

Staff Report



To	Committee of the Whole
Service Area	Office of the Chief Administrative Officer
Date	Tuesday, May 5, 2026
Subject	2025 Year-end Capital Budget Monitoring Report

Recommendation

1. That the 2025 budget adjustments in Attachment-2, Table 4 of report 2026-223 2025 Year-end Capital Budget Monitoring Report, be approved.
 2. That the 2026 budget adjustments in Attachment-3 of report 2026-223 2025 Year-end Capital Budget Monitoring Report, be approved resulting in a net increase to the 2026 capital budget of \$1,732,242.
-

Executive Summary

Purpose of Report

The purpose of this report is to provide Council with highlights of significant capital project activity, potential risks to budget or timing, as well as seeking approval of capital budget and funding changes. This report includes the year-end unaudited actual financial information for each capital program of work as of December 31, 2025.

Key Findings

As outlined in Attachment-1, total spending on capital projects in 2025 was \$207.9 million and purchase order (PO) commitments at December 31, 2025 had an overall value of \$154.1 million. This leaves \$300.2 million of approved budgets yet to be executed.

At the end of the year, the City was short of meeting its target of having at least 80 per cent of the capital budget spent or committed through POs. The City reached 76.7 per cent spent or committed, which is a shortfall of \$42.5 million against the 80 per cent target. This will increase pressure in 2026 to complete work carried over from 2025 while also executing the 2026 budget. Although several significant procurements were underway in 2025, with some POs already issued in the first quarter (Q1) 2026, the remaining capital program to be delivered is larger than any other recent year. Staff will be reviewing capital progress throughout 2026 and recommending any necessary deferrals in advance of the 2027 budget.

Over the past year, the City continued to see a number of federal and provincial grant programs, reinforcing the need for a coordinated, corporate-wide approach to managing funding opportunities. Staff continued to optimize the City's grant management framework by strategically allocating resources and streamlining

internal procedures to support timely, competitive applications and required reporting.

These efforts have been critical in helping mitigate the financial impacts of reduced DC revenues (more information available through the 2025 Long-term Financial Statement Reserves and Debt Report dated May 5, 2026) and other budget pressures. Throughout 2025, the cross-functional grant management team strengthened internal workflows to manage the increased volume of programs and ensure the City remains well-positioned to pursue emerging opportunities.

The City secured \$20.0 million in grant funding in 2025, underscoring the continued value of this work. At year-end, \$45.0 million in grant applications remain under review. Staff anticipate further program announcements throughout 2026 and are preparing to respond strategically to maximize potential support.

Strategic Plan Alignment

Reporting quarterly on the financial status of the capital budget supports the Future Guelph Strategic Plan's Foundations theme of maintaining the City's healthy financial position. Monitoring the financial status of the City is directly linked to the City's credit rating as S&P Global (S&P) reviews and updates the credit rating annually. In 2025, S&P reaffirmed the [City's financial credit rating](#) as AAA with a stable outlook. The report does caution that the road ahead shows signs of downward rating pressure due to a large capital plan in 2026-2027 increasing the City's reliance on debt in the medium term.

Future Guelph Theme

Foundations

Future Guelph Objectives

Foundations: Maintain the City's healthy financial position

Financial Implications

Ongoing monitoring of capital spending ensures that projects are delivered as intended and that any financial impacts are addressed and approved by Council proactively.

Report

The capital budget carried over from 2024 was \$467.9 million, in addition to a Council adopted 2025 budget of \$205.7 million. Capital budget additions and adjustments made throughout 2025 resulted in a net budget reduction of \$10.6 million. This includes the following items:

- increases due to receipt of grants and other external contributions
- advancement of budget from a future year
- reductions made through comprehensive capital program reviews at the end of 2024 and through 2026 budget development
- reductions due to lower than anticipated bids or changing scope
- deferrals of projects due to a change in timing

This provided for a total available budget in 2025 of \$663.0 million. A summary of capital activity to the end of the quarter is included in Attachment-1 2025 Capital Spending. Capital budget adjustments made in the fourth quarter (Q4) can be found in Attachment-2 Q4 2025 Capital Budget Adjustments.

Total capital spending to the end of 2025 was \$207.9 million, which was \$26.4 million more than last year. At the end of 2025, there was \$154.1 million in issued POs, which was \$81.6 million less than last year. This is largely due to the drawing down of PO balances through the execution of Tier One projects such as the New Central Library and the South End Community Centre, which have had significant spending in 2025.

In 2025, a total of 63 project accounts were closed out. In some situations, projects that have a surplus budget on completion have reallocated a portion or all of the surplus to other existing projects that have a deficit or are projected to have a deficit. If the surplus on completion is not immediately required by another existing project those funds are released to the originating reserve funds. In 2025, project account closures allowed \$842 thousand to be released, reducing the uncommitted approved budget balance.

