

Staff Report



To City Council
Service Area Office of the Chief Administrative Officer
Date Tuesday, July 15, 2025
Subject **Grant Agreement – Endorsement of Connecting Links Program 2025-26**

Recommendation

1. That Council direct the City Treasurer to execute a contribution agreement with the Ministry of Transportation to the satisfaction of the City Solicitor, to access the Connecting Links Program 2025-26 grant funding as outlined in the July 15, 2025, Grant Agreement – Endorsement of Connecting Links Program 2025-26 report.
2. That in accordance with the Province’s reporting requirements under the Connecting Links Program 2025-26 contribution agreement, Council pass a resolution recognizing the award of the first contract to initiate the York Road Phase 4 – Stage 1 Reconstruction project, as outlined in the July 15, 2025, Grant Agreement – Endorsement of Connecting Links Program 2025-26 report.

Executive Summary

Purpose of Report

Seeking Council’s direction to enter into a contribution agreement with the Ministry of Transportation (MTO) to access grant funding from the Connecting Links Program (CLP) 2025-26 for the City’s York Road Phase 4 – Stage 1 Reconstruction, from Watson Parkway to the eastern city limit project, while meeting all of MTOs requirements.

Additionally, to meet the terms and conditions of the CLP 2025-26 contribution agreement for this project, the City must also provide a resolution from Council endorsing the award of the first contract to initiate the project.

Key Findings

The MTO [publicly announced](#) successful funding recipients in mid-June. For the City to accept the recently awarded \$3.0 million grant from the MTO for the York Road Phase 4 – Stage 1 Reconstruction project, the MTO has outlined that they require a signed agreement, accompanied by a Council resolution authorizing the execution of the agreement and the award of the first contract to initiate the project.

While the MTO has requested a Council resolution authorizing the execution of the agreement, the City also requires Council to provide direction to execute the contribution agreement due to an authority limitation in the Delegation of Authority By-law 20994 (Schedule “A”, Table 2, Number 2.2). As a portion of the municipal contribution for this project falls within the 2026 budget, which is not yet approved

by Council, the City does not have the delegated authority to execute this agreement without Council direction. Once Council direction is received, the City will follow all applicable review and agreement execution procedures to ensure the terms of the agreement are acceptable, before signing the agreement and providing all documentation to the MTO.

Additionally, to meet the terms and conditions of the agreement, the City must also satisfy the Funder's reporting requirements, which require a Council resolution endorsing the award of the first contract to initiate the project. In May 2025, the City awarded the contract for this project to Capital Paving Inc. for \$6.58 million (excluding HST) for the York Road Phase 4 – Stage 1 Reconstruction project. Work began in late May 2025, and any additional information or updates on this project can be found on the [City's website](#). The completion of this project will result in extending the life of the assets above and below grade and ensure the safe and efficient movement of all modes of traffic.

Strategic Plan Alignment

The key findings of this report are aligned with the Strategic Plan's Foundations theme and "Maintain the City's healthy financial position" objective. This grant will offset existing project funding and alleviate pressures on the capital reserve funds. The project identified aligns with supporting action 4.2 to prioritize infrastructure needs and schedule rehabilitation and construction activities to meet the needs of the community.

Future Guelph Theme

Foundations

Future Guelph Objectives

Foundations: Maintain the City's healthy financial position

Financial Implications

The York Road Phase 4 – Stage 1 Reconstruction project is funded in the 2024 capital budget. The majority of this work (92 per cent) is funded by development charges (DCs). Stormwater rate reserves fund another five per cent and the Infrastructure Renewal tax reserve funds the remaining three per cent.

The City has been awarded the maximum possible grant amount of \$3.0 million. Upon acceptance, this funding will be used to proportionally offset the existing funding sources. As a result, the Stormwater Capital reserve fund (165) will be relieved of \$143 thousand in commitments, and the tax supported Infrastructure Renewal reserve fund (150) will be relieved of \$88 thousand in commitments. The remaining \$2.8 million will offset DCs.

