

AGENDA:

1. **CALL TO ORDER**
2. **APPROVAL OF THE AGENDA**
3. **NEW BUSINESS**
 - 3.1. RFD 057-2026 Budget Increase for Patch Paving to Fix Potholes – CAO
4. **ADJOURNMENT**

REQUEST FOR DECISION
Budget Increase for Patch Paving
to Fix Potholes
RFD#: 057-2026



To: Special Town Council
From: Ashley Crocker, CAO and Adam Verran, Director of Public Works
Date: July 29, 2026
Subject: Budget Increase for Patch Paving to Fix Potholes

Guiding Principles for Decision-Making

Accountability Transparency Diversity Sustainability Engaged Informed

References/Attachments

- Temporary borrowing resolution approved by Valley Regional Services Board on July 15, 2026

Legislation

- *Municipal Government Act*

Recommendation

That Council approve a transfer of \$20,000 from the General Operating Reserve Fund to the Town's General Operating Fund to complete the remaining asphalt patching and pothole repairs throughout the Town in 2026-2027.

Background

A tender for asphalt patching was issued this spring through the Nova Scotia Procurement website in accordance with the Town's Procurement Policy. The tender was awarded to Dexter Construction, and the contractor subsequently completed asphalt patching in various areas throughout the Town. While a number of potholes were repaired as part of this work, the Town also experienced three watermain breaks during the period in which the patching work was underway. As part of the watermain repairs, several areas of roadway and sidewalk that had been disturbed required restoration by Dexter Construction.

The total cost of the work completed by Dexter Construction to date is approximately \$27,000. Of this amount, \$10,000 has been charged to the Water Utility for roadway and sidewalk restoration associated with the watermain repairs. The remaining \$17,000 has been charged to the Town's General Operating Fund under the Patching Streets and Sidewalks budget.

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Council approved \$10,000 in the 2026-2027 General Operating Budget for spring pothole repairs and asphalt patching. The \$17,000 spent to date has therefore exceeded the approved budget by \$7,000, and the asphalt patching work was halted.

Dexter Construction is scheduled to be in Town next week to complete the surface paving on Commercial Street through the Province's Cost-Shared Paving Program, under which the Province funds 50% of eligible project costs. As the contractor will already be mobilized in the Town, staff see an opportunity to have the remaining potholes addressed at the same time.

Staff estimate that an additional \$20,000 would be required to complete the remaining pothole repairs throughout the Town. Completing the work while Dexter Construction is already mobilized would allow the Town to address the remaining potholes before the winter season and improve the overall condition and safety of Town streets. Deferring the work until the 2027-2028 fiscal year would mean the remaining potholes would go unrepaired for the balance of the current fiscal year and would require the Town to procure and mobilize a contractor at a later date.

While the additional expenditure was not included in the approved 2026-2027 operating budget, the need for additional repairs is largely attributable to the significant deterioration of road surfaces following the 2025-2026 winter season. The proposed use of \$20,000 from the General Operating Reserve Fund will allow the Town to address the current need while maintaining sufficient reserves to support the Town's ongoing financial obligations and commitments.

GL Number	GL Name					Pre-HST	Incl. HST
						2026-27 Budget	2026-27 Budget
01-230-265-2162	Patching Strs/Sidewalks				164,250	164,250	170,586
	concrete			750			
	spring pothole work			10,000			
	asphalt patching (contractor)	\$75K matches prov. Grant		75,000			
	bags of asphalt patching			2,500			
	jackhammer rental			500			
	Province of NS	Cost Shared Highway Paving Program	01-110-175-1172	75,500			

Financial Implications

Council approved \$10,000 in the 2026-2027 General Operating Budget for spring pothole repairs and asphalt patching. The work completed to date has exceeded the approved budget, and staff estimate that an additional \$20,000 is required to complete the remaining pothole repairs.

Staff are therefore recommending that Council approve a \$20,000 transfer from the General Operating Reserve Fund to the Town's General Operating Fund to complete the remaining asphalt patching and pothole repairs throughout the Town.

Sufficient funds are available within the General Operating Reserve Fund to support this additional

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expenditure. During the 2026-2027 budget process, staff estimated that the General Operating Reserve Fund would have a balance of approximately \$1,063,598 as of March 31, 2026. Staff are still finalizing year-end transactions; however, the balance in the reserve bank account as of July 29, 2026, is \$1,310,828.

After accounting for the anticipated 2026-2027 settlement of due to/from transfers of \$14,658, estimated annual interest revenue of \$21,272, and all approved and proposed commitments, the estimated balance of the General Operating Reserve Fund at March 31, 2027, is approximately \$1,070,212.

The proposed \$20,000 transfer can therefore be accommodated within the Town's available reserve funds while maintaining sufficient funds to support the Town's other planned financial commitments.

Strategic Plan/Operating Plan Alignment

Check Applicable	Strategic Priority Area	Comments
	Environment	
X	Infrastructure	Fixing potholes on town roads
	Economy	
	Community	
X	Governance	Ensures legislative requirements are met to transfer funds from reserves
	Council Strategic Initiative	

Alternatives

- 1) Council could choose to leave the roads as is and they will be repaired in 2027-2028 when the new budget is passed.
- 2) Council could choose to transfer a different amount.

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Community Engagement/Communication

N/A

CAO Comments

The CAO supports the recommendation of staff.

CAO Initials: AC

Target Decision Date: July 29, 2026