

Staff Report



To	City Council
Service Area	Office of the Chief Administrative Officer
Date	Tuesday, September 15, 2026
Subject	2026 Second Quarter Budget Monitoring Report

Recommendation

1. That the capital project budget adjustments in Attachment-2, Budget Reallocations (Table 3) of report 2026-384 2026 Second Quarter Budget Monitoring Report, be approved.
 2. That a net-zero budget adjustment consisting of an increase of \$600,000 to WD0066 Cast Iron Replacement Program funded 100 per cent from the water capital reserve (152), and a decrease of \$600,000 to PN0894 Ontario St. Reconstruction – Neeve to York & Wood St. funded 11 per cent from the infrastructure renewal reserve (150), 35 per cent from the water capital reserve (152), 29 per cent from the wastewater capital reserve (153) and 25 per cent from the stormwater capital reserve (165) be approved.
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Executive Summary

Purpose of Report

The purpose of this report is to provide Council notice of any financial risks that could affect the 2026 year-end position, to highlight significant capital project activity and milestones, as well as seek approval of capital budget and funding changes. This report includes the second quarter's (Q2) actual financial information for both the operating and capital budget in each department and capital program of work as of June 30, 2026.

Key Findings

Operating Budget:

The City's overall year-end operating projection compared to budget is a deficit of \$4.3 million or 0.7 per cent of gross operating expenditure. Current year-end projections indicate the tax-supported budget will be in an estimated deficit position of \$3.5 million, comprised of a \$4.8 million deficit for City departments and a \$1.3 million surplus in Local Boards and Shared Service Agencies. The non-tax supported budget is forecast to be in a deficit position of \$790 thousand at year-end.

Approximately 50 per cent of the projected deficit is driven by factors largely outside of the City's control, including the unexpected spike in the price of gas and diesel, severe weather impacts driving up winter maintenance and weather-related repairs, and changing legislation.

Additional pressure exists from emergency services minimum staffing requirements due to a higher number of staff off on WSIB and other leaves, paramedic collective bargaining costs, By-law response to encampments, and legislated changes requiring specialized support such as Ontario Land Tribunal hearings.

Departments across the organization will pursue all reasonable opportunities to reduce the overall projected deficit while maintaining core service delivery at Council approved service levels, including opportunities for reduced spending and/or increased revenue.

Capital Budget:

From a capital perspective the budget available in 2026 is \$815.0 million (prior to purchase order commitments). This figure comprises of \$446.3 million of capital budget carried over from 2025, the Council adopted 2026 budget of \$366.4 million and in-year net budget additions of \$2.2 million. Key highlights during Q2 include:

- \$444.2 million spent or committed on purchase order to date. This figure includes \$178.3 million for the Guelph Transit and Fleet Services Facility. Other significant PO balances are related to Wyndham St. N. Reconstruction, FM Woods Booster Pumping Station Upgrade, New Central Library, South End Community Centre and Speedvale Ave. Reconstruction.
- 76.6 per cent of the capital budget is committed or spent compared to the target of 80 per cent. Adjustments to bring this figure in line with target will occur as part of the 2027 budget update.

As of Q2, capital revenues are at risk as year-to-date Development Charge (DC) collections are only 27.3 per cent of forecast collections. DC exemptions and discounts are currently trending under forecast, at 31.0 per cent to date. Based on the continued persistently low DC collections, staff are revising the 2026 to 2031 DC collections forecast downward for the 2027 budget update. Consequently, additional capital project deferrals will be required through the 2027 budget update to work within much lower available revenue assumptions and maintain a fully funded capital outlook. Staff are focusing on deferring growth-related capital work to better align the timing of DC collections with capital expenditures.

Federal and provincial grant programs continue to evolve as governments transition to new infrastructure funding frameworks, including the rollout of opportunities under the three streams of the federal Building Communities Strong Fund (BCSF). While shifts in program priorities and funding structures continue to influence how opportunities are pursued and evaluated, several new grant funding opportunities have emerged in the short term. Staff continue to actively monitor program announcements, assess alignment with City priorities, and advance applications where funding opportunities support strategic infrastructure and growth-related investments.

A few key statistics for grants in Q2 include:

- Total value of grant funding awarded in 2026 to date: \$33.6 million.
- Total value of grant applications submitted in Q2 2026 and prior that are still under review with the funder: \$77.1 million.

In June 2026, the City issued 1-20 year serial debentures totalling \$26.15 million, which refinanced a 2016 refundable serial debenture due in July 2026. The average cost of borrowing for this issuance is 4.47 per cent, which is lower than the

assumption in the [2026 Budget Confirmation Debt Strategy](#) of 4.50 per cent. This was the last issuance under the [April 2025 issuance authority](#) and concludes the City's planned debt issuances for 2026.

Strategic Plan Alignment

Reporting quarterly on the financial status of the operating and capital budget supports the Future Guelph Strategic Plan's Foundations by 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 August 2026, [S&P reaffirmed the City's financial credit rating](#) as AAA with a stable outlook. Similar to the 2025 findings, the 2026 report outlines a downside scenario where the rating could be downgraded in the future.

Future Guelph Theme

Foundations

Future Guelph Objectives

Foundations: Maintain the City's healthy financial position

Financial Implications

Staff will continue to monitor and report on the impact of risks and opportunities identified in this report to safeguard the City's long-term sustainability. Early identification of potential risks and implementation of mitigation strategies reduce reliance on the City's contingency reserves at year-end.

As reported in the [2025 Long-term Financial Statement: Reserves and Debt Report](#), as of December 31, 2025, the available balance in the City Services tax supported corporate contingency reserves was \$15.1 million or 36 per cent of the target balance, down from 50 per cent in 2024. If the deficit occurs as projected, the tax supported contingency reserves balance would be at 10 per cent of the target balance and the non-tax supported contingency reserves would be at 68 per cent of the target balance at the end of 2026. Balances below target reduce the City's financial health, limiting the ability to mitigate any negative financial impacts should an overall City deficit materialize.

The year-end operating position is important in determining the City's overall fitness as assessed by an external credit rating agency. The credit rating is a factor that affects the rate at which the City can issue debt thereby affecting the affordability of long-term capital projects for the City tax and rate payers.

Report

On February 4, 2026, the 2026 Budget Confirmation process concluded with Council approval of the Local Boards and Shared Services budget. The Q2 budget monitoring report provides a preliminary projection of the 2026 year-end position and details the drivers influencing this projection.

The City's overall year-end operating projection compared to budget is a deficit of \$4.3 million or 0.7 per cent of gross operating expenditure. Current year-end projections indicate the tax-supported budget will be in an estimated deficit position of \$3.5 million, comprised of a \$4.8 million deficit for the City departments and a \$1.3 million surplus in Local Boards and Shared Service Agencies. The non-

tax supported budget is forecast to be in a deficit position of \$800 thousand. Actual year-end results may be impacted further by unforeseen factors.