Report

In October 2024, Council endorsed the City's grant application to the CLP 2025-26 offered through the MTO, for the York Road Phase 4 – Stage 1 Reconstruction project, as detailed in the report [Grant Opportunity – Endorsement Request for the Connecting Links Fund Application](#). Council's endorsement of the City's application was a requirement of the MTO for the submission to be considered eligible.

The CLP provides dedicated provincial funding for road and bridge projects on connecting links highways designated under the Public Transportation and Highway

Improvement Act. Connecting links are defined as municipal roads that connect two ends of a provincial highway through a community. These linkages are designated by the province under section 21 of the Public Transportation and Highway Improvement Act, R.S.O. 1990, c. P. 50 as amended. The York Road Phase 4 – Stage 1 Reconstruction project aims to address connecting link improvements, extend the life of the asset, and ensure safe and efficient movement of provincial traffic. Work includes sewer repairs, watermain upgrades, construction of a new multi-use path on the south side of the road and road resurfacing to maintain a state of good repair.

In January 2025, the City was notified that it was selected for the ministry's maximum provincial contribution (\$3.0 million) for the York Road Phase 4 – Stage 1 Reconstruction project. The MTO [publicly announced](#) successful funding recipients in mid-June. The letter received by the City indicates that the project may proceed, with reimbursement for any eligible costs incurred on or after April 1, 2025, if the agreement conditions are met. This includes that the contribution agreement is executed and that all required Council resolutions are provided.

For the City to accept the recently awarded \$3.0 million grant for the York Road Phase 4 – Stage 1 Reconstruction project, the MTO has requested a Council resolution authorizing the execution of the agreement. The City also requires Council to provide direction to execute the contribution agreement due to an authority limitation in the Delegation of Authority By-law 20994 (Schedule "A", Table 2, Number 2.2). As a portion of the municipal contribution for this project falls within the 2026 budget, which is not yet approved by Council, the City does not have the delegated authority to execute this agreement without Council direction. Once Council direction is received, the City will follow all applicable review and agreement execution procedures to ensure the terms of the agreement are acceptable to the City, before signing the agreement and providing all documentation to the MTO.

To satisfy the MTO's reporting requirement, the City is also seeking a Council resolution endorsing the award of the first contract to initiate the project. In May 2025, the City awarded the contract to Capital Paving Inc. for \$6.58 million (excluding HST) for the York Road Phase 4 – Stage 1 Reconstruction project. Work began in the area shortly thereafter and is anticipated to be concluded by May 2026. Of seven bids received, Capital Paving Inc. was selected as the successful bidder as their submission was the lowest bid price.

Financial Implications

The York Road Phase 4 – Stage 1 Reconstruction project is funded in the 2024 capital budget. The majority of this work (92 per cent) is funded by DCs. Stormwater rate reserves fund another five per cent and the Infrastructure Renewal tax reserve funds the remaining three per cent.

The City has been awarded the maximum possible grant amount of \$3.0 million. Upon acceptance, this funding will be used to proportionally offset the existing funding sources. As a result, the Stormwater Capital reserve fund (165) will be relieved of \$143 thousand in commitments, and the tax supported Infrastructure Renewal reserve fund (150) will be relieved of \$88 thousand in commitments. The remaining \$2.8 million will offset DCs.

Consultations and Engagement

None.

Attachments

None.

Departmental Approval

Kimberly Krawczyk, Manager, Policy and Intergovernmental Relations

Report Author

Kathy Pulleyblank, Grant Support Specialis

This report was approved by:

Jodie Sales

General Manager, Strategic Initiatives and Intergovernmental Services

Office of the Chief Administrative Officer

519-822-1260 extension 3617

jodie.sales@guelph.ca

This report was recommended by:

Tara Baker

Chief Administrative Officer

Office of the Chief Administrative Officer

519-822-1260 extension 2221

tara.baker@guelph.ca