

TOWN OF LUNENBURG
SPECIAL COUNCIL MEETING (CAPITAL BUDGET) AGENDA
Monday, January 12, 2026 | 6 pm
Lunenburg Town Hall – Council Chamber
120 Townsend Street



NOTICE: Council meetings are open to the public and held in Town Hall. **Please use the back entrance at 120 Townsend Street.** The public can also watch meetings through Zoom. To livestream this meeting starting at 6 pm, use this Zoom link:
<https://us06web.zoom.us/j/87232919777>

Please note that all Council meetings are livestreamed through Zoom and meeting recordings are archived on the Town's [YouTube](#) channel.

1. CALL TO ORDER

2. LAND ACKNOWLEDGEMENT

This meeting takes place in the traditional and ancestral territory of the Mi'kmaq people. We are all Treaty people.

3. ADDITIONS/ DELETIONS TO AGENDA

4. APPROVAL OF AGENDA

4.1 January 12, 2026 Special Council Meeting

Recommendation: That Council approve the agenda for the January 12, 2026 Special Council meeting as presented.

5. PRESENTATIONS

5.1 2026/27 Draft Town Capital Budget Presentation

- Draft Water Utility Capital Budget
- Draft Town General Capital Budget

5.2 Information Report: 2026/27 Town General Capital and Operating Reserves

6. PUBLIC INPUT SESSION ON PROPOSED BUDGETS

This Special Council Meeting has been scheduled to present the 2026/27 Draft Town General Capital Budget and the Draft Water Utility Capital Budget.

Following the budget presentations, there will be an opportunity for members of the public to provide input and ask questions. All questions will be directed through the Mayor, as Chair of the meeting. Clarifying or direct questions may be addressed during

the meeting. For questions requiring further review or detailed responses, staff may collect contact information and follow up as appropriate after the meeting.

Members of the public who wish to speak on the budget but are unable to attend in person may participate virtually. To speak virtually, registration is required. Please contact adminsupport@townoflunenburg.ca or 902-634-4410 x225 no later than Monday, January 12 at 12:00 p.m. Virtual attendees who have not registered in advance will not be allowed to speak during the meeting.

Each speaker will be limited to three (3) minutes.

7. CLOSED SESSION

8. ADJOURNMENT



Subject: 2026/27 Draft Water Utility Capital Budget

Prepared by: Lisa Dagley, Finance Director and
Kathleen Rafuse, Deputy Finance Director

Date: January 12, 2026 – Special Budget Council Meeting

Recommendation

For Council's review.

Discussion and Financial

Staff have prepared a draft 2026/27 Water Utility Capital Budget for Council's review.

The 2026/27 capital projects for the Water Utility total \$777,000 and are funded as outlined in the budget worksheet.

The Projected Reserve balances for the Water Utility at March 31, 2026 are as follows:

Future Land Purchases	\$305,900
WTP Membrane Replacement	78,300
Future Capital	593,200
Depreciation Reserve	1,548,600
	\$2,526,000

To assist Council with the review of these documents staff will provide an overview of the projects included in the 2026/27 Draft Water Utility Capital Budget, the slides for this overview have been provided as an attachment to this report.

Enclosures:

- a. Water Utility Draft 2026/27 Capital Budget Presentation
- b. Water Utility Draft 2026/27 Capital Budget

2026/27 CAPITAL BUDGET PRESENTATION WATER UTILITY

JANUARY 12, 2026



WATER UTILITY PLANT/WATER PRODUCTION



■ Tank Bypass Line

- Currently treated water exiting the Water Treatment Plant needs to enter the adjacent storage tank before entering the distribution system. The tank bypass line would allow water to leave the plant and enter the distribution system if the tank needs repairs.
- **Budget: \$586,000**



WATER UTILITY BUILDING IMPROVEMENTS



■ Armouries Exterior Improvements

- This project will provide funding to make exterior improvements such as window and door upgrades, repairing rotted boards, etc.
- **Budget: \$25,000**



WATER UTILITY WATER SYSTEM



■ Water Meter Rollout

- Supply and install of residential meters for customers, rollout approved by Council on April 12, 2022, tender for work awarded August 19, 2025. Installs beginning in January 2026.

- **Budget \$1,048,000**

■ New Services

- Supply and install new water services as required.
- **Budget: \$20,000**

■ Replacement Hydrants

- New hydrants are installed as required and funds places in the budget yearly for new hydrants.
- **Budget: \$20,000**



WATER UTILITY WATER SYSTEM



- **Renewal Maple Avenue**

- Project will focus on design work for the renewal of the watermain on Maple Avenue.
- **Budget: \$26,000**

- **Transmission Main Renewal**

- Planning/Preparation for future work
- **Budget: \$100,000**





**Town of Lunenburg - Water Utility
Capital Budget 2026/27**

	Year 1	Year 2	Year 3	Year 4	Year 5	Future	2026/27 Funding	
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32 to 2035/36	Depr Reserve	Future Capital Reserve
Water Utility								
Plant/Water Production								
Cleaning System at Intake		\$140,000						
Tank Bypass Line	\$586,000							\$586,000
Chlorine Scales Upgrades								
T1 and T2 Tank Replacements		\$105,000						
Building Improvements								
Repair Spillway (pre-approved)								
Raw Water Pumphouse Waterproof Foundation								
Armouries Exterior Improvements	\$25,000						\$25,000	
Solar Array at WTP						\$385,000		
Water System								
Water Meter Rollout (<i>see below</i>)								
New Services	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000		\$20,000	
Replacement Hydrants	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000		\$20,000	
Knickle Road - Renewal		\$100,000						
Renewal - Maple Ave.	\$26,000	\$550,000					\$26,000	
Various Renewals			\$550,000	\$550,000	\$550,000			
Transmission Main Renewal	\$100,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$9,000,000	\$100,000	
Total	\$777,000	\$1,935,000	\$1,590,000	\$1,590,000	\$1,590,000	\$9,385,000	\$191,000	\$586,000

Previously Approved Multi-Year Project

Water Meter Rollout	\$1,048,000
Funding from Depreciation Reserves	

Project spans fiscal 25/26 & 26/27.