Departments across the organization will pursue all reasonable opportunities to reduce the overall projected deficit while maintaining core service delivery at Council approved service levels. This includes exploring opportunities for both reduced spending and increased revenues.

Economic Uncertainty

There continues to be risk that global economic uncertainty will place upward pressure on the cost of purchased goods and services in 2026 and beyond. While fuel prices remain the most significant driver of cost escalation, several broader economic factors are contributing to higher and more volatile pricing across the supply chain.

Global supply chain disruptions driven by geopolitical instability, shipping delays, trade uncertainty, and lingering effects of tariff policies continue to affect the availability and cost of goods and services. These disruptions can slow the flow of goods, increase prices, and delay the delivery of essential parts such as HVAC components, fleet parts, hardware, vehicle components, and other operational supplies.

Higher fuel costs compound these challenges by increasing transportation and input costs, which can lead to higher prices for materials, equipment, supplies, and contracted services. Fuel surcharges have also started to be applied to some service contracts and vendor invoices, further elevating operating costs. If fuel prices remain elevated, inflationary pressures may persist, increasing the cost of borrowing and debt; however, this scenario may also create opportunities for higher investment income. This dynamic adds another layer of uncertainty, as inflation increases would likely result in vendors passing additional costs on to the City.

Collectively, these economic pressures increase the risk of cost escalation for purchased goods and services, reduce procurement predictability, and may place additional pressure on operating and capital budgets across multiple service areas. While the full impacts of the current global economic uncertainty remain unknown, they are beginning to materialize, as evidenced by a projected \$1.0 million year-end deficit in fuel costs.

Operating Budget

This report was prepared by Finance in collaboration with the City's departments as part of the regular budget monitoring process. Departments received financial data as of June 30, 2026. Actual expenditures and revenues were analyzed, and significant deviations from the budget that could impact the year-end financial position were identified with support from Finance staff. Departments have highlighted positive trends, challenges, risks, and concerns along with projections to year-end based on all available information at the time of this report.

Corporate Variance Drivers:

The corporate variance drivers outlined below offer an overview of the factors projected to influence the City's 2026 year-end position. These factors are shaped by seasonality, timing, unpredictable market forces, and events beyond the City's

control. The impacts from the corporate variance drivers will impact all departments and are discussed corporately to avoid significant repetition throughout the report.

Revenue:

City departments have identified a range of emerging opportunities and risks associated with revenue assumptions in 2026, reflecting current trends and evolving economic conditions. Several revenue streams are under pressure due to market uncertainty, legislative changes, and fluctuating activity levels, while others are performing stronger than expected and are anticipated to help offset these challenges as the year progresses.

Ontario Building Code (OBC) permit revenue is projected to be in a \$240 thousand dollar surplus at year-end. This is primarily driven by the [Multi-Unit Accelerator Grant \(MUAG\)](#) and the updated OBC fees effective July 1, 2026. New fees were [approved](#) by Council June 23, 2026.

Culture and Recreation is projecting a revenue surplus of \$1.4 million attributable to higher ticket, food, and beverage sales. Large shows and new revenue streams at the Sleeman Centre and popular performances at the River Run Centre are also contributing to the surplus. This will be offset by additional costs incurred to generate the additional revenue.

General corporate revenues are projected to be in a surplus of \$390 thousand. Surpluses in heads and beds funding and short-term interest are mainly offset by a projected deficit of \$1.5 million in supplementary levies from slower development growth.

Transit is projecting a revenue surplus of \$290 thousand due to higher ridership.

The Municipal Accommodation Tax (MAT) program is expected to generate a surplus of \$278 thousand. The City's share of additional revenue is transferred to the Tourism MAT reserve fund (184) to fund future tourism initiatives.

Water is projecting a \$1 million revenue deficit, primarily due to fixed-rate revenues trending below budget because of growth assumptions in the rate model. Variable-rate revenues during the high-consumption summer months may partially offset this shortfall. Staff will continue to monitor revenues and provide updated projections in the third quarter.

Parking is projecting a \$1.2 million revenue shortfall driven by a loss of key customers in major parkades, as well as lower than expected permit revenues. Downtown infrastructure renewal construction is expected to have downward pressure on revenues for the next four years. Updates to the Parking Services budget will be made during the 2027 Budget Confirmation.

While several revenue streams continue to face significant uncertainty, the City also has several emerging opportunities that can help offset these pressures. Overall, revenue projections are cautiously optimistic, with surpluses in some areas helping offset deficits elsewhere. Ongoing monitoring and flexible planning will help manage risks and make the most of new opportunities.

Compensation:

Overall, City department compensation budgets (excluding Local Boards) are within budget to the end of Q2. However, a projected year-end deficit of \$3.7 million is anticipated. Staff vacancies continue to generate savings most notably in

Engineering and Transportation Services, Operations, Finance, and Legal and Court Services. These savings stem from retirements, voluntary turnover, temporary leaves, and ongoing recruitment challenges for key positions. As a result, departments are prioritizing their work plans based on the staff resources currently available. In some instances, work will be completed by third party service providers.

Risks associated with increased demand on overtime budgets have been reported by Guelph Wellington Paramedic Services, Guelph Fire Services, and Guelph Transit. These pressures stem from the need to maintain minimum staffing levels while covering various forms of leave including WSIB, short term disability, and sick time. An additional pressure came from provincially legislated training that was required to be completed by July 31 as directed by The Office of the Fire Marshal, which has been a challenge for most municipalities within the province due to the imposed short timeline. In Facilities, there is also a risk of increased overtime costs associated with responding to after-hours emergencies.

The Recreation division is also projecting an increase in staffing and contracted support costs associated with providing inclusion support at camps, given the significant growth in demand for these services and the City's duty to accommodate all requests. Modifications to scheduling were implemented in 2026 and further evaluation of the City's approach to day camps will occur in advance of 2027.

Looking ahead, Ontario has proposed legislative changes to the Workplace Safety and Insurance Act, primarily through Bill 105, that would increase WSIB Loss of Earnings benefits from 85 per cent to 90 per cent, allow eligible workers to receive benefits beyond age 65, and eliminate the 72-month lock-in rule for benefit reviews. If implemented, these changes may increase compensation costs through higher benefit rates, longer claim durations, and expanded eligibility, creating both short- and long-term financial risks. If approved, these changes will require a review and update of the City's actuarial assumptions related to WSIB expenses and will require budget increases to manage.

Furthermore, ongoing collective bargaining contract negotiations present additional risks to compensation budgets in 2026, notably OPSEU bargaining which has moved to binding arbitration is expected to have an impact on the Paramedics budget results.

Corporate Utilities:

Year-to-date utility spending is trending close to budget with no significant variance projected come year-end. Global events and broader economic uncertainty could influence utility rates, which will continue to be monitored. External risks such as changes to electricity regulations, increased demand, and growing strain on the existing power grid may also increase electricity costs going forward. Despite these risks, energy-efficiency initiatives and current utility recoveries are expected to help mitigate higher consumption and potential rate escalation.

