

Background Notes from the Mayor's Desk - June 26, 2016

Is the Town of Sundre viable? A municipality that is non-viable is one that is broke with more debt than residents have any hope of repaying. An article in the June 21st Gazette quoted a Mountain View County Councillor asking whether Sundre is viable. I just happened to be attending the Mountain View County Council meeting the next day so I got the chance to answer the question.

Yes, the Town of Sundre is viable. A viability review is taken on by Alberta Municipal Affairs if a Council requests it. Our Council is not requesting a viability review, and is not considering it in any distant future.

I gave the following examples to Mountain View County Council as evidence that we are certainly a viable municipality:

- Since September of 2014, the Town of Sundre has gone from a 41% debt ratio to a 31% debt ratio because we have been aggressively paying down debenture debt, in anticipation of taking on borrowing debt to pay for the expansion of our wastewater treatment plant, which is at capacity;
- We put over \$1 million dollars in reserves last year (when we had budgeted to put away \$865,000) because we know we have to put money away so we can reduce the cost of borrowing for future projects;
- We probably have more cash reserves, proportionally, than Mountain View County, put away to pay for future water and wastewater upgrades (since we put every surplus \$ away);
- We spent almost \$1 million dollars on two infrastructure projects last summer to replace very old, and leaking, water and wastewater pipes to reduce infiltration problems within their systems, (we "are on" these issues);
- We have budget money set aside every year to repair and replace leaks in underground lines, and our staff continuously monitors, and prioritizes those projects;
- Council just approved a \$50,000 expenditure to gather "big picture data" on where the worst sections of underground lines are, so we can put in place a longer "plan" to prioritize replacement, set multi-year budget targets, while keeping the cost for ratepayers as affordable as possible (this will be required in the new Municipal Government Act [MGA] revisions);
- We spent almost \$1 million last year on the improvements to 10th Street, which involved improvements to water and wastewater lines, as well as laying a conduit for future broadband expansion (we shortened the plan for that project from 3 years to 1 year);
- We are capitalizing on the fact that we are a tourist destination and we are seeing more tourists in Sundre and the West Country than ever before, bringing increased inflows of capital to our community;
- We are growing. The Provincial government estimates our population to be almost 3100, when the last census indicated a population of 2695 (growth and assessment increases help keep taxes down).

My statement to Mountain View County Council was that anyone who would suggest Sundre was not viable was simply misinformed. I had the chance to inform them of the facts. I asked for a show of hands to indicate if there was a majority of Mountain View County Council that believed Sundre was not viable. The question about whether Sundre was viable was not an opinion shared by a majority of County Councillors.

Our community is Sundre *and* District. Our municipalities must work together in the same way our volunteers do. The revisions to the new MGA will require cooperation and collaboration. We will work with Mountain View County to develop joint applications for regional solutions to water and wastewater issues.

We have some big questions to wrestle with. The fact that every municipality in our country is facing infrastructure issues and infrastructure debt is the reason why you continually hear both Provincial and Federal governments talking about funding programs to help municipalities. The only way to deal with the issues of our time is to do more "working together" than we ever have. All levels of government must recognize we all draw tax money from only one taxpayer - and that taxpayer expects all levels of government to work together to find solutions to those issues of our time.

As always, please call me if you wish to talk further about any of these issues (403-559-7352).

Terry Leslie, Mayor



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Town of Sundre