Legend

 Projects not financed in projected capital financing, grants will need to be secured

Draft v1.0

CAPITAL BUDGET NOTES

Water Utility

Plant/Water Production

Tank Bypass Line

Currently treated water exiting the Water Treatment Plant needs to enter the adjacent storage tank before entering the distribution system. The tank bypass line would allow water to leave the plant and enter the distribution system if the tank needed repairs or maintenance work to be performed. Line to be installed in the green area adjacent to the Plant and the storage tank. Some further refinement of the design, consultation with NSECC and the construction costs are included within the Budget.

Building Improvements

Armouries Exterior Improvements

This Project is intended to provide budget for exterior improvements such as repairing rotted boards, painting, trim replacement, window and door upgrades, etc.

Water System

New Services

If a new water service is required, the cost of the service installation is allocated to this account. This item is placed in the budget yearly in the event that new installations are required.

Replacement Hydrants

New hydrants are installed as required and funds placed in the budget yearly in the event new hydrants are required.

Renewal – Maple Avenue

Project will focus on design work for the renewal of the watermain in Maple Avenue. This is an old cast iron section of main and is planned to be combined with the road reconstruction project included in the Town Capital Budget.

Transmission Main Renewal

One of the primary recommendations from the Water System modelling was that the main transmission main from the Plant to Garden Lots be upgraded due to its age and importance to the Town. The recommendation included upsizing the entire line to 400mm diameter. The total estimated cost included in the report for this upgrade was \$15M. Due to the size/cost of this project, grants will need to be sourced to assist with the project costs.

Draft v1.0



Subject: 2026/27 Town General Draft Capital Budget

Prepared by: Lisa Dagley, Finance Director and
Kathleen Rafuse, Deputy Finance Director

Date: January 12, 2026 – Special Budget Council Meeting

Recommendation

For Council's review.

Discussion and Financial

Staff have prepared a draft 2026/27 Town General Capital Budget for Council's review.

The 206/27 capital projects for the Town General total \$3.895M and are funded as outlined in the budget worksheet.

To assist Council with the review of these documents staff will provide an overview of the projects included in the 2026/27 Draft Town General Capital Budget, the slides for this overview have been provided as an attachment to this report.

Enclosures:

- a. Town General Draft 2026/27 Capital Budget Presentation
- b. Town General Draft 2026/27 Capital Budget

2026/27 CAPITAL BUDGET PRESENTATION TOWN GENERAL

JANUARY 12, 2026

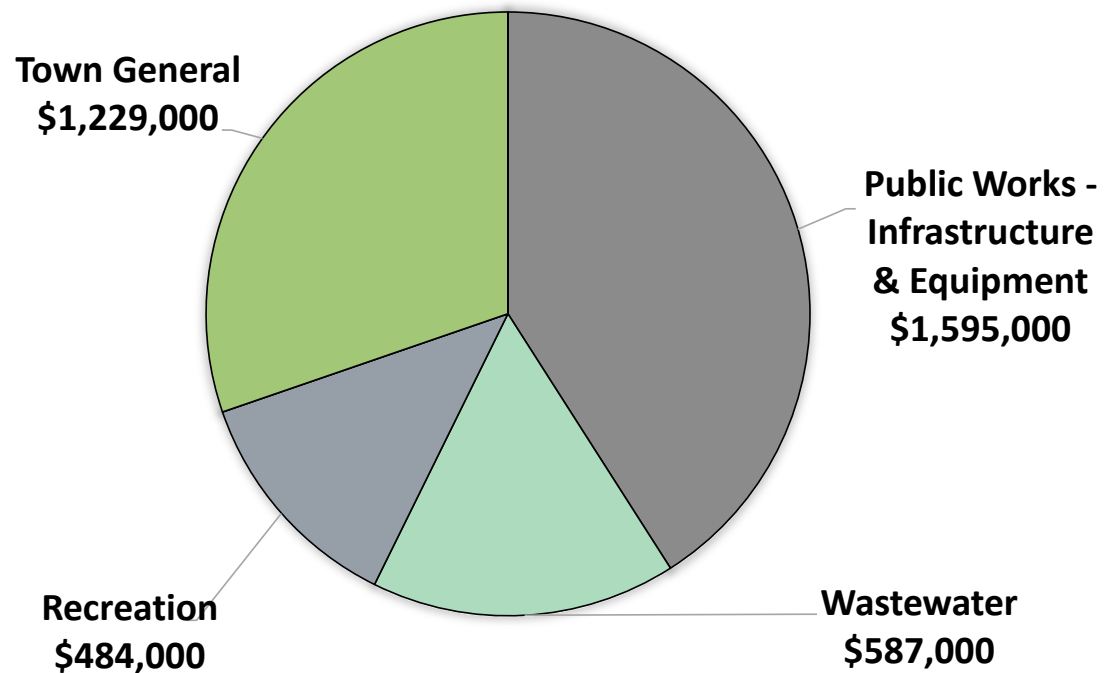


TOWN GENERAL TOTAL CAPITAL BUDGET (EXCLUDING WWTP UPGRADE)