As of December 31, 2025, the uncommitted approved budget which is yet to be executed was \$300.2 million, which was \$67.9 million more than 2024. At the end of the year, the City was short of meeting its target of having at least 80 per cent of the capital budget spent or committed through POs. The City reached 76.7 per cent spent or committed, which is a shortfall of \$42.5 million against the 80 per cent target.

The City budgets for capital in the year that procurement is anticipated to start and internal control processes are built around having approved budget in place prior to going out to tender. In 2025, the City had several large complex projects to be procured where procurement timelines were extended compared to the average project. In several cases, the publishing of the request for bids was completed in year however due to the complex nature of these projects, the PO issuance did not occur until 2026. Some of the factors that extend the time to procure a vendor can include:

- complexity of the project,
- volume of projects in the procurement queue,
- vendor pre-qualification,
- bid posting times (minimum of two weeks but complex projects could be three to four weeks or higher),
- extension of bid posting times due to bid inquiries from plan takers,
- publishing of addendums based on inquiries,
- comprehensive evaluation of bids including vendor references,
- contract negotiations and other legal due diligence work and
- circulation and signing of the award memo following our internal procurement processes.

For the purposes of capital reporting a commitment against a project is not recognized until the purchase order is issued, however this is the very last step of a multi-step procurement process.

As complex project procurement has been increasing, it has been straining the procurement division capacity to deliver. Through a significant portion of 2025, processing times for procurement transactions exceeded what would be considered reasonable. While high priority projects were being processed promptly, other more routine projects were subsequently delayed. This was resolved by the end of the third quarter with normal turnaround of two to three weeks being achieved.

Two very significant and complex procurements contributed to the shortfall in comparison with the target spent or committed amounts at year-end: the Tertiary Treatment Process Facility (ST0043) and Speedvale Avenue East Reconstruction – Phase 2 (includes Speed River Bridge Replacement) (PN0097).

Specific to the Tertiary Treatment Process Facility (ST0043) at the Water Resource Recovery Centre, approval of the budget was required in 2025 to pre-purchase the Disc Filters and UV system prior to construction and it was also anticipated that the construction tender would be posted in Q4. The project tender schedule was delayed due to extended procurement and approval timelines for long lead process equipment, driven by capacity constraints, additional technical and legal reviews related to tariff considerations and Buy Canadian direction. As this equipment was on the project's critical path, the delays impacted final design completion and readiness to proceed to tender. These unforeseen delays resulted in just under \$45 million uncommitted being carried over into 2026. At the time of this report, a list of pre-qualified vendors have been selected and the anticipated close date for bids for the construction tender is May 21, 2026.

Speedvale Avenue East Reconstruction – Phase 2 (includes Speed River Bridge Replacement) (PN0097) was another large and complex project that was budgeted in 2025 and began the internal procurement process in October with the bid published in early November. Bids closed December 11 and the tender was awarded in late December but PO issued in mid-January. This commitment of just under \$13.5 million was not recognized against the 80 per cent target at the end of 2025.

Going into 2026 not having met the 80 per cent target results in a carry-over opening budget of \$456.9 million before commitments with an additional 2026 budget approval of \$371.2 million for a total available budget of \$828.1 million. The Guelph Transit and Fleet Services Building construction budget approved in 2026 accounts for just under half of the 2026 approval and is on track to see significant POs issued against the project in the summer of 2026. However, actioning the remaining approved budget will no doubt be a challenge. In Q1 2026, a comprehensive review of the 2025 uncommitted project budgets was completed. Reductions made as a result of this review will be presented in the Q1 2026 Budget Monitoring Report (Information Report May 22, 2026). Adjustments to the 2026 budget that are required for several projects to move forward without delay are being recommended and presented on Attachment-3 2026 Capital Budget Adjustments as they require Council approval. Staff will continue monitoring the trajectory of capital spending and commitments throughout 2026 and will recommend necessary adjustments in advance of the 2027 budget.

Program of Work Highlights

Due to the integrated nature of many departmental capital budgets, and to enhance understandability of the budget outcomes, the capital program is categorized by program of work. Within each program of work, projects are further categorized by subprogram of work. Reporting includes project level comments for the three highest spends by program of work, limited to those projects greater than \$150 thousand. Additionally, reporting includes project level comments for the three highest uncommitted projects.

In accordance with project management standards implemented by the Project Management Office, capital projects that are highly complex, non-routine, and financially significant with budgets greater than \$10 million are identified as Tier 1 projects. See the [City's capital projects webpage](#) for detailed quarterly updates on Tier 1 projects. Based on the most recent quarterly reporting, these projects are all within their original or revised budget, schedule, and scope.

Corporate Facilities, Public Works and Bylaw

This program of work includes the following subprograms: Administration Facilities and Vehicles and Equipment. There are a total of 22 projects that account for 11 per cent of the total capital program (by available budget).

Capital spending within this program of work to the end of the quarter was \$37.4 million with another \$28.0 million in PO commitments as of December 31, 2025. Remaining to be executed is \$5.0 million of the budget.

