISCONCEPTIONS:

1) The federal government is or could be called upon to audit the town.

False. The federal government has no jurisdiction over any local government in Canada. The Canadian constitution gives provinces the sole authority to regulate municipalities within their provinces.

2) The Province is investigating the Town's spending.

False. Every municipality in the Province is required to submit financial reports each year that outline how and, to some degree, what we are spending resources on. There are some indicators the Province has created to monitor local government spending and during their routine monitoring of our financial situation. They have made some recommendations to us in how we manage our debt.

3) The Town has exceeded its debt limit.

False. Municipalities have debt limits imposed upon them by the province, unlike provincial or federal governments which have no limits. The Town has used up most of its debt limit but has not exceeded it. Councils since 2009 have been paying back our debt obligations and we will continue to pay our obligations going forward. By 2029 (at the latest) we will have reduced our current debt load by more than 50%.

4) The Town spent 10 million dollars in 2019.

False. Since 2014, \$10,508,524 has been spent on capital projects, with the money coming from the following places:

\$502,142 – existing funds \$5,006,382 – provincial grants \$5,000,000 – long term debt

For a number of years, the Town financed capital spending with lines of credit, because of lower interest rates. However, we were notified this fall by the province that all short-term operating loans needed to be converted into long-term capital loans by the end of the year. Therefore, Council passed Bylaw 1082-19 which authorizes the Town to borrow \$5 million to pay off our operating lines of credit. This long-term debt will be paid off over the next 20 years at an interest rate of less than 3%. Considering this new long-term debt and our pre-existing long-term debt, the Town will now have approximately \$10 million in long term debt.

5) There will be no more capital grants for the Town.

False. While it is true that the province is expected to reduce municipal capital grants beginning in 2020, we still anticipate receiving around 70-75% of what we received in 2019. In 2019, we received \$621,377 from the province and \$244,422 from the federal government for capital projects. Before the 2019 election was called, the Town received a one-time grant of \$233,057. Going forward, we will still have significant capital funding to further invest in our community.



INVESTING IN RAYMOND

MUNICIPAL INVESTMENT

Since 2006, successive Councils have made the strategic decision to significantly invest in community recreation and leisure infrastructure that would promote growth by attracting families, regional tourism and outside investment from those who see Raymond's potential. The breakdown of these specific municipal investments since 2008 are as follows:

PROJECTS FUNDED ENTIRELY THROUGH GRANTS:

- 1) South Drainage Diversion: Total Cost \$2.3 million
- 2) Ice Arena Enhancements: Total Cost \$1.2 million
- 3) Centennial Park Redevelopment: Total Cost \$275,000
- 4) Walking Trail Pavement (2019): Total Cost \$125,000

PROJECTS FUNDED WITH GRANTS & LONG-TERM CAPITAL LEASE:

- 5) Municipal Solar Initiative: Total Cost \$2.3 million - \$500,000 grants - \$1.8 million operating lease. Ending 2034*

PROJECTS FUNDED WITH CASH, GRANTS & LONG-TERM CAPITAL LOANS:

- 6) Aquatic Centre: Total Cost \$3.8 million: \$1 million cash, \$1.8 million grants, \$1 million loan. Ending 2029
- 7) Victoria Park: Total Cost \$3.2 million - \$2.2 million grants, \$1 million loan. Ending 2027
- 8) Golf Course Redevelopment: Total Cost \$500,000 - \$500,000 loan. Ending 2022

Construction began on our new 3 court, beach volleyball complex, which has been funded entirely through donations. We are hosting the 51st Southern Alberta Summer Games from July 8-11 next year. This event will bring around 7,000 visitors to Raymond who will shop in our stores, enjoy our facilities and experience our hospitality! We just finished hosting the 2019 Alberta High School Football Championships and Lethbridge College has submitted an application to host the National Collegiate Soccer Championships in Raymond in 2020. Hopefully their application is successful!

PROVINCIAL & PRIVATE INVESTMENT

Since 2006, our population has grown from 3,200 to 4,241 or by 32.5%. As a result of this growth, our schools are over capacity and the province is considering a new \$30 million High School in Raymond. They have already invested \$3.4 million redeveloping our hospital into an integrated Health Centre, \$9.4 million constructing the new Ridgeview Lodge and have worked with the Good Samaritans to develop the Prairie Ridge Lodge. They are also funding the design for the last kilometer of pavement of Highway 845 in town which we hope will be approved for construction soon.

Three private subdivisions are being built to accommodate this growth as well as other potential developments which are being planned. Axia Fibre has invested \$5 million in Raymond, our main street business core has seen an influx of new businesses and redeveloped storefronts, along with some expansion within our industrial core. Our Economic Development office is working with local businesses and a number of private developers/investors to expand the services that are available to our residents. There has been substantial growth in the number of acreages that have been built on our fringe in the county and we now service a population of over 5,100 people who shop locally, use our facilities and support our schools, health centre and post office.

Since 2006 our total municipal property assessment has more than tripled from \$106,428,470 to \$340,088,370 in 2019. Our investment strategies are working.

FUTURE

Council will be focused on paying down our existing debt and leveraging our resources more effectively, while making strategic investments in our community. We know that communities that do not encourage and strive to attract growth will not be sustainable over time. Costs inevitably go up and unless there is new assessment to offset that growth, the existing property owners must shoulder more and more of these costs. Council is focused on continuing this pattern of growth while still retaining the excellent services, sense of community and small town feel that Raymond is known for.

Please contact us if you have any questions, concerns or compliments about anything going on in our community.

Sincerely, Raymond Town Council

*The Town did not incur any long-term capital debt as part of our Municipal Solar Initiative partnership with Enmax. The total cost to the Town will be \$1.8 million dollars paid over 15 years as a long-term capital lease.