- **Town General Fund**

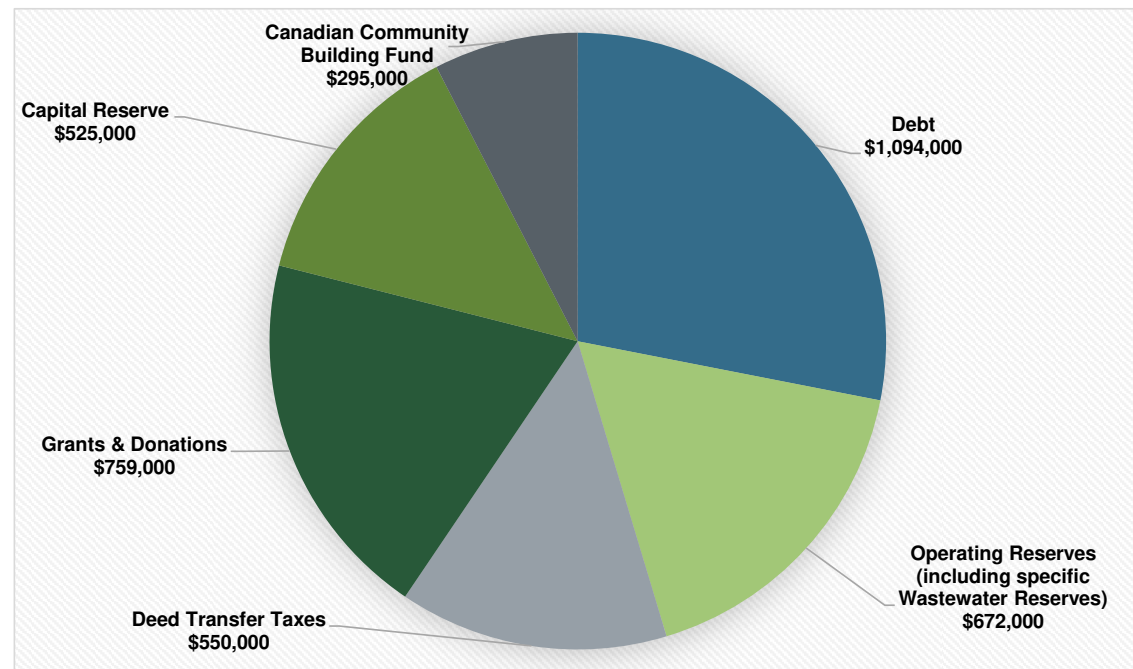
- \$3,895,000



2026/27 DRAFT CAPITAL BUDGET PROPOSED FINANCING (EXCLUDING WWTP UPGRADE)



- Town General Fund
 - \$3,895,000



TOWN GENERAL BUILDING IMPROVEMENTS



- **Town Hall-Interior Restoration**
 - Phase 1 of this multi-year project began in fiscal 2025/26 with roof repairs.
 - In 2026/27 the proposed budget will fund the development of the scope of work for Interior Restorations and reconfiguration of Town Hall to make it more efficient and incorporating accessibility requirements.

Budget for 2026/27: \$100,000



TOWN GENERAL BUILDING IMPROVEMENTS



■ Old Fire Hall Interior Assessment (study)

- An interior assessment study will be undertaken to examine the suitability of the Old Fire Hall being utilized as office space during the Town Hall Restoration.

Budget: \$50,000



TOWN GENERAL BUILDING IMPROVEMENTS



■ Lunenburg Academy

- Roof Repairs
- Preapproved on December 9, 2025
- Tender release target mid-January
- Budget **\$1,039,000**

■ Lunenburg Academy

- Public Washroom Site Preparation
- Budget **\$10,000**



TOWN GENERAL BY-LAW ENFORCEMENT



- **By-law Enforcement Vehicle**

This vehicle will be used by the By-law Enforcement officer to carry out the duties as required including parking enforcement, conducting routine patrols, bylaw enforcement, responding to inquiries/complaints.

- **Budget \$30,000**



Parking During a Winter Snow Event and Snow Removal



PELHAM STREET UPGRADES NEW SIDEWALK RENEWALS



■ Pelham-Shipyard Hill to Town Limits

- Renewal of existing sidewalk along Pelham St. from Town Limits to Rous Brook up to Shipyard Hill.
- Approximately 375m of sidewalk, with curb and driveway openings included.
- **Budget: \$470,000**



PUBLIC WORKS PELHAM STREET UPGRADES



■ Pelham Street-Prince Street to Hopson Street

- This is Phase 2 of road reconstruction work on Pelham and is from Prince to Hopson on Pelham Street (approximately 90m). This includes removals, re-construction of road subgrade, base gravels and re-paving to match existing grades.
- **Budget: \$275,000**
- Storm System Upgrades with project scope.
- **Budget: \$30,000**
- Sanitary System Upgrades within project scope, including approx. 74m and one new manhole
- **Budget: \$115,000**
- **Total 2026/27 Budget for Pelham Street \$420,000**