The top project expenditures by value (total 2025 spending and commitments at the end of the quarter) occurred in the following accounts:

- (LB0028) New Central Library (\$56.7 million) – quarterly updates can be found through its [Tier 1 capital project webpage](#).
- (GG0245) Administration Facilities Renewal (\$3.8 million) – Renovations at the Lawn Bowling Club were completed and workspace optimization initiatives are also underway.
- (GG0290) CBM Life Cycle Replacement (\$1.6 million) – expenses are a mix of planned and unplanned building maintenance work. Unplanned reactive work accounts for 54 per cent of this spending and includes items such as critical emergency repair work related to the City Hall generator (including rental of emergency backup while repairs took place), the rebuild of Exhibition Arena dehumidifier due to the age (wear and tear) of the unit and HVAC repairs across various city-owned buildings. As capital work is deferred and the lifespan of assets are extended, we will see increased pressure on spending to keep assets in service. Planned work accounts for 46 per cent of the expenditures and includes items such as annual inspections and preventative maintenance for building systems such as fire and life safety, elevator and HVAC.

Projects that have the largest uncommitted balances yet to be executed include the following:

- (CS0004) Court Services Facility Renewal (\$1.7 million) – budget to be spent on foundation restoration of the historic Provincial Offences Act building.
- (GG0245) Administration Facilities Renewal (\$1.2 million) – additional spending is planned on phased localized replacement of City Hall windows,

workspace optimization, renovations at the Annex Building including masonry and windows and the replacement of end-of-life cooling tower at City Hall.

- (LB0028) New Central Library (\$0.9 million) – uncommitted is mainly for furniture, fixtures and equipment upon completion of construction.

Projects identified as having work completed in 2025 include the following:

- Replacement of security infrastructure and fleet replacements for By-Law and Ontario Building Code.

Corporate Plans, Programs and Technology

This program of work includes the following subprograms: Brownfield Renewal, Plans, Studies and Programs and Technology Initiatives. There are a total of 84 projects that account for eight per cent of the total capital program (by available budget).

Capital spending within this program of work to the end of the quarter was \$15.1 million with another \$7.8 million in PO commitments as of December 31, 2025. Remaining to be executed is \$33.2 million of the budget.

The top project expenditures by value (total 2025 spending and commitments at the end of the quarter) occurred in the following accounts:

- (SS0025) Baker Street Development (\$3.2 million) – project includes costs related to the entire Baker Street Development and includes consulting, counsel, and other specialist fees for the execution and management of the overall development project, along with disbursements for site servicing.
- (IT0061) Fibre Data Connection (\$2.9 million) – Construction continues on the remainder of Ring 1 – east and northward from City Hall (approximately 90 per cent completed), Ring 2 – west and northward from City Hall (approximately 60 per cent completed) and Ring 3 – south of City Hall (approximately 95 per cent completed). Additionally, 19 City-owned facilities have been cutover onto the new fibre network so far and approximately 71 traffic signals have been connected. Staff are targeting 90-95 per cent completion of this project for the end of 2026.
- (SS0002) Hanlon Creek Business Park (\$2.1 million) – spending is related to land transactions and environmental monitoring.

Projects that have the largest uncommitted balances yet to be executed include the following:

- (PN2439) ERP Program Implementation (\$5.1 million) – project is progressing as per plan. Majority of uncommitted funding is planned for program implementation of the financial system's procurement module in early 2026, followed by enterprise asset management (EAM). Procurement for the EAM was completed in 2025 and is anticipated to be finalized in Q1 2026 with implementation later in 2026 and 2027. Project funding also includes change management activities to enable change readiness across the organization. Once fully implemented the new maintenance management system will become the asset management system of record and will integrate with the City's financial system.
- (PL0089) Affordable Housing on City Owned Properties (HAF-4C) (\$3.4 million – RFP was posted in Q1 2026 for the design and build of three new residential fourplex buildings located at 5 Normandy Drive and 7 Eastview Road.

- (EO0002) Fountain Street Environmental Investigation and Remediation (\$2.6 million) – procurement for environmental investigative and monitoring work was planned for 2025 however due to the complexity of this project the RFP for this work was not posted until late 2025 and PO subsequently issued in Q1 2026. Work will include installation and operation of multi-phase extraction wells, as well as the installation and sampling of additional soil vapour probes and sampling of the existing ground water monitoring well.

Projects identified as having work completed in 2025 included the following:

- Information Technology lifecycle replacement programs including replacement of aging, end-of-life, network devices, cyber security appliances, server hardware, printers, personal computers, and mobile devices
- (CA0004) Service Rationalization Review – Centralization of Back-Office Support Functions – Final report titled "[Centralization of Back-Office Functions Review](#)" was shared with Council October 28, 2025.
- (OB0001) OBC File Digitization – digitization of Ontario Building Code files was completed.