The City's ongoing focus on energy conservation and innovation continues to reduce exposure and generate operating savings. Recent updates include solar heat-reducing blinds and window film at River Run Centre, an LED lighting upgrade at the Wastewater Treatment Plant (currently in progress), heat pump installations at Fire Headquarters, cooling tower at City Hall, and LED lighting improvements in the Guelph Civic Museum parking lot. These initiatives are expected to reduce energy

consumption, lower operating costs, and support corporate sustainability objectives.

Corporate Fuel:

Corporately, fuel budgets are projected to end the year with a deficit of \$1.0 million. Diesel is averaging approximately \$1.49 per litre, compared to a budgeted rate of \$1.19 per litre. Coloured diesel is averaging approximately \$1.22 per litre versus the budgeted \$1.09 per litre, while unleaded fuel is averaging \$1.41 per litre compared to the budgeted \$1.16 per litre. Budgeted consumption is approximately 4.8 million litres for all fuel types and is projected to track to budget. Although average fuel prices have fallen from their peak, continued global unrest and economic uncertainty are expected to persist in the foreseeable future. The federal fuel excise tax suspension (from April 20 to September 7, 2026) is providing some relief of approximately 10 cents per litre for diesel and 4 cents per litre for unleaded fuel; however, this represents only short-term relief. Staff will continue to monitor fuel price fluctuations, and any realized year-end deficit will be recommended to be funded from the Environment and Utility Contingency reserve (198). The balance in the Environment and Utility Contingency reserve (198) at December 31, 2025 was \$3.9 million.

Corporate Insurance:

As of Q2 2026, corporate insurance is forecasting a surplus of \$449 thousand, primarily due to savings achieved through the renegotiation of insurance contracts in 2026. The budget will be updated to reflect these savings as part of the 2027 budget confirmation process.

Corporate Vehicle and Equipment Repairs and Maintenance:

As of Q2 2026 corporate vehicle and equipment repairs and maintenance are forecasted to track to budget. Fleet repair and maintenance budgets were increased by \$1.8 million through the 2026 budget confirmation process. The budget increase and mitigation strategies are forecasted to offset rising costs, tariffs, skilled trade shortages, and an aging fleet. The forecast will be refined through the third quarter (Q3) report indicating any additional risk rising from changing legislation or unforeseen cost escalations.

Corporate Facilities Repairs and Maintenance:

As of Q2 2026, the City is projecting a year-end shortfall of \$385 thousand in building maintenance budgets across departments. Aging facilities, labour market constraints, inflation, supply-chain challenges, and the increasing complexity of building systems all contribute to rising maintenance costs. Climate change is further intensifying these pressures by increasing the frequency and severity of extreme weather events, placing additional strain on building systems.

Several unforeseen and urgent repairs have contributed to the projected deficit, including:

- Unplanned repairs and maintenance at the Guelph Youth Shelter.
- Emergency repair costs (including overtime) as building systems age and operate beyond their intended life span.
- HVAC issues at several facilities, including 170 Watson Parkway, West End Recreation Centre, River Run Centre, and City Hall.
- Leak and moisture issues at City-owned, leased properties.

In response to these challenges, the Corporate Building Maintenance team is taking a proactive and strategic approach to ensure the sustainability and resilience of City facilities. Key initiatives include:

- Strengthening interdepartmental collaboration: Enhancing service level agreements and providing departments with timely, detailed maintenance updates to support more effective planning, coordination, and accountability.
- Driving operational efficiency: Analyzing trends and root causes of both planned and unplanned maintenance activities to improve prioritization, optimize workforce deployment, and ensure the most effective use of available resources.
- Strengthening asset management integration: Leveraging building condition assessments, asset condition data, and recurring maintenance trends to support capital planning and preventative maintenance strategies. Maintenance and repair data is being used to identify emerging asset reliability concerns, prioritize renewal requirements, and support evidence-based investment decisions that reduce lifecycle costs and future reactive maintenance requirements.

The maturation of the initiatives above has helped significantly reduce the historical budget deficit seen in prior years.

Winter Response Events:

The Roads Division of the Operations Department projects a winter control deficit of \$2.1 million at year end, and Parks anticipates a \$157 thousand deficit related to overtime. The actual outcome will depend on fourth quarter (Q4) weather conditions. The winter control deficit may be funded from the Environment and Utility Contingency reserve (198) at year-end in accordance with the Reserve and Reserve Fund Policy. The reserve balance as of December 31, 2025 was approximately \$3.9 million. Together with funding the projected fuel deficit, funding the winter control deficit may nearly deplete the Environment and Utility reserve (198) balance this year without in-year mitigation.

The severity of winter weather in the first quarter (Q1) has created significant budget pressures across several operational areas. In January, the City declared a significant weather event due to severe winter conditions, and the resulting cleanup efforts have placed considerable pressure on departmental budgets. Throughout 2026, frequent thaw-and-freeze cycles, with temperatures hovering around the freezing point, increased the amount of salt required to maintain road safety. Snow removal in the downtown and surrounding areas also added budget pressure, as heavy snow accumulation required greater reliance on contracted snow-removal services. Water Services also experienced significant weather-related main breaks (30 main breaks in Q1 2026 alone compared with an annual average of 45).

Ontario Building Code (OBC):

Ontario Building Code (OBC) permit revenue is projected to be in a \$240 thousand dollar surplus. This is primarily driven by the [Multi-Unit Accelerator Grant \(MUAG\)](#). Additionally, the Building division contracted a third-party consultant to conduct a user fee study. Based on the study's findings, updated OBC user fees were approved and came into effect on July 1, 2026; they are expected to contribute to the favourable revenue forecast. The forecast revenue surplus will offset a portion of the budgeted transfer of \$1.8 million from the Building Services OBC Stabilization

reserve fund (188). Combined with expenditure savings, primarily attributable to staffing vacancies, the forecasted year-end transfer required from the OBC reserve is expected to be approximately \$1.2 million, leaving approximately \$150 thousand in the reserve at year-end.

Encampment Response:

Currently, there are an estimated 60 active encampments across the City, and there have been more than 300 calls related to encampments in 2026 to date. This has put pressure on Operations budgets, as additional resources have been deployed to support encampment response efforts and provide services such as site cleanup. As a result, overtime and purchased services costs have increased and are forecast to be in a \$620 thousand deficit by year-end.

On July 21, Council approved a \$260 thousand pilot project focused on proactive outreach and support, funded through the Tax Operating Contingency Reserve (180). Running from August 2026 to February 2027, the project will provide additional staffing resources and funding for cleanup costs. The dedicated response team will work closely with community agencies to deliver support that is expected to help mitigate some current cost pressures and budget overruns. A revised year-end projection will be provided at Q3 after the initial results from the proactive work being completed by the emergency response team approved in July are known.