PUBLIC WORKS

NEW SIDEWALK RENEWALS



- **Victoria-Green to 180 Victoria Road**
 - Renewal of existing sidewalk along Victoria road from the intersection with Green Street up to the crossing opposite the Hardware Store.
 - The design for the sidewalk is to be completed in 2026/27 and construction may proceed in two phases over two years.
 - Phase one-Green to Hall Street approx. 220m
 - Phase two-Hall Street to the crosswalk #180 approximately 230m for a total of 450m in total.
 - This project was included in the Safe and Active School Routes funding application.
 - **Budget: \$50,000**



PUBLIC WORKS

NEW SIDEWALK



- **Viability Study-Victoria at James & Maple**
 - This study will investigate the viability and costs associated with:
 - a) The construction of a sidewalk/crosswalk to connect James Road to the existing transportation network on Victoria Road;
 - b) The construction of a sidewalk along Maple Avenue from the existing termination at Dufferin Street (near Churchill Street) to the connection with the Bay to Bay Trail,
 - **Budget: \$50,000**



PUBLIC WORKS STREET RECONSTRUCTION/RESURFACING



- **Maple Avenue-Road Reconstruction**
 - Investigation and design work for the road reconstruction to improve the driving surface on Maple Avenue. Will be impacted by the sidewalk viability study and water main renewal projects.
 - **Budget: \$50,000**



PUBLIC WORKS STREET IMPROVEMENTS



■ **Accessibility Improvements**

Improvements to existing infrastructure such as designated parking stalls, grades on ramps, adding tactile warning strips, widening sections of sidewalks, adding rails, etc. These improvements will be rolled out as new guidelines come into effect.

- **Budget: \$25,000**

■ **Downtown Traffic Improvements**

Smaller capital works focusing on crosswalk safety, speed monitoring, infrastructure, intersection and line painting improvements.

- **Budget: \$50,000**

PUBLIC WORKS EQUIPMENT



- New Salt Truck (09 Replacement)
 - Budget: \$380,000
- New Trackless M7 Sidewalk Machine
 - Budget: \$225,000
- Miscellaneous Tools
 - Budget: \$20,000



PUBLIC WORKS WASTEWATER TREATMENT PLANT



■ Biofilter Media

- Remove and replace the existing biofilter media materials utilized for odour suppression at WWTP and perform general maintenance of the system.
- **Budget: \$200,000**

■ Various Items

- Upgrade/replacement of smaller capital items for Plant
- **Budget: \$35,000**



WASTEWATER TREATMENT STORM SYSTEM



■ Tannery Road Culvert

- Staff are collaborating with the Coastal Communities Cohort to focus on the best fit/funding to initiate the renewal of the existing buried culvert between Victoria Road and Tannery Road. Planned to undergo the first phase of design with construction to follow based on funding support.
- **Budget: \$100,000**



WASTEWATER TREATMENT SANITARY SYSTEM

- **Back Harbour Station Upgrades**
 - This lift station is an older lift station and needs several aspects of its functionality assessed and improved. It is expected that there will be some structural improvements to the above ground building to provide more working space, but this may impact other aspects of the lift station (electrical, access points, etc.)
 - **Budget: \$32,000**
- **Pump Replacement at Lift Stations**
 - Strategic Replacement of the pumps at lift stations for asset management purposes.
 - **Budget: \$75,000**



WASTEWATER TREATMENT PLANT



- **Plant Upgrade-Budget: \$12,075,000**
- Tender awarded April 22/25 along with approval of revised budget amount
- SBR Tank construction is expected to be completed in early 2026.
- Foundation for the additional electrical room has been constructed.
- Roofing, HVAC and mechanical work have all proceeded within the existing building, with electrical to start soon.
- Process upgrades (headworks, UV disinfection and SBR tank) are scheduled through the Winter and Spring.
- Expected completion in Summer 2026.



RECREATION BASEBALL FIELD REPAIRS



- To improve field drainage by installing a French drain tied to a box culvert undertaken by Public Works.
- **Budget: \$ 10,000**



RECREATION/COMMUNITY CENTRE ACCESSIBLE ENTRANCE & EXTERIOR IMPROVEMENTS



- An Accessibility Audit was completed in Spring of 2023. Recommended upgrades included an exterior entrance pathway, repairs to path surface, renovating stairs, installation of handrails and additional seating. Removal of existing non-functioning door and provide concrete base to prevent water infiltration.
- **Budget: \$ 99,000**

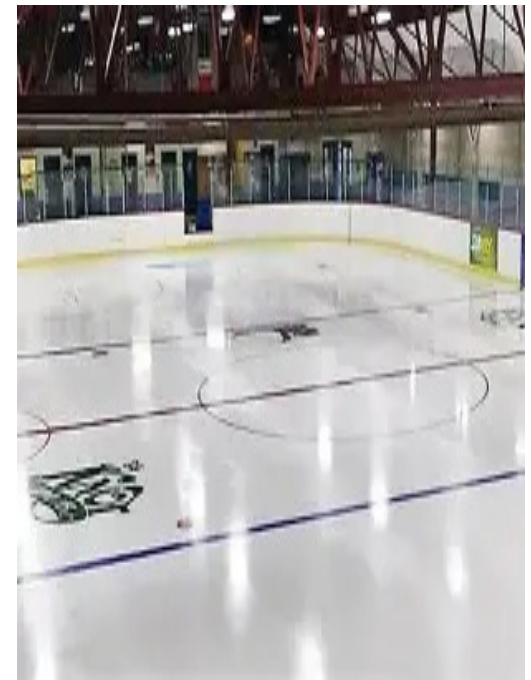


RECREATION ARENA ICE PLANT UPGRADE



- Ice plant review determined the condenser, dehumidifiers, and compressor are at the end of life and require replacement to avoid malfunction (plant breakdown).
- Asset Review:
 - The condenser is from 2012.
 - The compressor is from 1992.
 - The dehumidifiers require replacement and were second-hand when installed.
 - Concerns of age, maintenance and repairs as replacement parts are difficult to acquire if in stock or have long lead times.