Culture and Recreation

This program of work includes the following subprograms: Buildings, Vehicles and Equipment, and Public Art and Cultural Initiatives. There are a total of 27 projects that account for 13.0 per cent of the total capital program (by available budget).

Capital spending within this program of work to the end of the quarter was \$43.7 million with another \$30.7 million in PO commitments as of December 31, 2025. Remaining to be executed is \$11.7 million of the budget.

The top project expenditures by value (total 2025 spending and commitments at the end of the quarter) occurred in the following:

- (RF0093) South End Community Centre Construction (\$66.7 million) – quarterly updates can be found through its [Tier 1 capital project](#) webpage.
- (CT0014) Civic Museum Humidity & Building Upgrades (\$2.2 million) – PO has been issued for humidification upgrades to the museum along with upgrades to the reception and exhibition areas. Construction will continue throughout 2026.
- (CT0008/CT0010) Culture Facilities Renewal (\$1.5 million) – River Run Centre vestibule upgrades and theatre lighting upgrades are complete. Farmers' Market also had some foundation restoration work completed.

Projects that have the largest uncommitted balances yet to be executed include the following:

- (RF0093) South End Community Centre Construction (\$4.5 million) – budget remaining is allocated for project contingency and value-add enhancements made possible through the grant received from CSRIF. The facility is expected to open in the fall of 2026.
- (RF0097) Lyon Pool Restoration (\$2.9 million) – Lyon Pool was awarded a \$1 million grant from CSRIF through the Ministry of Sport. This project has been added to the budget as outlined in the [October 8, 2024, Council endorsement request](#). Design work was completed and the tender has been awarded in Q1 2026 for construction.

- (RF0095/RF0102) Recreation Facilities Renewal (\$1.9 million) – Evergreen RTU (Rooftop Unit – HVAC system) is being planned along with use of uncommitted balances in conjunction with 2026 workplans.

Projects identified as completed in 2025 included the following:

- (RR0108) River Run Technical Theatre Renewal – the video matrix system was upgraded. This equipment is the backbone infrastructure for the video playback and recording systems in the main stage and studio theatre.

Emergency Services

This program of work includes the following subprograms: Fire Services and Paramedic Services. There are a total of 28 projects that account for three per cent of the total capital program (by available budget).

Capital spending within this program of work to the end of the quarter was \$4.8 million with another \$8.7 million in PO commitments as of December 31, 2025. Remaining to be executed is \$4.2 million of the budget.

The top project expenditures by value (total 2025 spending and commitments at the end of the quarter) occurred in the following accounts:

- (FS0089) Heavy Fire Vehicle Replacement Pumper/Aerial (\$4.4 million) – tender for two trucks has been awarded and PO issued.
- (PM0010) Paramedic Vehicle Replacement (\$3.1 million) – the last two replacement ambulances ordered in 2023 arrived and final payment was made in Q1. The 2024 order to replace six end-of-life ambulances was issued with deposits paid in 2024. Four ambulances from this order arrived in 2025. An additional seven units were approved to be pre-ordered by Council in May 2024 as part of the 2023 Year-end Capital Budget Monitoring Report (three originally budgeted in 2025 and four originally budgeted in 2026, for which the budget was moved forward into 2025), these units have been ordered with deposits paid in Q1. Anticipated wait times for the delivery of new ambulances is currently around two years.
- (FS0101) Breathing Air Compressors and SCBA (\$1.3 million) – the purchase order has been issued.

Projects that have the largest uncommitted balances yet to be executed include the following:

- (FS0091) Fire Dispatch Phone System NG-911 (\$1.7 million) – once the project is complete and final grant accounting is submitted (anticipated at end of the second quarter (Q2) 2026) the project funding will be reconciled with any excess City funding returned to the originating reserve funds.
- (PM0010) Paramedic Vehicle Replacement (\$829 thousand) – this is the 2027 budget that was advanced to 2025 through the Q2 Budget Monitoring Report. Vehicles were anticipated to be ordered in Q4 2025 however the order was ultimately placed in 2026 along with the 2026 order.
- (FS0100) Radio Infrastructure Subscriber Gear Replacement (\$792 thousand) – uncommitted balance will be utilized for the 2026 replacements.

Projects identified as having work completed in 2025 include the following:

- Rooftop HVAC units replaced at Fire Headquarters and Fire Station #5 (FS0054).

- Replacement of bunker gear (FS0079) and other equipment to meet health and safety requirements for fire fighters (FS0082).

Parking and Transit Services

This program of work includes the following subprograms: Parking Services and Guelph Transit. There are a total of 31 projects that account for nine per cent of the total capital program (by available budget).

Capital spending within this program of work to the end of the quarter was \$19.1 million with another \$2.7 million in PO commitments as of December 31, 2025. Remaining to be executed is \$41.5 million of the budget.

