



# Capital Budget

# 2024-2025

Municipality of Argyle

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Department of Finance / CAO



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# Capital Budget Highlights 2024-2025

## Purpose

The Purpose of the report is to summarize the major capital projects proposed for 2024-2025.



# Capital Investments for 2024-25

## Executive Summary

Overall, Argyle has seen a considerable increase in funding opportunities to support capital projects. Equally increasing is the demand and the cost to replace or build new infrastructure. The demand for contractors continues to be high despite inflation.

The total budgeted capital cost this year reaches \$5.7 million dollars. Argyle could not achieve this result without external funds. We expect to invest \$1.0 million in Federal “Gas Tax” funding, and 3.0 million in provincial and other federal funds. The remaining 1.7 million shall be paid for by users, as well as through capital reserves from the prior and current year. In short, the budget execution is ambitious, and staff are committed to meeting the challenge. From Council’s perspective, we are pleased to confirm that your capital reserves investment shall result in projects worth 5 times the investment. This is the power of leveraging your savings to attract other funding partners.

Argyle wishes to acknowledge and thank Atlantic Canada Opportunities Agency, and various departments of the provincial government for their support of our projects.

## Major Investments 2024-2025

### **Multiyear projects already approved.**

*(These projects are included in your budget, but have been pre-approved and/or funded)*

#### **East Pubnico Water Tank Refurbishment**

**Total investment - \$1,340,000 - \$100,000 municipal investment**

As of today's date, phase one of two is completed. An RFP and final repair shall be completed on the off season of the major water user. This project should be completed before the end of fiscal year.

#### **Rue JE Hatfield Court Road and Sewer Expansion**

**Total investment - \$ 800,000 – municipal contribution \$255,000, gas tax, \$305,000 reserves.**

This project contemplates the extension of the public road to promote housing and possible commercial development in Tusket. This project is one of three tactics Argyle is employing to encourage housing growth. The funds injected from reserves are expected to be fully recovered through the sale of lots transpiring from this upgrade.

#### **Rural Internet Upgrade – Final Installment**

**Total investment - \$93,000, Argyle contribution (gas tax) \$93,000**

The upgrade is essentially complete, with the final contribution payable this year.

### **West Pubnico Sewer Overflow**

**Total investment \$175,000, Argyle contribution \$87,500, gas tax.**

This project was delayed last year as the tender had no bidders; the tender is being reissued this spring with the expected completion by November 2024.

### **Mariners' Center Outdoor Play Initiative**

**Total investment \$800,000, Argyle contribution \$100,000, reserves.**

We contemplate a major commercial donation to add a significant recreational addition to the Mariners Center location. Our contribution is limited to planning and preconstruction design, testing, laydown area etc.

### **Tusket Sewer Treatment Plant Expansion (Multiyear)**

**Total estimated investment \$250,000, Argyle contribution, gas tax, \$125,000 (year one only)**

The Tusket expansion is an approved, 50% funded project. The sand filtration plant is nearing its end of life for repair, and Tusket is growing. The expansion will allow for an expanded sewer ridership, as well as enable repairs on the original site.

### **Tusket Brewery Treatment Upgrades**

**Total estimated investment \$150,000, Argyle contribution \$150,000, reserves.**

The cost and approach to this required upgrade is still unknown, as engineered design shall depend on water use and future use. Also, there is no commitment for any third-party funding on this item currently, conservatively we have only one funder in the budget. We acknowledge that the cost of this is speculative, we expect further council input as the year unfolds. The upgrades are necessary for environmental protection.

**Tusket Courthouse – Repainting and Culvert Replacement**

**Total investment \$80,000, Argyle contribution \$80,000, reserves.**

The windows at the courthouse have been replaced, phase 2 is repainting the entire building, which was deferred to this year. The culvert has failed, and to protect additional flooding issues we will be replacement. Currently, we are assuming Argyle funding only, but other avenues are being considered. Both roof and windows are at the end of life. The Courthouse staff will lead a fund raiser and may yet receive government funds to support this project.