Local Boards and Shared Services:

Based on the Social Services Financial Statements and Variance Projections as of May 31, 2026, presented to the Joint Social Services and Land Ambulance Committee ([eSCRIBE Agenda Package](#)), the County is forecasting a \$1.3 million surplus in the City's contribution for Social Services. This favourable variance is primarily driven by a cost-sharing shift and savings in the City's portion of homelessness program costs.

Capital Budget

The capital budget carried over from 2025 was \$446.3 million, in addition to a Council adopted 2026 budget of \$366.4 million and in-year net budget additions of \$2.2 million results in a total available budget for 2026 of \$815.0 million (before purchase order commitments).

In March 2026, staff undertook an extensive project level review of uncommitted balances that would carry-over to 2026. Through this review a total of \$2.3 million was reduced from the uncommitted approved budget and released to the reserve funds.

Capital budget adjustments approved as part of the 2025 Year-end Capital Budget Monitoring Report have been processed in Q2, a total increase of \$1.7 million. Additional budget adjustments made in Q2 can be found in Attachment-2 – Q2 2026 Capital Budget Adjustments.

Total capital spending to the end of Q2 was \$77.0 million, which was \$3.1 million less than last year. As of June 30, 2026, there was \$367.2 million in issued purchase orders (PO), which was \$146.2 million more than last year. Early in Q2 the PO for construction of the Guelph Transit and Fleet Services Building was issued (\$173 million) which accounts for just under half of the total PO's issued. Other significant PO balances are related to Wyndham St. N. Reconstruction, FM Woods

Booster Pumping Station Upgrade, New Central Library, South End Community Centre and Speedvale Ave. Reconstruction.

A summary of capital activity to the end of the quarter is included in Attachment-1 Q2 2026 Capital Spending.

As of June 30, 2026, the uncommitted approved budget which is yet to be executed was \$370.7 million, which was \$30.2 million more than the same quarter of 2025.

Staff will continue to monitor the trajectory of capital spending and commitments throughout 2026 and recommend any necessary adjustments in advance of the 2027 budget update.

Committed/Spent

The City has set a target of having 80 per cent of the capital budget spent or committed through POs by the end of the year.

For 2026 a total of \$535.8 million must be spent/committed in order to meet the 80 per cent target for City projects. This dollar amount is based on the total approved life-to-date capital budget as of June 30, 2026. It will fluctuate as the budget is adjusted throughout the year through project adjustments.

At the end of Q2, the spent/committed per cent is 76.6, and an additional \$91.5 million in spending/commitments is required to meet the 80 per cent target by the end of the year. There are several larger projects that are remaining to be awarded in 2026, which will likely commit a significant amount of these funds.

Emerging Issues

Fuel Prices

Fuel increases can have a negative impact on the capital budget as effects of fuel increases are felt throughout the supply chain making infrastructure supplies and services more expensive. As the cost of fuel increases are a component of the price of a good/service, the increase in most cases cannot be separated out to determine an overall impact. Any project budget adjustments required will be included in the quarterly monitoring reports to Council.

Buy Ontario Act (Public Sector Procurement), 2025

The strategic objective of the Buy Ontario Act (BOA) is to protect Ontario's jobs and businesses and to promote and build key industries and strengthen economic resilience. Under the Municipal Buy Ontario Procurement Directive new fleet vehicles and new capital infrastructure are affected. There was a phased approach to the policy requirements with three effective dates:

- April 13, 2026 – fleet vehicle requirements for municipalities
- May 15, 2026 – capital infrastructure requirements for municipalities
- June 1, 2026 – capital infrastructure and fleet vehicle requirements for Local Boards, Municipal Service Corporations

The Fleet Vehicle Policy first prioritizes Made-In-Ontario vehicles and second, made by Ontario Vehicle Producers, for all new light-duty passenger fleet vehicle procurements. There are some exclusions to the policy including short-term leases up to 12 months and vehicles that are physically modified or upfitted for an intended operational use or function such as ambulances, police cruisers, enforcement vehicles and emergency response vehicles. If the vehicle requirements

cannot be met or are not available, an alternative approach may be taken, however, there is a prescribed path that must be followed for procurement and detailed records kept at each stage to document if a Made-In-Ontario or by an Ontario Vehicle Producer is not selected. The list of Made-In-Ontario vehicles is currently limited to less than a dozen vehicle models which includes only one truck model.

The Capital Infrastructure Policy prioritizes Ontario-Made and Canadian-Made goods/services and includes procurement for:

- construction, reconstruction, renovation,
- major fixtures, furniture and equipment included in and incidental to the construction of the facility and required to support the facility's operational readiness immediately following completion of construction, and
- transit fleet vehicles and buses but excluding light duty passenger vehicles.

Out of scope is medical equipment, information technology, operational fixtures, furniture or equipment acquired after the facility is operational and routine maintenance, repair and operations unless structural. Staff must first conduct a market assessment, if the policy would result in a 25 per cent cost increase there is a potential exclusion from the policy; otherwise, a Domestic Supply Chain Plan (DSCP) detailing origin and value of major goods and services must be completed by vendors when bidding on a procurement. A 10 per cent evaluation advantage must be given to the bidder with the highest proportion of Ontario made goods and services in their DSCP. There is some flexibility providing an alternative approach if it is not feasible to require vendors to submit a DSCP and an exclusion from the policy if it conflicts with a federal funding agreement in place. Documentation of the market assessment undertaken, details to support decisions and approvals must all be obtained and provided to the province as required.

An update to the Procurement By-Law was approved June 23, 2026, the accompanying report outlines the potential impacts of implementing the Buy Ontario Act directives. Potential impacts include lowering the competitiveness and overall value for money of public procurement and increased delays due to the additional evaluation, tracking and reporting requirements added to an already complex process. Staff have prepared internal implementation guidelines and will continue to update procurement documents, evaluation templates, approval processes, training materials and staff guidance as provincial interpretation, tools and guidance evolve. Any budgetary impact will be monitored closely and adjustments made as part of the 2027 budget.

Budget Adjustments

The [Budget Policy](#) that was approved by Council July 21, 2026 laid out the type of capital budget adjustments that require Council approval and their associated reporting requirements. Furthermore, the [Reserve Policy](#) has specific approval requirements listed by individual reserve/reserve fund. Staff have implemented these policy requirements for the purposes of reporting adjustments in Q2.

Recommendation 1

In Q2 only one adjustment requires Council approval and is included on Attachment-2, Table 3 – Reallocations greater than \$500,000. The adjustment is a reallocation of available infrastructure renewal funds from the Fire Dispatch Phone System (NG-911) to a new project for the one-time onboarding costs for the CAD

implementation that is required to support the NG-911 system. These updates are directly related to the NG-911 project, however not eligible for the NG-911 grant thus requiring the funds to be reallocated to a separate project account. Other notable adjustments are based on Council direction through in-year Council reports, such as the addition of the Multi-Unit Accelerator Grant Program funded from the Housing Accelerator Fund. Capital budget adjustments made in Q2 can be found in Attachment-2 Q2 2026 Capital Budget Adjustments.