The top project expenditures by value (total 2025 spending and commitments at the end of the quarter) occurred in the following accounts:

- (TC0059) Guelph Transit and Fleet Services Facility (ICIP-GUE-03) (\$7.9 million) – quarterly updates can be found [on the Guelph Transit and Fleet Services Facility webpage](#).
- (TC0070) Bus Electrification – replacement (ICIP-GUE-04) (\$7.6 million) – six zero emission buses to replace end-of-life diesel buses have been received.
- (TC0079) Route Review – Year 3 (ICIP-GUE-01) (\$2.5 million) – two electric buses have been received.

Projects that have the largest uncommitted balances yet to be executed include the following:

- (TC0059) Guelph Transit and Fleet Services Facility (ICIP-GUE-03) (\$13.5 million) – Construction of this project is budgeted in 2026, and an update on the design and plan was presented to Council through the June 17 report entitled [Fleet Electrification, Transit and Facility Needs, ICIP Funding and Budget Update](#).
- (TC0096) Route Review – Year 5 (ICIP-GUE-01) (\$8.4 million) – TC0092 Route Review – Year 4 has been consolidated into this project. At the time of writing, this project is on hold pending review of bus specifications, in conjunction with charging capacity forecasts. An update will be provided in the second quarter budget monitoring report presented to Council in September 2026.
- (TC0097) Bus Replacements and Refurbishments (\$6.3 million) – refurbishment of end-of-life diesel buses was in the procurement stage at the end of 2025.

Additional projects identified as having work completed in 2025 included the following:

- (TC0043) Bus Shelter Purchase – a total of 17 new bus shelters were installed including benches and solar lights, in addition four pole benches were installed.
- (PG0101) Parking Pay by Plate Conversion Project – was substantially completed in late 2025 making parking easier and more efficient.

Parks and Open Spaces

This program of work includes the following subprograms: Buildings and Structures, Natural Heritage Assets, Parks, Playgrounds, Splashpads, Plans, Studies, Sports fields, Amenities, and Vehicles and Equipment. There are a total of 41 projects that account for four per cent of the total capital program (by available budget).

Capital spending within this program of work to the end of the quarter was \$5.9 million with another \$1.7 million in PO commitments as of December 31, 2025. Remaining to be executed is \$10.8 million of the budget.

The top project expenditures by value (total 2025 spending and commitments at the end of the quarter) occurred in the following accounts:

- (PO0045) Parks Vehicles and Equipment Replacement (\$1.3 million) – replacement vehicles and equipment are on order and/or received including an aerial truck and two multi-purpose municipal refuse compaction units. Major repair and component replacements have occurred on two units to extend their useful life. A flail mower and front mount tractor have been purchased.
- (PO0034) Parks Operations Facilities (\$1.2 million) – Silvercreek washroom renovation and pavilion replacement has been completed.
- (PK0130) Playground Equipment Replacement (\$1.1 million) – construction is complete for the replacement of playground equipment at Colonial Drive Park, Holland Crescent Park and Highview Park. Construction of Drew Park has been consolidated into this account and is expected to be tendered by Q1 2026 with completion by fall 2026.

Projects that have the largest uncommitted balances yet to be executed include the following:

- (PK0120) Baker District Open Space (\$2.1 million) – construction of Library Square is currently anticipated for 2026 however the timing of construction of Wyndham Square is uncertain and is dependent on the timing of the private components.
- (PK0217) 2025 Playground Equipment Replacement (\$1.5 million) – community engagement for the 2025 program (O'Connor Lane Park, Severn Drive Park and Woodland Glen Park) has been completed. The tender for construction of the parks is out for bids (published April 8, 2026) and replacement will occur by fall 2026.
- (PO0037) Urban Forest Management Plan Implementation (\$1.0 million) – uncommitted budget will be utilized in 2026.

Projects identified as having work completed in 2025 included the following:

- (PO0017) Sports Fields/Courts Replacement and Upgrade – new irrigation system was completed for soccer fields at Centennial Park.
- (PO0025) Parks Infrastructure Replacement and Upgrade – rebuilding of the floral clock system at Riverside Park.
- (PK0129) Bicycle Skill Facility at Eastview Park – construction of a new bike pump track was completed, project is currently in the warranty stage.

Solid Waste Services

This program of work includes the following subprograms: Plans, Studies and Programs, Plant and Buildings, and Vehicles and Equipment. There are a total of 29 projects that account for two per cent of the total capital program (by available budget).

Capital spending within this program of work to the end of the quarter was \$3.0 million with another \$3.3 million in PO commitments as of December 31, 2025. Remaining to be executed is \$6.3 million of the budget.

The top project expenditures by value (total 2025 spending and commitments at the end of the quarter) occurred in the following accounts:

- (WC0042) Organic Waste Processing Facility Asset Replacement (\$1.8 million) – the design and replacement of the SCADA control system at the Organics Waste Processing Facility is the main driver of spending and commitments in this account.
- (WC0055) Material Recovery Facility Retrofit for Collections Operations Centre (\$1.1 million) – roof construction contract has been awarded and work is underway.
- (WC0039) Solid Waste Fleet Assets Replacement (\$734 thousand) – one light duty replacement truck has been received. One replacement waste collection truck is on order. Two additional hybrid vehicles are on order.

