



Municipality of the District of Argyle

Item: Capital master plan and 5-year plan

Date: November 19, 2023

Our Vision

Argyle is the community of choice to invest, live and play.

Our Identity

Argyle invests time & talent in growth opportunities in fishing, tourism, and renewable energy sectors.

*Argyle provides affordable taxation while providing safe and **livable** communities and strives to engage and inform our residents on decisions that affect them most.*

*Argyle provides world class, accessible recreational and cultural facilities for health and for **play**.*

Recommendation:

Recommend that Council approve the 5-year Capital Investment Plan as presented, as well as the Capital Master Plan. Both plans should be reviewed at least annually. The Capital Master Plan is intended to collect all potential projects, and where Council shall prioritize projects, or add/delete projects. Staff desires a Council approved course of action for long term capital planning and prepared this document to begin a more proactive approach to capital grants and project prioritization.

Recommend that Staff prepare policy to establish how capital projects are added or removed from the plan.

Suggested motion:

Move that Council approve the 5-year Capital Investment Plan for the fiscal years ending 2024 to 2029.

Move that Council approve the November 2023 version of the Capital Master Plan (as prepared or as amended), and have the CAO coordinate a semi-annual review.

Move that CAO develop a “Capital Prioritization Policy” and “Reserve Policy” for Council’s approval for future considerations.

Background:

The development of a 5-year Capital Investment Plan is a Provincial requirement. This requirement is one of many that shall release annual Gas Tax (Canada Community Building Fund) funding to the Municipality. More importantly, it is a valuable tool for determining how many projects can be funded internally, which require outside funding, and whether the project falls within our budgetary constraints.

Municipal history of project prioritizing and financing:

The Municipality has been slow to borrow funds to support projects and leans more on leveraging projects with other government funding. History suggests that we borrowed for 2 projects in 20 years, namely, the West Pubnico Treatment plant project (total cost \$4,700,000) and our Municipal administration building (total cost \$4,280,000). The Treatment plant loan is paid in full, and our admin building debt is outstanding (balance \$2,724,300) and will be due March 15, 2032.

Expected debt will be forthcoming in 2 years – namely debt issued for the Mariners Center expansion project, at \$1,567,000.

Projects were examined once a year, typically through a presentation to the council, the process was not ongoing, and projects presented came predominantly from internal needs. Projects were influenced by incoming grant applications, and if our applications were approved, that project was prioritized.

Current needs:

In our new environment, we recently completed an Asset Management Plan, that highlighted the need to replace or repair existing infrastructure. There is a considerable amount of work that needs to be done to existing infrastructure, and some have found their way onto our Capital Master document.

We recently passed a ton of plans: Active Transportation Plan, Accessibility Plan and Strategic Plan to name the top three. Each of them has identified the need for additional infrastructure.

Furthermore, the number of grant applications has exploded, with many different types of grants available to municipalities. To the point that a small municipality does not have the resources to effectively apply for all these funds reactively.

Our application process was mostly reactionary, as we were not well informed of the entirety of the list, and when the applications would be released. The NSFMM identified this as an issue for many smaller municipalities and has developed an online portal for grant review and matching grants with projects. We wish to move to a proactive approach to grant prioritization, one that follows our pre-established project priorities. Secondly, we aim to improve our ‘shovel ready’ environment, by recommending studies that support our most important projects. The list attached is the first step in this transition.

Step one of improved Capital project development: Master Capital Plan:

Step one is the list itself, with every project contemplated, discussed, planned and recommended through approved plans. Council shall **first** examine how the projects were prioritized, and whether there are other considerations that should be added to the equation. While this is a measured evaluation of projects, Council can always override projects. Council shall be asked to examine, amend, and agree on how projects are measured. The **second** request is that Council examine the project list and eliminate projects it does not wish to pursue in the near or distant future.

The Master Capital Plan, which is attached for your debate and approval, or amendment. Please note that this list should be THE list, and any project that crops up internally or in the community should be brought to Council to be added to this list, or not.

The Capital Investment Plan is set out to approach capital projects in the order of which they are ranked in the Master document. It should be noted that projects less than \$50,000 are unlikely to be listed. The third and final request of the Council is to confirm the 5-year plan, keeping in mind that this gets approved and amended annually.

Finally, to support future capital planning, policy is recommended. Specifically, policy that informs how Council is to consider, add, delete or amend capital projects on the list. Secondly, Capital Reserve Policy that defines approximately how much money needs to be set aside for future capital needs. Both work alongside each other and inform each other. These documents are critical to guiding staff in proper fiscal planning now and into the future.

Financial considerations:

None related to the approval of the plan. Financial considerations relate to the projects themselves, not to the internal plan. In essence, we believe that a coordinated approach will result in a more focused effort, both in project planning and grant applications. It should save staff time moving forward.

MGA Considerations:

None to note.