**Debt Repayment – Municipal Administrative Building**

**Total investment \$287,800, Argyle contribution \$239,800 gas tax, \$48,000 reserves.**

Argyle has entered year 3 of 10 for repayment of the administrative building debt. The debt was issued through a Federation of Canadian Municipalities' grant, which we received as a net zero energy building. The gas tax fund will make its final contribution this year, as the energy component of the building was capped at \$1,400,000 in cost. Future repayments will come out of reserves. It should be noted that Argyle earns more interest from its reserves than the cost of borrowing.

**Track and Field – Par-en-Bas School**

**Total investment \$1,758,000, Argyle contribution \$166,000 (gas tax).**

The track has been prepared and paved in 2023, what remains is touch up of paving to standards, and the installation of the synthetic surface. The expected completion is July 2024, and is contractor and weather dependent.

### **East/West Pubnico Exit 31 – Highway Sign Replacement**

**Total investment \$25,000, Argyle contribution \$25,000, reserves.**

After a comprehensive public engagement, we are set to recommend 2 pictures for two sign replacements. We expect the signs to be replaced by August 2024, in time for CMA 2024. The initial sign was paid by the province over 20 years ago, with the agreement at the time that the replacement would be at our cost.

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## **New Projects for Consideration 2024-2025**

*(These projects have been recommended by staff but not yet approved by motion of council)*

### **Mariners' Center – Capital Request**

**Total estimated investment \$150,000, Argyle contribution \$150,000, reserves.**

No budget received thus far from Mariners Center. We contemplate our portion of cost for roof replacement, and planning the ice surface replacement slated for 2025-26, along with other smaller requirements.

### **Fleet Electrification - Study**

**Total investment, \$45,000, Argyle contribution, gas tax, \$13,500.**

This 70% funded study shall examine current and future fleet needs, recommend reduction of carbon-based equipment, considering hybrid and full electrification. The study would be a pre-requisite to a funded purchase of an electrified vehicle or equipment.



### **Grant Investigation – Federal Funding Options**

**Total investment, \$10,000, Argyle contribution, \$10,000, reserves.**

This CAO led project identified two projects that were unfunded that are ongoing interests of Council, namely the Hipson Bridge retrofit and pathway construction and retrofit (currently in study mode). We have identified a need for outside assistance in finding unique grant opportunities that are not known to municipalities. The firm specializes in federal grant identification.

### **Municipal Administrative Office – Acoustics and Accessibility**

**Total investment, \$33,000, Argyle contribution, \$18,000, reserves.**

The exterior concrete pathways require improvement to enable barrier free access to our front entry and to our back parking lot. The relatively small project shall be funded entirely. The acoustics in the building have long been investigated, and the availability of appropriate improvements has been a staff challenge. We currently predict a locally constructed solution would suit the building best.

### **TownSuite Financial and Planning Upgrades**

**Total investment, \$200,000, Argyle contribution, \$150,000, reserves.**

The planning and operation departments have inadequate software support for asset management, permitting and fire inspections. The development of an Asset Management Plan (including execution of the plan) is a pre-requisite of Gas Tax funding. The upgrades will also include updates to our financial system, specifically in Human Resource Management. This one-time capital fee shall be followed by annual operating fees that will be in the operating fund in the future.

### **Vehicle Replacement - Plow**

**Total investment, \$90,000, Argyle contribution, \$90,000, reserves.**

Our main plow truck has passed the end of its useful life and has been identified as requiring safety-related upgrades. This amount shall be purchased a new (or new to us) plow truck and related equipment, and the old truck shall be kept under low use.

### **Pathway Initial Design – Study of Tusket & Plymouth Locations**

**Total investment, \$120,000, Argyle contribution, \$48,000, reserves.**

Both designs are expected to be funded, with two possible funding options provincially. We await confirmation from one funder. The study shall commence this year, with expected completion this year, but that is engineer dependent. This study would be a necessary component for future pathway funding during construction.

## **New Projects funding dependent 2024-2025**

### **Argyle Housing Study**

**Total investment, \$90,000, Argyle contribution \$18,000, gas tax.**

We are awaiting word on a hopefully successful federal funding application. The current capital budget excludes this amount and will only be considered if federal funding request is successful. Our fiscal focus is on expansion of infrastructure to support housing, which is of high priority to Council.