Projects that have the largest uncommitted balances yet to be executed include the following:

- (WC0042) Organic Waste Processing Facility Asset Replacement (\$905 thousand) – Additional work to be committed by the end of the year includes stack blower fan, tunnel irrigation, tunnel floors and wall repairs and fire suppression.
- (WC0023) Waste Resource Innovation Centre Site Asset Replacement (\$755 thousand) – budget will be committed by the end of the year for sanitary lifting stations, fire hydrants, fueling station repairs and site asphaltting.
- (WC0056) Solid Waste Admin Building Retrofit (\$585 thousand) – 90 per cent design is complete, detailed design and building permit request are in progress. Tender for construction is anticipated in Q2 2026.

Projects identified as having work completed in 2025 include the following:

- Various facility renewals and equipment replacements: transfer station floor work (WC0022), lifting station repairs completed (WC0023), shredder hardware at the organic waste processing facility (WC0053).
- (WC0060) Solid Waste Collections Truck New - Rebuild of existing packer with updated powertrain components restoring it to like new condition providing significant savings over the cost of a new purchase that was budgeted. Cost savings will be returned to reserves in 2026.

Transportation Network

This program of work includes the following subprograms: Bridges and Structures, Full Roadway and Underground Construction, Plans, Studies and Programs, Traffic Management and Trails, Sidewalks and Active Transportation. There are a total of 128 projects that account for 24 per cent of the total capital program (by available budget).

Capital spending within this program of work to the end of the quarter was \$40.6 million with another \$25.1 million in PO commitments as of December 31, 2025. Remaining to be executed is \$89.9 million of the budget.

The top project expenditures by value (total 2025 spending and commitments at the end of the quarter) occurred in the following accounts:

- (PN0060) Wyndham St. N. Reconstruction – Farquhar to Woolwich (\$12.4 million) – Replacement and upgrade of below-ground electrical infrastructure

began in the fall. The construction tender was awarded in Q1 2026 with work expected to begin in the spring.

- (PN0110) York Rd. Reconstruction – Victoria Rd. S. to Watson Parkway (\$8.1 million) – Stage 1 from Watson Parkway to the east city limit has been tendered and construction has progressed in 2025 and will continue in 2026. Tendering for Stage 2 is anticipated in late 2026 with construction in 2027.
- (RD0379) College Avenue Protected Bike Lanes (ICIP-GUE-05) (\$5.7 million) – construction of Phase 1 (Edinburgh Rd. S. to University Ave. W.) is complete. Phase 2 (University Ave. W. to Gordon St.) construction is underway with completion expected Q3 2026 (which includes replacement of underground water and sewer pipes, as well as completing off-road cycling infrastructure). Phase 3 (Janefield Ave to Edinburgh Rd. S. and Gordon St. to Dundas Lane) tendering has been deferred to late 2026. More information on this project can be found [on the College Avenue infrastructure upgrades webpage.](#)

Projects that have the largest uncommitted balances yet to be executed include the following:

- (PN0097) Speedvale Avenue Reconstruction – Glenwood to Manhattan (\$18.0 million) – Phase 2 construction tender was awarded in early 2026 (GJR tracks east of Speedvale/Woolwich intersection to Riverview Drive, includes Speed River bridge replacement) and Phase 3 (Riverview Drive to Manhattan Court) construction is currently budgeted in 2028.
- (PN0060) Wyndham St. N. Reconstruction – Farquhar to Woolwich (\$13.4 million) – Construction tender was awarded in Q1 2026 for 2026 construction.
- (PN0142) Gordon St. Widening – Lowes to Edinburgh (\$8.9 million) – detailed design work continued in 2025, the construction tender is expected in late 2026.

Projects identified as having work completed in 2025 included the following:

- (TF0036) Signal Equipment Replacement, (RD0390) Sidewalk Replacement for Accessibility, (BR0010) Bridge and Structure Lifecycle Maintenance.
- (RD0385) Cycling Master Plan Implementation – completed designs for cycling improvements, (RD0386) Roadway Condition Assessments – completed assessments for developing road resurfacing program.
- (PN0807) Wyndham-Wellington Sanitary Sewer Relief – Wellington portion of this project is now complete and in warranty. Installation of 279 m of trunk watermain with appurtenances and 226 m of trunk sanitary sewer with appurtenances and related road restoration was completed. The Wyndham portion of this project will be completed alongside (PN0060) Wyndham St. N. Reconstruction.
- (PN0069) Arthur Trunk – Phase 4 Cross Street/Macdonell – completed with final asphalt to be completed in 2026.
- (PK0224/PK0228) Woolwich to Woodlawn Multi-Use Trail Construction – constructed 1.3km of new multi-use trail, project is currently in the warranty stage.
- (RD0330) Emma/Earl Pedestrian Bridge – completed construction of the 81 m bridge crossing the Speed River and opened to the public November 24; project is currently in the warranty stage.

