

Attachment-3 2026 Capital Budget Adjustments

Below there are eight budget adjustments impacting the 2026 budget. Some adjustments do not require complex funding changes and some do. Budget adjustments 1 and 2 are presented with two tables. The first table is adjusting the project budgets and the following table is adjusting the funding of the projects.

Budget Adjustment 1

Gordon Street Phases 1, 2 and 3 are all included as part of the ICIP cycling program. These three phases are currently budgeted over the next six years with both Phase 1 – Waterloo to College and Phase 2 – College to South Ring Road having approved budget in 2026 for environmental assessment and feasibility work.

Staff have identified benefits of bringing forward design work for Phase 3 – South Ring Road to Edinburgh including ability to procure consultant services as a single contract, earlier identification of any constraints that could affect schedule or budget and overall readiness to start construction on the southern segment sooner as it is less complex compared to the other two segments.

Through these revisions the budget will remain the same for each individual project with only timing affected. The revisions proposed result in an addition of \$1 million to 2026 and is offset by reductions and closeout of other projects in the value of \$1.3 million, providing a net reduction to the approved 2026 budget of \$311 thousand. Realignment of forecasted budgets will be approved as part of future budget confirmations.

Table 1 – Budget Adjustment 1 – Project Budget Changes

Capital Account	Amount \$ increase/(decrease)
RD0357 Cycling Network Expansion (ICIP-GUE-05)	(760,958)
RD0362 Transportation Master Plan Update	(300,000)
RD0385 Cycling Master Plan Implementation	(250,000)
RD0377 Gordon Street Phase 2 – Waterloo to College (ICIP-GUE-05)	100,000
RD0469 Gordon Street Phase 1 – Waterloo to College (ICIP-GUE-05)	200,000
RD0478 Gordon Street Phase 3 – South Ring Road to Edinburgh (ICIP-GUE-05)	700,000
Total budget change	(310,958)

Table 2 – Budget Adjustment 1 - Funding Net Change

Funding Net Change	Funding Net Change \$ (increase)/decrease
Federal Government Grants - ICIP	81,280
Provincial Government Grants - ICIP	67,602
Infrastructure Renewal (150)	(89,430)
Water Capital (152)	393,406
Service Enhancement (159)	44,100
Stormwater Capital (165)	(74,700)
Development Charges – Waterworks (311)	(33,000)
Development Charges – Roads (314)	(81,200)
Canada Community-Building Fund (343)	2,900
Funding net change	310,958

Budget Adjustment 2

At the time that Exhibition Area Reconstruction Ph 1 – Verney Enabling Works (PN0083) was budgeted, the scope included the sewer and watermain with the stormwater and sidewalk/boulevard to be completed as part of Phase 2 and Phase 3. However, through detailed design work, it was discovered that it was not feasible to complete construction on the deep utilities (sewer & watermain) without impacting the storm sewer and sidewalk so they have been added to the scope of Phase 1 (Phase 2 and Phase 3 will be revised accordingly). Additionally, revision of the project costing is required due to updated cost estimates.

Table 3 - Budget Adjustment 2 – Project Budget Changes - Change of scope

Capital Account	Amount \$ increase/(decrease)
PN0083 Exhibition Area Reconstruction – Ph 1 – Verney Enabling Works	537,000
PN0082 Exhibition Area Reconstruction – Ph 2 – Rail Trail Storm Sewer Upsize from Exhibition to River (stormwater capital reserve only)	(202,000)
PN0084 Exhibition Area Reconstruction – Ph 3 – Kathleen St and Park Crossing Sewer (reallocated proportionately based on current funding – will require revisions in future budget confirmations as construction funding is approved)	(335,000)
Total budget change	-

Table 4 - Budget Adjustment 2 – Project Budget Changes - Increase due to updated costing

Capital Account	Amount \$ increase/(decrease)
PN0083 Exhibition Area Reconstruction – Ph 1 – Verney Enabling Works	683,200
Total budget change	683,200