Budget: \$ 270,000



RECREATION TRUCK



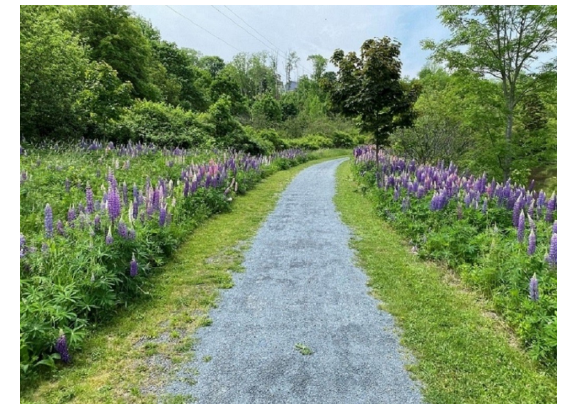
Mid-Sized 4x4 Truck

- The recreation department currently does not have a vehicle. This budget will provide funding to purchase a used 4x4 truck that will provide transportation for staff to maintain parks, playgrounds & trails throughout the Town and other various maintenance tasks.
- **Budget: \$ 35,000**

RECREATION MASTER PLAN



- This budget will provide funding to review current assets and the creation of a strategic plan for the future of the recreation department infrastructure and programs.
- **Budget \$70,000**





Town of Lunenburg - Town General Fund
Capital Budget 2026/27

	Year 1	Year 2	Year 3	Year 4	Year 5	Future	Fiscal 26/27 funding YEAR 1									
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32 to 2035/36	DTT	Op Rsv	Capital Reserves	CCBF/Gas Tax	PW Equip Reserve	Sewer Rsv	Sewer Biofilter Rsv	Grants	LAF	Debt
Town General																
Town Hall																
Exterior Restoration: Total Budget		\$2,350,000														
Interior Restoration Design	\$100,000							\$100,000								
Interior Restoration			\$2,000,000	\$2,000,000	\$2,000,000											
Public Works																
PW Relocation Feasibility Study					\$40,000											
New Facility (Planning, Design, Construction)						\$2,700,000										
Victoria Road Building																
Old Fire Hall																
Interior Assessment (study)	\$50,000							\$50,000								
Exterior Upgrades/Interior Improvements			\$200,000													
Public Washrooms																
Lunenburg Academy																
Roof Repairs (pre-approved Dec.9/25)	\$1,039,000													\$300,000	\$250,000	\$489,000
Public Washroom Site Preparation (CF 25/26)	\$10,000							\$10,000								
Foundation Repairs					\$500,000											
Beautification																
Urban Forest			\$25,000	\$25,000	\$25,000											
By-law Enforcement																
Vehicle	\$30,000								\$30,000							
Public Works																
Sidewalk Renewal																
Pelham - Shipyard Hill to Town Limits	\$470,000						\$200,000	\$270,000								
Victoria - Green to 180 Victoria Rd	\$50,000	\$330,000	\$280,000				\$50,000									
Townsend - Cornwallis to Duke				\$50,000	\$125,000											
New Sidewalks																
Viability Study - Victoria (at James) & Maple	\$50,000	\$440,000					\$50,000									
Linden Avenue				\$37,500		\$420,000										
Street Reconstruction/Resurfacing																
Linden Avenue				\$50,000		\$625,000										
Dufferin/Lincoln/Falkland				\$40,000	\$935,000											
Kissing Bridge - Cemetery Hill - Resurfacing				\$500,000												
Maple Avenue - Road Reconstruction	\$50,000	\$685,000					\$50,000									
Pelham Street - Hopson St to King St	\$275,000						\$125,000		\$150,000							