Water Management

This program of work includes the following subprograms: Plans, Studies and Programs, Vehicles and Equipment, Stormwater Ponds and Structures, Water Resource Recovery Centre and Equipment, and Water Buildings and Wells. There are a total of 93 projects that account for 25 per cent of the total capital program (by available budget).

Capital spending within this program of work to the end of the quarter was \$33.3 million with another \$45.2 million in PO commitments as of December 31, 2025. Remaining to be executed is \$90.9 million of the budget.

The top project expenditures by value (total 2025 spending and commitments at the end of the quarter) occurred in the following accounts:

- (WT0064) FM Woods Booster Pumping Station Upgrade (\$38.4 million) – construction is progressing as planned. Concrete works are ongoing, all major shop drawings have been approved and ordering and receiving of equipment continues.
- (ST0003) Biosolids Facility Upgrade (\$8.2 million) – the tender for design and construction administration was awarded and PO has been issued. Currently in preliminary design phase.
- (ST0043) Tertiary Treatment Process Facility (\$5.4 million) – the PO has been issued for design and construction administration.

Projects that have the largest uncommitted balances yet to be executed include the following:

- (ST0043) Tertiary Treatment Process Facility (\$44.9 million) – construction is currently out for tender and once awarded will commit the majority of the uncommitted balance.
- (WT0064) FM Woods Booster Pumping Station Upgrade (\$11.2 million) – uncommitted includes construction and market contingency for the booster pumping station along with the purchase of pumps and generator which is outside the scope of the construction tender and tender for interior works.
- (ST0037) Wastewater SCADA Network and Automation Upgrade (\$2.3 million) – progress has slowed due to scope changes on related projects, however, it is expected that as designs are finalized, controls and equipment purchases will begin.

Projects identified as having work completed in 2025 include the following:

- At the Water Resource Recovery Centre - Replacement/upgrade of instrumentation (ST0006) and equipment (ST0018), building repairs (ST0015) and digester cleaning and structural repairs (ST0014).
- Wastewater sewer investigation (SC0082) using CCTV inspections and various watermain (WD0059) infrastructure upgrades and repairs completed on various assets within the water distribution system.
- (SW0104) Pond Rehabilitation and Sediment Management – sediment cleanouts were completed from three stormwater management facilities with final restoration to be completed in the spring 2026.

Other Boards and Agencies

This program of work includes the following subprograms: Guelph Public Library and Guelph Police Services. There are a total of 32 projects that account for two per cent of the total capital program (by available budget).

Capital spending within this program of work to the end of the quarter was \$5.1 million with another \$697 thousand in PO commitments as of December 31, 2025. Remaining to be executed is \$7.2 million of the budget.

Information on these capital projects is available through reports made to their respective boards.

Capital Revenues

Grants

The Canada Community-Building Fund (CCBF) and the Provincial Gas Tax remain the City's two stable, ongoing sources of external capital funding. In 2025, the City received \$9.4 million through the CCBF and \$3.0 million from the Provincial Gas Tax. These allocations are directed to obligatory reserve funds and applied to eligible capital priorities, reducing pressure on property tax-supported funding.

Both programs continue to serve as core components of the City's long-term capital and reserve strategy, providing predictable annual contributions that support infrastructure renewal and transit investment.

Following the finalization of the City's second Investing in Canada Infrastructure Program (ICIP) decommitment and agreement amendment in September 2025, staff prepared and submitted the outstanding claims to recover the \$12.9 million in receivables. At the time this report was prepared, the City is awaiting the release of funds in accordance with the claims submitted. The overall ICIP funding commitment to Guelph remains unchanged and continues through 2033.

The City is continuing to implement housing initiatives funded through the \$21.4 million Housing Accelerator Fund (HAF) grant from the Government of Canada. At the end of 2025, \$10.7 million had been received through two of the four scheduled installments. In early 2026, the third payment of \$5.4 million was successfully received. Release of the final installment is tied to meeting both the HAF Action Plan commitments and achieving 3,657 permitted housing units by the end of 2026. While completion of initiatives continues to be on track, incentivized units are tracking well below target due to economic factors creating a challenging development environment and achieving the established target by the end of 2026 is unlikely. Staff are actively monitoring project budgets and timelines to ensure initiative delivery remains aligned with HAF objectives and the approved funding envelope.

The Road Safety Initiative Fund was established by the provincial government to accelerate investments that reduce collisions and improve safety for all road users after the cancellation of the Automated Speed Enforcement program. As part of the program's immediate funding stream, municipalities received a direct allocation to support near-term safety enhancements. A second, application-based stream will open in 2026, allowing municipalities to seek additional support for larger or more complex projects. The City of Guelph has been approved to apply for up to \$2.7 million through this competitive intake. Together, these funding opportunities

position the City to advance priority road safety improvements over the coming years.