Table 5 - Budget Adjustment 2 - Funding Net Change

Funding Net Change	Funding Net Change \$ (increase)/decrease
Canada Community-Building Fund (343)	20,100
Development Charges – Wastewater (312)	(14,500)
Development Charges – Water (311)	(389,000)
Infrastructure Renewal (150)	(335,000)
Stormwater Capital (165)	147,300
Wastewater Capital (153)	(195,900)
Water Capital (152)	83,800
Funding net change	(683,200)

Budget Adjustment 3

The Clythe Water Treatment Plant is the highest-priority short term new source of water supply under the 2022 Water Supply Master Plan Update to support community growth and is a CAO Objective project for 2026. The Clythe Well is offline due to natural occurring iron, manganese and sulfides in its source water. The supply source possesses a permit to take water for 5,237 m³/day, the equivalent water supply for approx. 24,800 people, and will benefit planned growth to occur in the nearby Guelph Innovation District as well as other planned short-term growth in the City.

As detailed engineering design of this project progressed over 2024 and 2025, scope changes increased construction cost estimates and expanded the engineering efforts to complete the project beyond the initial approved budget of the original design tender. In approaching the most complex stages of delivery and facing substantial proposed change orders to complete detailed design under the original design consultant, Water Services in consultation with Legal Services and Finance, worked to pause and close the engagement at the 90% design milestone to properly address procurement needs and mitigate project budget risks.

To proactively address these risks through to project construction, a new competitive procurement is planned for a Constructability Assessment to complete project detailed design and appropriately resource the project as part of construction administration to come. Although these challenges have slightly

delayed the schedule, the project’s core objective of bringing the Clythe Well back into service remains unchanged, and the total project budget is expected to remain the same while still delivering the facility by 2030.

Advancement of \$2.2 million (total \$2.2 million less \$130 thousand reallocated from WT0002) of the construction budget from 2027 to 2026 must be approved before procurement of engineering services can proceed in 2026. The 2027 budget will be updated accordingly through the 2027 budget confirmation. Without the advancement of this budget, staff anticipate a one-year delay in design and construction of the treatment plant, delaying the timing of Clythe contribution of new water to growth from 2030 to 2031.

Table 6 – Budget Adjustment 3 – Project Budget Changes

Capital Account	Amount \$ increase/(decrease)
WT0060 Clythe Water Treatment Plan (DC – Water)	2,200,000
WT0002 Water New Supply (DC – Water)	(130,000)
Total budget change	2,070,000

Budget Adjustment 4

Exhibition Park Wading Pool Replacement currently has design budget approved in 2026, however, early site analysis work has uncovered potential for overlap with work to upgrade servicing on Kathleen Street. To avoid construction conflicts, staff are recommending switching the timing of the Exhibition Park Wading Pool Replacement with Sunny Acres Park Wading Pool Replacement which is currently forecasted to begin design in 2028. The result of this change is that Sunny Acres Park Wading Pool Replacement design will begin in 2026, with forecasted construction budget in 2028 (subject to future budget confirmation). Exhibition Park Wading Pool Replacement design will now be forecasted for 2028 and construction budget forecasted for 2029 (subject to future budget confirmation).

Table 7 – Budget Adjustment 4 – Project Budget Changes

Capital Account	Amount \$ increase/(decrease)
PK0027 Exhibition Park Wading Pool Replacement	(150,000)
PK0005 Sunny Acres Park Wading Pool Replacement	150,000
Total budget change	-

Budget Adjustment 5

To support the implementation of the new CAD system related to NG-911 but outside the eligibility of the NG-911 Ministry of the Solicitor General grant program, budget is being recommended to be reallocated from surplus city funds (Infrastructure Renewal 150) within the NG-911 project (FS0091) to a new project CAD Implementation.