Draft V1.0

Town of Lunenburg - Town General Fund
Capital Budget 2026/27

	Year 1	Year 2	Year 3	Year 4	Year 5	Future	Fiscal 26/27 funding YEAR 1									
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32 to 2035/36	DTT	Op Rsv	Capital Reserves	CCBF/Gas Tax	PW Equip Reserve	Sewer Rsv	Sewer Biofilter Rsv	Grants	LAF	Debt
Public Works (continued)																
Street Improvements																
Accessibility Improvements	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000		\$25,000									
Downtown Traffic Improvements	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000		\$50,000									
Duke St Extension Bollards						\$185,000										
Energy																
Solar Garden						\$330,000										
Equipment																
New Salt Truck (09 Replacement) (CF 25/26 with budget increase)	\$380,000															\$380,000
New Trackless M7 Sidewalk Machine	\$225,000															\$225,000
New Backhoe ('17 Replacement)			\$300,000													
1/2 Ton Truck Replacement			\$80,000													
Survey Rover		\$60,000														
Tools	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000						\$20,000					
Wastewater Utility																
Plant																
Plant Upgrade to SBR (see below)																
WWTP - Biofilter Media (CF 25/26, with budget increase)	\$200,000												\$200,000			
WWTP - Various Items	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000							\$35,000				
Storm System																
Tannery Road Culvert	\$100,000	\$1,220,000	\$1,220,000	\$1,220,000	\$1,220,000							\$100,000				
Storm Separation Project - Kempt		\$50,000	\$870,000													
Storm Separation Project - Prince & Hopson					\$100,000	\$2,000,000										
Pelhams St - Hopson St to King St	\$30,000								\$30,000							
Sanitary System																
Back Harbour Stn Upgrades	\$32,000	\$435,000										\$32,000				
Pump Replacement at Lift Stations	\$75,000		\$80,000		\$100,000							\$75,000				
Pelham Street - Hopson St to King St	\$115,000								\$115,000							
Recreation																
Wolff Park Project						\$200,000										
Baseball Field Repairs, (CF 25/26)	\$10,000							\$10,000								
Community Centre: Accessible Entrance & Exterior improvements, (CF 25/26 with budget increase)	\$99,000							\$60,000						\$39,000		
Community Centre: Gym Floor Refinish			\$20,000													
Arena & Community Centre: Accessibility		\$50,000	\$50,000													
Arena: Ice Plant Upgrade	\$270,000							\$135,000						\$135,000		
Parking Lot (Traffic Study Changes)					\$310,000											
Parking Lot Resurfacing					\$400,000											
Lawn Tractor (replacement of '07)					\$50,000											
Truck for Rec Dept (used)	\$35,000							\$35,000								
Back Harbour (Maple stairway removal - accessibility improvements)		\$20,000	\$200,000													
Rec Master Plan	\$70,000							\$35,000						\$35,000 *		

Draft V1.0

**Town of Lunenburg - Town General Fund
Capital Budget 2026/27**

	Year 1	Year 2	Year 3	Year 4	Year 5	Future	Fiscal 26/27 funding YEAR 1										
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32 to 2035/36	DTT	Op Rsv	Capital Reserves	CCBF/Gas Tax	PW Equip Reserve	Sewer Rsv	Sewer Biofilter Rsv	Grants	LAF	Debt	
Fire Department																	
<i>Fleet</i>																	
Pumper (2010) #3 Replacement				\$1,643,800		see full FD plan											
<i>Other</i>						see full FD plan											
Turn Out Gear				\$330,700		see full FD plan											
20 Breathing Packs			\$394,500			see full FD plan											
Auditorium/Office Floor					\$58,300	see full FD plan											
Apparatus Bay Floor Replacement		\$99,000				see full FD plan											
	\$ 3,895,000	\$ 5,869,000	\$ 5,849,500	\$ 6,027,000	\$ 5,993,300	\$ 6,460,000	\$550,000	\$230,000	\$505,000	\$295,000	\$20,000	\$242,000	\$200,000	\$509,000	\$250,000	\$1,094,000	
						Maximum Funding Available 26/27	\$550,000	\$230,000	\$500,000	\$300,000	\$20,000	\$300,000	\$200,000				\$1,100,000
						FUNDING TOTAL	\$3,895,000										

Legend

- * Project to **only** proceed if grant funding is secured
- Projects not financed in projected capital financing, grants will need to be secured
- No projected funding for projects past 2030/31

Previously Approved Multi-Year Project

Wastewater Utility	
<i>Plant</i>	
Plant Upgrade to SBR: Budget Revised Apr.22/25	\$12,075,000
<i>Funding:</i>	
ICIP Grant (approved)	\$ 7,287,000
WWTP Upgrade Sewer Reserves	\$ 1,144,000
GRID Grant (approved)	\$ 1,046,500
Town Debt Financing	\$ 2,597,500
	\$ 12,075,000

Project spans fiscal 23/24 to 26/27.

Draft V1.0

CAPITAL BUDGET NOTES

Town General

Town Hall

Interior Restoration Design

Phase 1 of this multi-year project began in fiscal 2025/26 with roof repairs. In 2026/27 the proposed budget will fund the development of the scope of work for Interior Restorations and reconfigurations of Town Hall to make it more efficient and incorporating accessibility requirements.

Lunenburg Academy

Roof Repairs

A Condition Assessment for the Roofing at the Lunenburg Academy was performed as part of the 2024/25 Town Capital Budget. Based on the recommendations from the Report, a scope has been developed including replacing the existing cedar roofing at all sloped roof areas, gables, hips and towers with factory finished cedar shingles. Valleys and flashings would also be replaced with new, lead coated copper materials and targeted replacement of cedar shingles and improving the flashing at mansard elevation as part of the Project. These repairs were chosen to maintain the character of the building. The budget for this Project has incorporated the Class C estimate included in the Condition Assessment Report and its value has been incrementally boosted based on apparent market factors. Staff have been working on this Project along with the Lunenburg Academy Foundation and Parks Canada.

Public Washroom Site Preparation

Allowance based on discussions at the June 24, 2025, Committee of the Whole Meeting, when Project was deferred by Council until Spring 2026. Includes provision for Public Works personnel, equipment, and materials such as gravels for pad and pathway(s), concrete and timber to build partitions.

Old Fire Hall

Interior Assessment (study)

An interior assessment study will be undertaken to examine the suitability of the Old Fire Hall being utilized as office space during the Town Hall Restoration.

By-law Enforcement

Vehicle

This vehicle will be used by the By-law Enforcement officer to carry out the duties as required including parking enforcement, conducting routine patrols, bylaw enforcement and responding to inquiries/complaints.