In late 2025, the City received a second-year allocation through the Province's Building Faster Fund after demonstrating achievement of annual housing targets as set by the province. This new award, totaling \$3.69 million, builds upon the initial \$4.7 million received in 2024 and provides additional support for priority capital projects and strategic investments that enable housing growth. The funding will be incorporated into the capital program to advance infrastructure required for continued development activity, consistent with the objectives of the three-year (2023–2025) provincial program.

In addition to the BFF Year 2 funding, the City was awarded the following grants in Q4 2025, which have been added to the capital forecast as transfer payment agreements are finalized:

- A total of \$823 thousand in Year 4 funding from the Ministry of the Solicitor General under the Next Generation 9-1-1 program. This funding includes \$305 thousand in transition support for Guelph Fire and \$518 thousand for Guelph Police Services.
- \$679 thousand from the Ministry of Transportation through the direct allocation of the Road Safety Initiative Fund to implement automated speed camera replacement measures.
- \$103 thousand from the Ministry of the Solicitor General for year two of the Fire Protection grant to improve firefighter health and safety across the City's six fire stations.

The City continued its participation in the Canada Public Transit Fund (CPTF) throughout 2025. The approved baseline allocation of \$1.57 million annually beginning in 2026 remains in place, and the City is now working collaboratively with the funder to finalize the agreement following federal approval of its 2026 capital plan. The City also remained an active participant in the Ministry of Transportation's Metro-Regional Agreements (MRA) process, contributing planning and transportation policy materials to support the provincial Expression of Interest stage. The MRA stream is expected to provide up to \$2 billion annually over ten years, though this amount may be adjusted following the recent \$5 billion reduction to the overall CPTF program. The City submitted planning and transportation policy materials demonstrating alignment with transit-oriented development, while the Ministry prepares a regional Greater Golden Horseshoe plan that may include Guelph's capital needs. An amended request for \$13,600 in planning support was also submitted to assist with measurement and reporting requirements. The City is awaiting further direction as the MRA framework continues to take shape.

At year end, the City had \$45.0 million in grant applications under review with funding agencies:

- \$34.8 million from Housing, Infrastructure and Communities Canada (HICC) for the Canada Housing Infrastructure Fund (CHIF) to expand the capacity of Guelph's Water Resource Recovery Centre and associated trunk sewers.
- \$8 million from HICC for the Green and Inclusive Community Buildings (GICB) program, for energy retrofits and inclusive upgrades to the River Run Centre.
- \$1.4 million from HICC for the CPTF Stream 3 - Active Transportation Fund for the Rural to Core Bikeway spanning Woodlawn Rd. and downtown.

- \$620 thousand from the Federation of Canadian Municipalities (FCM) for the Green Municipal Fund's (GMF's) Growing Canada's Community Canopies grant.
- \$125 thousand from the FCM for the GMF's Safe and Active School Routes, for improving safety and accessibility for students and the community in the Onward Willow neighbourhood.
- \$79 thousand from the Ministry of Environment, Conservation and Parks for the Ontario Community Environment Fund (OCEF) to enhance the City's source water protection through ecological restoration

In Q4, the City was notified that the following grant applications were not approved:

- \$10.7 million from the Ministry of Infrastructure for the Health and Safety Water Stream (HSWS) program, for the structural rehabilitation of the Paisley drinking water reservoir.
- \$60 thousand from the Ministry for Seniors and Accessibility for the Enhancing Access to Spaces for Everyone (EASE), for inclusive bench installations along the Eramosa River trail.

Despite the outcomes, the review process presents an opportunity to identify improvements and enhance the competitiveness of future applications.

Financial Implications

Ongoing monitoring of capital spending ensures projects and services are delivered as intended and that any financial impacts or risks are addressed proactively.

Consultations and Engagement

Project Managers are the owners of the capital accounts and have financial responsibility and accountability to manage the capital deliverables within the budget approved, within a reasonable time period, to achieve the Council expected outcomes of that capital project.

Department General Managers and Project Managers were provided financial reports based on their actual capital expenditures and commitments to the end of the quarter, with which they provided a progress status and financial forecast update at the project level and the best available information at a point in time. Future updates are subject to change based on the economic environment, especially the rate of inflation and interest rates.

Attachments

Attachment-1 2025 Capital Spending

Attachment-2 Q4 2025 Capital Budget Adjustments

Attachment-3 2026 Capital Budget Adjustments

Departmental Approval

Karen Newland, Manager Budget Services

Report Author

Patricia Zukowski, Senior Corporate Analyst, Capital, Budget Services

Stephanie Devost, Senior Corporate Analyst, Financial Strategy

This report was approved by:

Shanna O'Dwyer

General Manager, Finance - City Treasurer and Chief Financial Officer

Office of the Chief Administrative Officer

519-822-1260 extension 2300

shanna.odwyer@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