Recommendation 2

A need to replace the existing cast iron watermain along Janefield Avenue under the City's Cast Iron Replacement Program has been identified. As this program is not funded in the City's capital plan until 2028, there is a need to move the necessary funds up immediately to enable this work to be completed. The request is a net-zero budget adjustment consisting of an increase of \$600,000 to WD0066 Cast Iron Replacement Program funded 100 per cent from the water capital reserve, and a decrease of \$600,000 to PN0894 Ontario St. Reconstruction – Neeve to York & Wood St. funded 11 per cent from the infrastructure renewal reserve, 35 per cent from the water capital reserve, 29 per cent from the wastewater capital reserve and 25 per cent from the stormwater capital reserve. The 2027 and 2028 budgets will be adjusted accordingly to return funds to Ontario St. Reconstruction in 2027 and reduce the proposed budget in the Cast Iron Replacement Program in 2028.

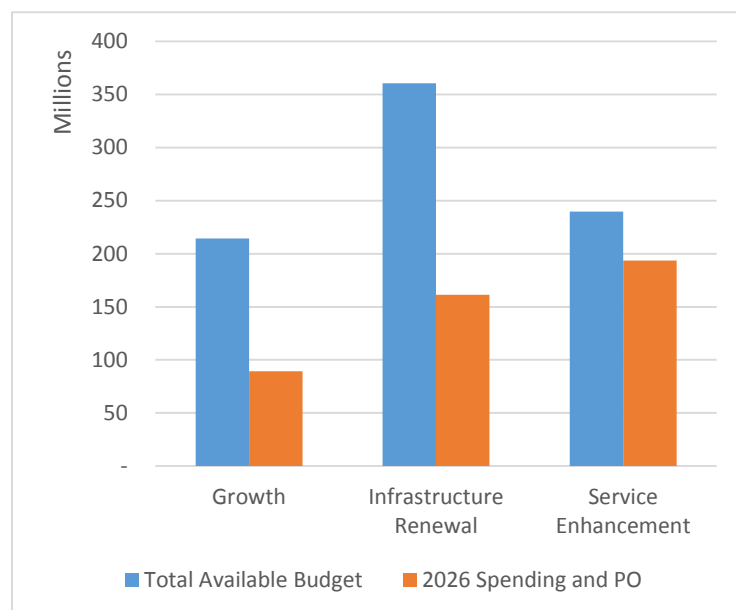
Capital Investment Categories

Due to the integrated nature of many departmental capital budgets, and to enhance understandability of the budget outcomes, the capital program is categorized by capital investment category as outlined below:

- **Infrastructure Renewal** – state of good repair renewal and maintenance work on the City's existing \$6.98 billion portfolio of capital assets. Valuation per the [Corporate Asset Management Plan Policy Update -2026-261](#). Funded primarily through the infrastructure renewal reserve and rate funded capital reserves as well as the federal and provincial gas tax programs and dividends from the City's wholly owned subsidiaries.
- **Growth** – creation of new assets to serve a growing community, maintaining the current level of service provided to the existing population. Funded through growth revenue tools such as development charges, parkland dedication, community benefit charges and tax supported growth reserve.
- **Service Enhancement** – creation of new assets that will provide a new or enhanced level of service for the community. Funded primarily through the tax supported service enhancement reserve, 100RE reserve or specific grants such as ICIP.

Each project can only be assigned one investment category and is determined based on the dominant funding source. It is important to note that linear work such as road reconstructions often includes components of all or a combination of two funding sources based on the scope of the project.

Figure 1 - Capital Investment Category



This report includes project level comments for all projects in Table 1 below, that have over \$10 million in available budget. Available budget is the total budget that has been approved in the current and previous years less any expenditures incurred in previous years.

The City currently has nine projects with available budget over \$10 million. These projects currently account for 60 per cent of the total available budget. Of these nine projects, four are Tier 1 projects. Information about many larger scale construction and infrastructure improvement projects is available on the City's [Construction Projects webpage](#). As local boards, the Guelph Police Service and Guelph Public Library are reported outside this framework and their capital budgets are not included in this report. Information on their capital projects are reported through their respective board reports. No project level comments are submitted to the City.

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.

Table 1 - Projects with available budget greater than \$10 million (in millions)

Project	Investment category	Program of work	Available budget	2026 Spend & PO	2026 Uncommitted budget
*(TC0059) Guelph Transit and Fleet Services Facility (ICIP-GUE-03)	Service Enhancement	Parking and Transit Services	199.3	180.5	18.9
(ST0003) Biosolids Facility Upgrade	Infrastructure Renewal	Water Management	68.7	5.7	63.0

(ST0043) Tertiary Treatment Process Facility	Growth	Water Management	49.1	4.3	44.8
*(PN0060) Wyndham St N Reconstruction - Farquhar to Woolwich (part of the Downtown Infrastructure Renewal Program)	Infrastructure Renewal	Transportation Network	38.9	34.4	4.4
(WT0064) FM Woods Booster Pumping Station Upgrade	Infrastructure Renewal	Water Management	38.1	26.8	11.4
*(RF0093) South End Community Centre Construction	Growth	Culture and Recreation	30.3	26.3	4.0
*(LB0028) New Central Library	Growth	Corporate Facilities, Public Works and By-Law	26.4	25.6	0.8
(PN0097) Speedvale Avenue Reconstruction - Glenwood to Manhattan	Growth	Transportation Network	18.8	14.6	4.2
(WT0015) Verney Booster Pumping Station Upgrades	Growth	Water Management	17.0	1.0	16.0

*denotes Tier One projects, ** may not add due to rounding

Infrastructure Renewal

Total available budget for the infrastructure renewal investment category is \$360.7 million. In-year capital spending within the infrastructure renewal capital investment category was \$39.6 million with another \$121.8 million in PO commitments as of June 30, 2026. Remaining to be executed is \$199.3 million of the budget.

ST0003 Biosolids Facility Upgrade

- Program of Work: Water Management
- Available Budget: \$68.7 million
- Total 2026 spending and POs: \$5.7 million
- Uncommitted yet to be executed budget: \$63.0 million
- Project update: Design has reached 60 per cent completion. Options are being developed to align the construction estimate with the approved budget.

PN0060 Wyndham St. N. Reconstruction – Farquhar to Woolwich

- Program of Work: Transportation Network
- Available Budget: \$38.9 million
- Total 2026 spending and PO commitments: \$34.4 million
- Uncommitted yet to be executed budget: \$4.4 million

- Project update: As part of the Downtown Infrastructure Renewal Program, progress on Wyndham St. N. Reconstruction is reported on through the [Tier One webpage](#). Construction is underway, regular updates can also be found on the [project's webpage](#) including how to access and park in Downtown during construction.

