



RED ROCK
A Superior Treasure

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COMMUNITY ANNOUNCEMENT

The Township of Red Rock would like to formally address any potential misinformation regarding the transition of its banking, specifically the decision to move certain accounts. The Township does continue to maintain operating accounts with the local financial institution and fully supports its vital role within our community. We thank the local staff for their continued excellent customer service provided on a daily basis to our organization, local businesses, residents within our community and the surrounding area.

In early 2023, Council and administration were faced with having to make the strategic and very difficult decision to move some of the Township's accounts to a different financial institution in order to facilitate the required funding model related to several large-scale infrastructure projects. These projects, totaling approximately \$35 million, required financing support as projects taken on by the Township of Red Rock. After vetting a number of potential lending institutions, one was selected as the best fit for the Township's needs based on the required parameters and limits allocated.

There is a common point of confusion at times related to the process of Government funding for infrastructure projects within a Municipality. For example, when the Township applies for and receives funding from the Government related to a specific project, it does not receive a pre-payment that can be deposited directly into the Municipal account. Instead, the Township must cover the project costs upfront and submit the required documentation back to the Government through a claims process for reimbursement. On average, this process can take as long as 90 to 180 days at times for a payment to be received from the different levels of Government related to their allotted portion.

The decision to approach other financial institutions in order to secure the required funding and borrowing capacity wasn't made easily and without extensive discussions with the local financial institution prior to exploring other options. Council and administration have openly discussed the reasons for moving to a new financial institution during open public meetings. This decision was thoroughly thought out and made with the best interest of the Municipality in mind.

In conclusion, if we did not secure this required funding and borrowing capacity, we would not have been able to make the necessary payments and obligations required thus having a significant effect on daily operations and additionally affecting the Township's financial position and any future funding potential. The Township continues to work diligently to ensure the transparency and successful financial stability within the Corporation along with completing its major remaining infrastructure projects, additionally working to continue to maintain strong relationships with the local financial institution and all other local businesses.

Mayor Darquise Robinson