Table 8 – Budget Adjustment 5 – Project Budget Changes

Capital Account	Amount \$ increase/(decrease)
FS0091 Fire – Dispatch Phone System (NG-911)	(607,000)
FS0104 CAD Implementation	607,000
Total budget change	-

Budget Adjustment 6

A wayfinding strategy for Guelph was identified as key action in the [Economic Development and Tourism Strategy](#) to enhance wayfinding and visitor service assets. Budget of \$250 thousand funded from the Municipal Accommodation Tax (184) reserve is being recommended for the first phase of an updated tourism-oriented wayfinding system. This update will replace a portion of the current tourism sign system, installed in 2002. The project will plan, design, and install signs, aligned with the City's new Wayfinding Strategy, completed in 2025, and target pathways from major gateways to Downtown. This phase of work is being prioritized for the tourism signage update as we anticipate increased visitation during the Memorial Cup and the Bicentennial in 2027 and to support travel to Downtown while construction is underway

Table 9 - Budget Adjustment 6 – Project Budget Changes

Capital Account	Amount \$ increase/(decrease)
SS0031 City-Wide Wayfinding Strategy (MAT reserve)	250,000
Total budget change	250,000

Budget Adjustment 7

The Housing Accelerator Fund (HAF) program has undergone a review of project schedules and updated cost projections, resulting in identified opportunities to decommit \$1.7 million from three initiatives: the Housing Affordability Strategy, enhanced processes and systems, and the Community Improvement Plan (CIP) affordable housing grants. These adjustments reflect refined forecasts, while maintaining sufficient funding for projects anticipated to proceed within HAF

timelines. In addition, staff recommend allocating \$250,000 from the HAF reserve to HAF Initiative 5 to support applications anticipated due to increased program uptake through the first quarter of 2026. With receipt of the third HAF instalment in March 2026, staff recommend allocating \$1.3 million to HAF Initiative 3, aligning with approved HAF allocations.

Table 10 - Budget Adjustment 7 – Project Budget Changes - HAF decommitments

Capital Account	Amount \$ increase/(decrease)
PL0081 Housing Affordability Strategy (HAF-1) (HAF funding)	(185,000)
IT0123 Planning Digital Transformation – E-Permitting (HAF-2A) (HAF funding)	(650,000)
IT0124 Planning Digital Transformation – Community Improvement Plan (HAF-2B) (HAF funding)	(875,000)
Total decommitment	(1,710,000)
PL0083 Accessory Dwelling Unit Grant (HAF-5) (HAF funding)	250,000
Total budget change	(1,460,000)

Table 11 - Budget Adjustment 7 – Project Funding Adjustments - Allocation of HAF funds to HAF-3 Infrastructure and Service Capacity Planning

Capital Account	Transfer From	Transfer To	Amount \$
RD0466 Victoria Rd (York to Stone) and Stone Rd (Victoria to Watson) ED	Infrastructure Renewal		127,200
		Housing Accelerator Fund (HAF)	(127,200)
PN0060 Wyndham St N Reconstruction – Farquhar to Woolwich	Canada Community-Building Fund		697,600
		Housing Accelerator Fund (HAF)	(697,600)
PN0110 York Rd Reconstruction – Victoria Rd S to Watson Pkwy	Infrastructure Renewal		93,200
		Housing Accelerator Fund (HAF)	(93,200)
PN0879 Downtown Infrastructure Revitalization Program Coordination	Infrastructure Renewal		382,000
		Housing Accelerator Fund (HAF)	(382,000)
Total funding change	n/a	n/a	-

Budget Adjustment 8

The reconstruction of University Avenue West – Gordon to College (PN0214) is anticipated to go out for procurement in Q2 2026. Additional budget is required to support the construction phase.

Table 12 – Budget Adjustment 8 - Project Budget Changes

Capital Account	Amount \$ increase/(decrease)
PN0214 University Avenue West Reconstruction – Gordon to College (Infrastructure Renewal (150) 2%, Water Capital (152) 31%, Wastewater Capital (153) 29%, Stormwater Capital (165) 26%, Canada Community-Building Fund (343) 12%)	500,000
Total budget change	500,000