WT0064 FM Woods Booster Pumping Station Upgrade

- Program of Work: Water Management
- Available Budget: \$38.1 million
- Total 2026 spending and PO commitments: \$26.8 million
- Uncommitted yet to be executed budget: \$11.4 million
- Project update: Construction of the booster pumping station is on-going. Reservoir work is completed along with most of the foundation walls. Work to come in 2026 includes closing in the building, electrical and installation of a generator. Further, on the mechanical side, delivery and installation of vertical turbine pump and surge tanks along with interconnected piping and control equipment is planned for 2026. Uncommitted budget includes site works including landscaping and parking lot construction. The RFP for interior renovations to better support operational needs is anticipated to be awarded in Q3 2026.

Growth

Total available budget for the growth investment category is \$214.4 million. In-year capital spending within the growth capital investment category was \$32.6 million with another \$56.7 million in PO commitments as of June 30, 2026. Remaining to be executed is \$125.0 million of the budget.

ST0043 Tertiary Treatment Process Facility

- Program of Work: Water Management
- Available Budget: \$49.1 million
- Total 2026 spending and POs: \$4.3 million
- Uncommitted yet to be executed budget: \$44.8 million
- Project update: Construction tender has been awarded, PO will be issued in Q3.

RF0093 South End Community Centre Construction

- Program of Work: Culture and Recreation
- Available Budget: \$30.3 million
- Total 2026 spending and POs: \$26.3 million
- Uncommitted yet to be executed budget: \$4.0 million
- Project update: Quarterly updates are available through the [Tier One webpage](#). Finishing touches are happening on the exterior envelope as well as final interior finishing work. Arena refrigeration system was fully commissioned in Q2 and commissioning of the building systems has begun in Q2. The facility is expected to open in the fall of 2026.

LB0028 New Central Library

- Program of Work: Corporate Facilities, Public Works and By-Law
- Available Budget: \$26.4 million
- Total 2026 spending and POs: \$25.6 million
- Uncommitted yet to be executed budget: \$0.8 million

- Project update: Quarterly updates are available through the [Tier One webpage](#). Substantial completion is expected later in 2026.

PN0097 Speedvale Avenue Reconstruction - Glenwood to Manhattan

- Program of Work: Transportation Network
- Available Budget: \$18.8 million
- Total 2026 spending and POs: \$14.6 million
- Uncommitted yet to be executed budget: \$4.2 million
- Project update: Phase 2 (GJR tracks east of Speedvale/Woolwich intersection to Riverview Drive, including Speed River bridge replacement) construction is underway. Phase 3 (Riverview Drive to Manhattan Court) is in detailed design with construction currently budgeted in 2028.

WT0015 Verney Booster Pumping Station Upgrades

- Program of Work: Water Management
- Available Budget: \$17.0 million
- Total 2026 spending and POs: \$1.0 million
- Uncommitted yet to be executed budget: \$16.0 million
- Project update: Pre-qualification of general contractors is being completed and the contract award for construction is anticipated in Q3.

Service Enhancement

Total available budget for the service enhancement investment category is \$239.8 million. In-year capital spending within the infrastructure renewal capital investment category was \$4.8 million with another \$188.7 million in PO commitments as of June 30, 2026. Remaining to be executed is \$46.3 million of the budget.

TC0059 Guelph Transit and Fleet Services Facility (ICIP-GUE-03)

- Program of Work: Parking and Transit Services
- Available Budget: \$199.3 million
- Total 2026 spending and POs: \$180.5 million
- Uncommitted yet to be executed budget: \$18.9 million
- Project update: Quarterly updates are available through the [Tier One webpage](#). The PO for the construction of the facility was issued in mid-April and the construction manager mobilized to the site in May. Grading works are underway. Building foundations and site servicing is expected to start later this summer. Additionally, the PO for e-bus chargers has been issued.

Capital Revenues

Development Charge Collections

Development Charge (DC) collections through June 30, 2026 totalled \$5.8 million and, if collections continued at the current pace, are forecast to reach 54.5 per cent of the \$21.4 million budget forecast. Through the MYB, DC collections were projected based on the growth forecast and rates outlined in the City's [2023 DC Background Study](#). However, these projections were revised downward for economic trends through the 2026 Budget Confirmation. Of the \$5.8 million of DC collections from January to June, \$700 thousand is from residential developments electing to pay DCs at building permit, while \$5.1 million was collected from non-residential developments.

Bill 17 introduced legislation to allow builders to defer DC payments on residential development from the time of building permit issuance to the time of occupancy. This legislation came into effect in November 2025, and as a result residential DC collections have been minimal as new development is being constructed. As outlined in the 2026 Administrative Development Charge By-law Update report, staff estimated the impact of this legislation to be a loss of \$14.6 million in DC collections in 2026. By the end of June, there has been \$3.2 million of DCs deferred, which will be collected at the time of occupancy. While the legislative deferral of residential DC payments has reduced collections in the current year, overall development activity also remains below the assumptions used in the City's 2023 DC Background Study and the reduced assumptions implemented through the 2026 Budget Confirmation process.

Over the past two years, the City has continued to prioritize moving forward high priority growth enabling infrastructure in the face of lower DC collections by leveraging inter-reserve fund borrowing, deferring asset renewal work, and using debt. This strategy has allowed the City to advance critical projects, but it has also created financial obligations that must now be serviced against a backdrop of deeply insufficient DC revenue. The current trajectory is not sustainable and the City's continued prioritization of growth enabling works in the face of low DC collections is being reassessed ahead of the 2027 Budget Update and future capital forecasts. This review is necessary given that the 2027 capital forecast currently includes \$77 million of DC supported capital spending. Given current collection trends, depletion of DC reserve fund balances, and existing debt servicing obligations for approved projects, staff are reviewing the timing and prioritization of DC-supported capital projects to better align capital expenditures with available funding. DC collection assumptions are foundational to the capital plan and the City's financial capacity to advance growth capital work. Staff will continue to monitor and report on collections through year-end.

Based on the 2026 Budget Confirmation debt projections, there will be \$10.1 million of DC funded debt servicing costs in 2026, which may exceed DC collections for the year. These debt servicing costs relate to previously budgeted or executed projects including but not limited to the Police Headquarters expansion, the Market Parkade, and the South End Community Centre. With the current outlook, DC collections are not sufficient to fully cover DC debt servicing costs. As a result, even in the absence of additional growth-related capital projects, the DC reserve funds would continue to decline. This continues to put pressure on both tax and non-tax supported services as these funding sources effectively serve as interim financing for growth related infrastructure.

Exemptions and Discounts

To promote affordability, a long-term perspective was taken to budget for exemptions and discounts. This approach involves gradual increases in the budgeted annual transfers as outlined in the [Growth Strategy](#). The cost of DC exemptions and discounts is covered by other City revenue sources through transfers from taxes (Growth Reserve 156) and rates (Water, Wastewater, and Stormwater capital reserves, 152, 153, and 165 respectively) to the DC exemption reserves.