Draft V1.0

Public Works

Sidewalk Renewals

Pelham – Shipyard Hill to Town Limits

Renewal of existing sidewalk along Pelham St from Town limits at Rous Brook up to Shipyard Hill. The current sidewalk is in poor condition. The design for the sidewalk is being completed in 2025/26 as this project was moved ahead to replace the no longer necessary Starr St sidewalk construction. Approximate length of sidewalk is 375m, with curb and driveway openings included.

Victoria – Green to 180 Victoria Rd

Renewal of existing sidewalk along Victoria Road from the intersection with Green Street up to the crossing opposite the Hardware Store. This is a high-volume pedestrian route, providing connection for pedestrians to commercial, recreational and institutional areas in Town. The design for the sidewalk is to be completed in 2026/27 and then construction may proceed in two phases over two years. First phase is earmarked for the section from Green Street to Hall Street (approximately 220m) and then from Hall Street to the crosswalk at #180 (approximately 230m) for 450m in total. This project is also included in our Safe and Active School Routes funding application as supported by Council.

New Sidewalks

Viability Study – Victoria at James & Maple

This is a new study looking at the viability (and associated costs) focussing on (a) constructing a sidewalk/crosswalk to connect James Road to the existing active transportation network on Victoria Rd, and (b) constructing a sidewalk along Maple Avenue from the existing termination at Dufferin Street (near Churchill Street) to the connection with the Bay to Bay trail.

Street Reconstruction/Resurfacing

Maple Avenue – Road Reconstruction

Investigation and design work for the road reconstruction to improve the driving surface on Maple Avenue. Impacted by the sidewalk viability study and water main renewal projects also included in Town and Water Utility Capital Budgets also on Maple.

Pelham Street – Prince Street to Hopson Street

The second phase of the road reconstruction work on Pelham Street. Phase 2 is from Prince to Hopson on Pelham Street (approximately 90m) including removals, re-construction of road subgrade, base gravels and re-paving to match existing grades. Complimentary upgrades to existing sewer infrastructure and improvements to surface drainage infrastructure included elsewhere in Budget. Budgeted amount based on similar strategy as utilized for Phase 1 of work.

Draft V1.0

Street Improvements

Accessibility Improvements

Improvements to existing infrastructure such as designated parking stalls, grades on ramps, adding tactile warning strips, widening sections of sidewalks, adding railings, etc. These improvements will be rolled out as new guidelines come into effect. New construction shall meet new Regulations (coming into effect April 1, 2026) and best practices.

Downtown Traffic Improvements

Smaller Capital works based on items such as 2024 Traffic and Parking Study, Public Works working files, crosswalk safety, speed monitoring infrastructure, intersection and line painting improvements, etc.

Equipment

New Salt Truck ('09 Replacement)

Replacement salt truck for the existing 2009 dump truck. This is a key piece of equipment for snow removal in Old Town. Budget has been increased based on the submissions we received in 2025 RFP. Strongly prefer to have Tenco components to be compatible with the existing plowing accessories the Town owns.

New Trackless M7 Sidewalk Machine

New sidewalk plowing machine to supplement the existing unit that we have. Allows the sidewalk salting and clearing in the winter to be split if necessary and provides cover for Public Works if there are issues with the existing machine.

Tools

Budget to replace or upgrade small capital items for safety and production improvements.

Wastewater Utility

Plant

WWTP – Biofilter Media

Remove and replace the existing biofilter media materials utilized for odour suppression at the WWTP and performing general maintenance on the system. The existing biofilter has been in operation since November 2018, and it is estimated the media has a lifespan of approximately 8 years, which is longer than its estimated time span. An expert has reviewed the condition of the existing material and strongly recommended its replacement.

WWTP - Various Items

Allowance for various items to upgrade plant/WW system. Includes small capital items such as probes, caps, tools, equipment, etc.

Draft V1.0

Storm System

Tannery Road Culvert

Staff are collaborating with the CCC (Coastal Communities Cohort) to focus on the best fit and funding opportunities to initiate this renewal of the existing buried culvert between Victoria Road and Tannery Road. Planned to undergo the first phase of design, with construction to follow based on funding support.

Pelham Street – Prince Street to Hopson Street

Second phase of the storm system upgrades on Pelham. This phase is for the section from Prince to Hopson on Pelham Street and is relatively minor, with improvements to swales to better direct surface water to the Phase 1 infrastructure the focus. This project will need to be performed in conjunction with upgrades to existing sewer infrastructure and street reconstruction components included elsewhere in Budget. Budgeted amount based on similar strategy as utilized for Phase 1 of work.

Sanitary System

Back Harbour Station Upgrades

This lift station is an older lift station and needs several aspects of its functionality assessed and improved. It is expected that there will be some structural improvements to the above ground building to provide more working space, but this may impact other aspects of the lift station (electrical, access points, etc.)

Pump Replacement at Lift Stations

Strategic replacement of the pumps at our lift stations for asset management purposes. Many of our existing pumps have been in action and maintained for 20 years.

Pelham Street – Prince Street to King Street

Planned sanitary system upgrades in two phases. Phase 2 is from Prince to Hopson on Pelham Street and includes removals, approximately 74m of main and one new manhole to replace the existing clay & brick manhole system. This project will need to be performed in conjunction with upgrades to storm infrastructure and street reconstruction components included elsewhere in Budget. Budgeted amount based on similar strategy as utilized for Phase 1 of work.

Recreation

Baseball Field Repairs

Project is to address ongoing water issues existing in both the infield and outfield of the third base line. To improve field drainage, a French drain will be installed by Public Works and tied into the box culvert that runs through adjacent to the field.

