



COUNCIL REPORT - FOR DECISION

Subject: Preliminary 5 Year Capital Budget FY 2026/27
Date: May 15, 2026
Council Date: May 19, 2026
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The 2026/27 Town of Shelburne Five-Year Capital Budget totals \$8,177,566 over the next five years. The Town has been fortunate to secure grant funding from all levels of government to support the many capital projects planned during this period. Capital projects are funded primarily through the Canada Community-Building Fund (Gas Tax), as well as reserves, operating funds, external funding sources, and, when necessary, borrowing.

To prepare for future development and growth within the Town of Shelburne, infrastructure upgrades will be required to support increasing demands. As future developments are completed, the Town anticipates being in a stronger position to make annual contributions to capital reserves in order to help meet ongoing and future capital needs. Maintaining annual transfers to capital reserves will be essential to achieving this objective.

5 Year Capital Spending by Department

- **Public Works \$810,000**-The breakdown for the next five years in spending is - Road Rehab \$750,000, Sidewalk Rehab \$40,000, Culvert Rehab \$10,000, Equipment \$10,000.
- **Wastewater \$3,980,732** – The breakdown for the next five years in spending is - Upgrade Infrastructure for future Development \$3,679,732, Upgrade Lift Station Pumps \$150,000, Upgrade Lift Stations Electrical/SCADA \$145,000, and Heat Pump (WWTF) \$6,000.
- **Other \$2,349,834** – Breakdown consists of Facility Upgrades \$750,000 Graham’s Park Expansion, and \$1,574,834 Decommission Landfill (Phase1 & 2) and Little Peoples Place (14 St Andrews Lane) \$25,000.
- **Water Utility \$1,037,000** – The breakdown for the next five years in spending is -Treatment & Distribution Equipment \$37,000, Annapolis Water Tower Painting \$800,000 and Bulk Water Fill Station \$200,000.

5 Year Capital Funding (pending anticipated Grant and Borrowing approvals)

- Canada Community Building Fund (CCBF) \$595,000
- Wastewater Reserve \$125,000
- General Special Capital Reserve \$35,000
- Sustainable Services Growth Fund (SSGF) \$225,000

- General Operating \$3,300
- General Operating Reserve \$148,617
- Water Depreciation Fund \$457,000
- General MFC Borrowing \$1,614,866
- Water Borrowing (MFC) \$400,000
- External \$4,573,783 (Federal, Provincial, Donations, MDS)

Reserve Balances as of March 31, 2026

- Special Equipment Reserve \$1,762
- Wastewater Reserve \$142,047
- Canada Community Building Fund \$291,907
- General Capital Reserve \$2,426,759 **AVAILABLE \$136,684** (includes funds held-land sales, MCGP, GRID)
- Port Authority Reserve \$313,010
- Cenotaph Reserve \$24,311
- Water Depreciation Reserve \$599,796
- Cemetery Investment \$50,406
- Sustainable Services Grant Fund \$163,566

Total Special Reserves \$4,013,564

General Operating Reserve \$1,121,227

Total Combined Reserves \$5,134,791

These amounts do not include any 2025/26-year end transfers or adjustments.

CAPITAL RESERVE POLICY

The Town of Shelburne currently has an Operating Reserve Policy in place; however, a Capital Reserve Policy has not yet been established. Developing and approving a Capital Reserve Policy should be considered a priority for Council. To align with the existing Operating Reserve Policy, the Town should work toward maintaining an optimal available capital reserve balance equivalent to 20% of the general operating budget.

DEBENTURE BALANCE UPDATE

As of March 31, 2026, the total principal balance on Debentures is \$2,030,528. This total is comprised of:

- **General Outstanding Principal Debt \$1,048,659 (12 debentures)**

- **Shelburne Marine Terminal \$106,864 (1 debenture)**

- **Water Utility \$304,518 (1 debenture)**

There are several capital projects that Council should be aware of which are not currently included in the capital budget. These projects have been excluded due to insufficient reserve balances and confirmed external funding to support them at this time; however, they will require consideration and future planning.

- **Replacement of Public Works Building (13 Mason Lane)**
- **Repaving of Secondary Streets**
- **Sidewalks**
- **Efficiency Upgrades for existing Municipal Buildings**
- **Osprey/Yacht Club Upgrades (Structural Issues)**
- **Cox Muir Shipyard Building (Sailing School) (Structural Issues)**
- **King Street Centre Play Yard Rehabilitation (Drainage and Tree Removal)**
- **Grovestine's Complex Phase 2 (Ballfield Rehab, Fencing and Lights)**
- **Grovestine's Complex Phase 3 (Playground)**
- **Commission Street Rehabilitation of existing Water Mains and Laterals**
- **Watermain Extension (Prince Street)**
- **Watermain Extension (Charlotte & George St)**
- **Roads Standard Study**
- **Stormwater Study**