The 2026 budgeted transfers for exemptions and discounts is \$14.1 million, actual exemptions to the end of Q2 are \$4.4 million (31 per cent of budget). The actual

exemptions are outlined in Table 1. If this trend continues through the remainder of the year, this will provide some relief to the projected Growth and rates reserve balances, however, it is noted that a DC appeal has been filed for one development which, if successful, would result in an exemption of \$10.9 million, representing a significant risk to the tax supported capital reserve forecast.

With the updated [Development Charge Exemption Policy](#), grants received that displace DC funding in a capital project can be used to offset the impact of DC exemptions and discounts on tax and rate revenue.

Table 2: Actual exemptions through June 30, 2026 (\$)

Exemption Type	Amount
Industrial expansions	-
Category of owner (exempt per by-law)	-
City owned facility	-
Non-profit housing corporation	-
Rental housing discounts	67,058
Phase in	-
Additional Residential Dwelling Units (ARDUs)	4,294,871
Total Exemptions Funded	4,361,929

Grants

The Building Communities Strong Fund remains a key source of federal infrastructure funding, with opportunities available through its Community Stream (formerly the Canada Community-Building fund, and prior to that, the federal gas tax), Direct Delivery Stream, and Provincial and Territorial Stream. Throughout Q2, staff advanced applications and engaged with funding partners across multiple streams to support the City's infrastructure, housing, and growth-related priorities.

The City is confirmed to receive \$9.4 million in 2026 through the BCSF Community Stream, along with \$3.0 million allocation through the Dedicated Provincial Gas Tax program. These contributions continue to be directed to obligatory reserve funds and applied toward eligible capital projects, helping to offset reliance on property tax-supported funding. Together, these funding sources provide predictable annual revenue that supports the City's long-term capital financing strategy, infrastructure renewal needs, and transit investment priorities.

The overall ICIP funding commitment to the City remains unchanged and continues through 2033. Receipt of the previously submitted claims totaling \$18.0 million remains outstanding at the time of reporting. Upon receipt of these funds, staff intend to submit a second claim in the third quarter of 2026. As of June 2026, the total ICIP receivable has increased to a total of \$19.6 million.

The City continues to implement housing initiatives funded through the \$21.4 million Housing Accelerator Fund (HAF) grant from the Government of Canada.

Implementation remains on track with approximately 85 per cent of initiatives completed, including the Multi-Unit Accelerator Grant program, which has supported the creation of approximately 829 additional housing units through the issuance of building permits. The remaining initiatives are expected to be delivered by the end of 2026. While the City has achieved its affordable housing target and continues to advance commitments under the HAF Action Plan, market-driven constraints continue to impact housing development activity in Guelph and across the broader sector, creating uncertainty around the housing growth targets associated with the final HAF instalment. Staff continue to actively monitor project budgets, timelines, and funding allocations, while prioritizing investments in initiatives that are expected to accelerate housing delivery and maximize progress toward HAF objectives.

As part of the transition to the BCSF, Housing, Infrastructure and Communities Canada (HICC) contacted the City to confirm that the wastewater treatment facility and associated trunk sewer projects previously submitted under the Canada Housing Infrastructure Fund (CHIF) remain a municipal priority, and to validate project information for potential consideration under the BCSF Direct Delivery Stream. The City reconfirmed its interest in the projects and updated its funding request to \$41.9 million, representing 50 per cent of eligible project costs, an increase from the 40 per cent federal cost-sharing limit available under CHIF. On August 11, 2026, the federal government announced funding of more than \$33.4 million for these projects through the BCSF Direct Delivery Stream, equal to 40 per cent of the total eligible project costs. Staff will continue to work with program representatives to finalize the funding agreement and advance the projects.

In addition to the BCSF Direct Delivery Stream, the City was awarded the following grants, which was added to the capital budget in Q2:

- \$67 thousand from the Ministry of Transportation (MTO) for the EV ChargeOn program delivered through the Ontario Vehicle Innovation Network (OVIN) for the supply and installation of 6 EV chargers for public use at Market Parkade.
- \$35 thousand from Regional Tourism Organization 4 (RTO4) to support a tourism-oriented wayfinding project that will address vehicular destination directions from major gateways to downtown.
- \$10 thousand from the All Risk Municipal Grant for the Guelph Road Safety Insights to analyze high risk intersections to proactively identify emerging road safety concerns.

In June 2026, the City submitted an application to the [Development Charge Reduction Program \(DCRP\)](#), a federal-provincial funding initiative supported through the BCSF Provincial and Territorial Stream. The City is seeking \$73.6 million in funding to support housing-enabling water and wastewater infrastructure projects. As a condition of program participation, municipalities are required to reduce residential development charges by a minimum of 30 per cent for a three-year period. Approval of the City's application would help offset the financial impacts associated with this required reduction while supporting critical infrastructure needed to accommodate future housing growth. At the time of writing, staff are awaiting the outcome of the application and will provide updates as additional information becomes available.

In addition to the above BCSF DCRP application, the City had \$3.5 million in grant applications under review with funding agencies in Q2:

- \$1.4 million from HICC for the CPTF Stream 3 - Active Transportation Fund for the Rural to Core Bikeway spanning Woodlawn Rd. and downtown.
- \$1.2 million from Labour, Immigration, Training and Skills Development from the Skills Development Fund Capital Stream for the Firefighting Training Burn Tower, which will replace the existing fire burn trailer which is nearing the end of its useful life.
- \$620 thousand from the Federation of Canadian Municipalities (FCM) for the Green Municipal Fund's (GMF's) Growing Canada's Community Canopies grant.
- \$140 thousand from the FCM for the Residential Resilience Financing program for the program design study of a residential finance program, similar to the Guelph Greener Homes Program with a focus on climate change resilience.
- \$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.
- \$60 thousand from the Ministry for Seniors and Accessibility through the Enhancing Accessibility to Spaces for Everyone grant for the Hanlon Creek underpass.

In Q2 the City was notified that the following grant application was not approved for funding:

- \$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

Staff continue to maintain an active grants programs assessing emerging funding opportunities and advancing applications where program objectives align with Council-approved priorities and infrastructure needs.

Financial Implications

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

Staff will continue to monitor the impact of risks and opportunities identified in this report to safeguard the City's long-term sustainability. Identifying potential risks and, where possible, implementing mitigation strategies early reduces the reliance on the City's contingency reserves at year-end. Contingency reserves have been utilized in the 2024, 2025, and 2026 budgets to phase in cost pressures and promote affordability for the community. As reported in the [2025 Long-term Financial Statement: Reserves and Debt Report](#), as of December 31, 2025, the available balance in the City services tax supported corporate contingency reserves was \$15.1 million or 36 per cent of the target balance, down from 50 per cent in 2024. If the deficit occurs as projected, the tax supported contingency reserves balance would be 10 per cent of the target balance and the non-tax supported contingency reserves would be 68 per cent of the target balance at the end of 2026. Balances below target reduce the City's financial health, limiting the ability to mitigate any negative financial impacts should an overall City deficit materialize.

The year-end operating position is important in determining the City's overall fitness as assessed by an external credit rating agency. The credit rating affects the rate at which the City can issue debt thereby affecting the affordability of long-term capital projects for the City tax and rate payers.