Arena Ice Plant Upgrade

Following a review of the ice plant it was determined that the condenser and compressor are at end of life and require replacement within the next year to avoid malfunction (plant breakdown). The asset review shows the condenser is from 2012 and compressor is from 1992. The age of the compressor is of concern due to maintenance and repairs, as replacement parts are no longer being made and hard to acquire. The lead time can be up 7- 10 weeks when available. The dehumidifiers are also requiring replacement, the current ones were second hand when installed, but were also confirmed to be at end of life.

Draft V1.0

Community Centre Accessible Exterior Entrance Upgrades

An Accessibility Audit was completed of the Community Centre facility in Spring 2023. Recommendations from the audit included the exterior entrance pathway, including widening the sloped pathway to allow for easier access to the facility; repairs to the path surface to minimize any gaps, joints and breaks; renovating existing stairs to make it slip-resistant and a level landing; install handrails; and add seating.

Project highlights include removing existing stairs and adding a concrete sloped access path from the parking lot into the facility. Handrails will be added to both sides of the pathway and a bench will be added outside the facility. This work will be combined with some exterior repairs to remove an existing non-functional exterior door on the far side of the building (facing the soccer field) and re-side section. A concrete base will be poured to meet the height of the facility. This work is required due to water entering the facility through this door and causing water damage to the basement.

Truck

The recreation department does not currently have vehicle. The van previously reallocated from the Public Works department is not reliable and will not pass inspection. A mid-sized used 4x4 is required for staff to tend to parks, playgrounds & trails throughout town and other various maintenance tasks.

Recreation Master Plan

To review current assets, create strategic plan for future of recreation department infrastructure and programs.

Fire Department

No capital equipment requests for fiscal 2026/27.

Draft V1.0



Subject: 2026/27 Town General Capital and Operating Reserves

Prepared by: Paul Nooper, CAO and Lisa Dagley, Finance Director

Date: January 12, 2026 – Special Budget Council Meeting

Recommendation

Information Report

Discussion and Financial

The five-year capital budget for the Town General fund totals \$27.6M and the future years (excluding the Fire Department) include another \$6.5M. The projected funding for fiscal 2026/27 includes almost \$1.1M in debt and fiscals 2027/28 to 2030/31 include another \$4M of projected debt financing. Additionally, there are two critical infrastructure projects in the Town General fund, the Town Hall Restoration and the Tannery Road Stormwater Culvert, which total \$13.2M and there has been no funding allocated to either of these important projects. While staff will certainly be actively seeking grant funding for these and other projects, that grant funding is not guaranteed and we have to look to fiscal sustainability. Considering all these factors the Town's reserve funds aren't keeping pace with the Town's infrastructure needs.

The following are the **projected** Capital Reserve Balances for the fiscal year end Mar.31/26.

Other Equipment	\$1,051,000
Ice Resurfacer Reserve	20,000
Public Works Equipment	63,000
Fire Equipment	5,000
CCBF (formally Gas Tax)	121,000
Deed Transfer Tax	<u>640,000</u>
Total	\$1,900,000

The following are the **projected** Operating Reserve Balances for the fiscal year end Mar.31/26.

Salt Reserve	\$55,000
Fire Personal Protective Equipment	102,000
Election Expenses	20,000
Sewer Reserves - General	847,000
Sewer Reserves – Plant Upgrade	1,193,000
Sewer Reserves – Biofilter Media	175,000
Recreation	72,000
Pro Kids	30,000
Operating Reserve - General	262,000
Operating Surplus Reserve	<u>212,000</u>
Total	\$2,968,000

Based on the level of funding required for the capital needs staff are recommending a specific Capital Infrastructure Reserve be established to manage the Town’s financing of capital projects. Based on the unfunded projects and the amount of debt financing required to fund future project this reserve is urgently needed and will be incorporated into the 2026/27 Operating Budget at the minimum recommended level of \$0.10. Based on the 2025/26 assessment levels this will generate \$430,000 during fiscal 2026/27.

To offset the impact of this increase may have on low or fixed income taxpayers, staff are also recommending increasing the Individual Tax Exemptions. The 2025/26 budget for this item is \$40,000 and suggested changes to the income brackets and exemption amounts will approximately increase that budget to \$80,000 for 2026/27.

Residential impact example:

Assessed Value	Annual Change	Monthly Change
\$250,000	\$250	\$20.83
\$300,000	\$300	\$25.00
\$400,000	\$400	\$33.33
\$500,000	\$500	\$41.67

Additionally staff are recommending the hiring a Grants Officer, part-time 60% - 80% to have a dedicated resource to source external funding support for capital projects.

No decision is required by Council before the Capital Budget approval. Funding of capital projects through debt or reserves eventually flow through to the Operating Budget and as such will need to be considered before the approval of the 2026/27 Operating Budget but staff felt it was important to start the discussion at this point in the budget process.

Resource

CCP – Chapter 4 Servicing and Facilities

- Goal – A town where the long-term infrastructure needs of the community are met through strategic management and incremental, well-phased upgrades that are financially sustainable.
 - Promote long-term economic prosperity by supporting businesses and residents through servicing and facility improvements.
 - Improve the resiliency in the community through robust servicing and facilities.
 - Replace or divest outdated infrastructure and facilities that drive municipal costs whenever it is opportune.
 - Improve current policies and procedures to ensure consistency and adaptability.
 - Develop Town capacity and resources as required to meet facility and service requirements.