Consultations and Engagement

Departments are responsible for managing their programs according to municipal standards and within the approved budget. The responsibility for monitoring the operating budget is shared between the operating departments and the Finance department. Department General Managers received financial reports based on their actual operating revenue and expenditures up to June 30, 2026, and provided commentary in consultation with the Finance department.

Project Managers are responsible for managing capital accounts and ensuring capital deliverables are completed within the approved budget and a reasonable timeframe to achieve the Council's expected outcomes for each project.

Department General Managers and Project Managers received financial reports based on their actual capital expenditures and commitments up to June 30, 2026. Using this information, they provided progress status updates and financial forecasts at the project level, based on the best available information at the time. Future updates are subject to change based on the economic environment.

Attachments

Attachment-1 2026 Capital Spending

Attachment-2 Q2 2026 Capital Budget Adjustments

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Attachment-1: Q2 2026 Capital Spending

Table 1: Capital Spending as of June 30, 2026 (all values are in thousands of dollars)

Budget by investment category	Infrastructure Renewal	Growth	Service Enhancement	Total Year to Date
Carry-over budget	211,506	187,860	46,974	446,340
2026 capital budget, approved	150,607	22,469	193,365	366,441
2026 additional approved funding	(1,382)	4,073	(507)	2,185
Available capital funding	360,731	214,402	239,832	814,966
2026 capital spending	39,584	32,632	4,799	77,014
Open purchase orders (PO)	121,806	56,738	188,685	367,230
Total spending and commitments	161,390	89,370	193,484	444,244
Projects closed	0	0	0	0
Uncommitted approved budget	199,340	125,033	46,349	370,722

Note: May not add due to rounding.

Attachment-2: Q2 2026 Capital Budget Adjustments

Definitions

Budget Adjustment (Table 1)

A budget adjustment is the change in the total approved expenditure budget of a project. Any increase or decrease in the expenditure budget has a corresponding adjustment to the funding, however, the current approved funding allocation remains the same. Council approval for budget adjustment increases are required regardless of amount except for an increase due to the receipt of external funding sources.

Budget Reallocation (Tables 2, 3)

A reallocation transfers approved budget from one approved project to another approved project while maintaining the current funding allocation. Reallocations do not change the total approved expenditure or funding budget. Council approval is required for amounts over \$500 thousand.

Funding Adjustment (Table 4)

A funding adjustment occurs when the funding allocation of an approved project needs to be adjusted. The total expenditure budget remains the same, however, the overall breakdown of funding from reserve funds is adjusted. This can occur for many reasons including receiving a grant that replaces existing funding, changes to the scope of the project or in the case of the approval of a new Development Charge Background Study. All funding adjustments require Council approval regardless of amount.

Administrative Adjustments (Table 5)

An adjustment that is the consolidation of two or more alike projects or the breakout of a project into multiple project accounts for better transparency and management. Administrative adjustments are approved by the General Manager of the department responsible for the projects and the Manager of Budget Services (Finance).

Table 1 - Additional approved budget and other budget adjustments

ID	Capital account	Entry description	Budget increase / (decrease) \$
BR-26CAP-23	PK0233 Parkland Easement Acquisition	To set up capital projects in line with the approval of Closed Report 2026-25 on May 5, 2026.	300,000
	PK0234 Parkland Maintenance Agreement Acquisition		200,000
BR-26CAP-26	PL0089 Advancing Affordable Housing on City Owned Properties	To increase HAF funding for PL0089 for Affordable Housing on City Owned Land as tender bid came in above original budget and to add contingency. Discussed at HEST and approved by ET Monday May 25, 2026.	292,860

ID	Capital account	Entry description	Budget increase / (decrease) \$
BR-26CAP-28	WT0043 Arkell Carter Management	Adjust budget for new grant received (\$15k - from Green Communities Canada - a registered charity) which is offsetting a portion (\$8k) of current project costs and adding the remaining to the total budget resulting in a \$7k increase.	7,000
BR-26CAP-29	PL0090 Multi-Unit Accelerator Grant (HAF-9)	To set up the Multi-Unit Accelerator Grant Program funded from HAF, approved by Council May 12, 2026, report 2026-220	2,000,000
Grand total	n/a	n/a	2,799,860

Table 2 – Summary of reallocations under \$100,000

Description	Amount \$
Additional funding (various projects) required at planning/purchasing stage	-
Additional funding required during project execution	51,500
Additional funding required at project closeout	14,850
Grand Total	66,350

Table 3 - Reallocations greater than \$500,000

ID	Transfer from	Amount \$ (from)	Transfer to	Amount \$ (to)	Entry description
BR-26CAP-08	FS0091 Fire - Dispatch Phone System (NG-911)	607,000	FS0104 ESCO Implementation	607,000	To fund the one-time onboarding fee for the CAD implementation (through ESCO), which includes items such as CAD workstations, updates to bring GFD to a secure ESCO network, MDT hardware for apparatuses and infrastructure (including backup support) to support all these initiatives. This project is directly related to the NG911 project but does not qualify for the grant funding.
Grand total	n/a	607,000	n/a	607,000	n/a

Table 4 – Funding Adjustments

ID	Capital Account	Transfer From	Transfer To	Amount \$	Entry description
BR-26CAP-25	RF0093 South End Community Centre Construction	Development Charge – Parks and Recreation		71,275,000	To change funding based on accounting change for budgeting and processing DC debt
			Debt Recoverable – DC Parks and Recreation	(71,275,000)	
	TC0059 Guelph Transit and Fleet Services Facility (ICIP-GUE-03)	Development Charge – Public Works		51,000,000	
			Debt Recoverable – DC Public Works	(51,000,000)	
	LB0028 New Central Library	Development Charge – Library		11,575,000	
			Debt Recoverable – DC Library	(11,575,000)	
	PS0033 Guelph Police Services Headquarter Renovations	Development Charge – Police		14,800,000	
			Debt Recoverable – DC Police	(14,800,000)	
Grand total	n/a	n/a	n/a	-	n/a

Table 5 – Administrative Adjustments

ID	Transfer from	Amount \$ (from)	Transfer to	Amount \$ (to)	Entry description
BR-26CAP-24	WC0023 Waste Resource Innovation Centre Site Asset Replacement	56,600	WC0056 Solid Waste Admin Building Retrofit	189,220	To consolidate funds from various accounts for awarding the tender for the WRIC admin building washroom and changeroom renovation
	WC0022 Waste Transfer Station Asset Replacement	50,000			
	WC0025 Waste Resource Innovation Centre Administration Building Asset Replacement	86,620			
BR-26CAP-31	WD0053 NW Industrial Area Cast Iron Watermain Replacement Program	1,448,000	WD0076 State of Good Repair Upgrades	1,448,000	To break out funding into a new project to improve administrative tracking.
Grand total	n/a	1,637,220	n/a	1,637,220	n/a