

Staff Report



To	General Committee
Subject	Capital Grants and Infrastructure Funding
Date	March 19, 2025
Ward	All
From	K. Oakley, P. Eng., Associate Director, Corporate Asset Management
Executive Member Approval	B. Araniyasundaran, P. Eng., PMP, General Manager, Infrastructure and Growth Management
CAO Approval	M. Prowse, Chief Administrative Officer
Staff Report #	CAM001-25

Recommendation(s):

1. That the 2025 capital plan be amended by advancing and adjusting the funding for projects shown in the Financial Implications section of CAM001-25, resulting in the following:
 - a. Net increase in Grant funding of \$53,536,937
 - b. Net decrease in Tax Capital Reserve funding of \$552,687
 - c. Net decrease in Tax Debt funding of \$3,292,422
 - d. Net decrease in Wastewater Capital Reserve funding of \$329,418
 - e. Net increase in Water Capital Reserve funding of \$300,036
 - f. Net decrease in DC Reserve funding of \$48,702,847
 - g. Net increase in Canada Community Building Fund funding of \$220,501
 - h. Net decrease in Province of Ontario Cost Sharing of \$3,419,798

Executive Summary:

The purpose of this report is to recommend changes to several projects in the 2025 capital plan. The recommended changes will:

- Allow the City to take advantage of grant opportunities from the province
- Advance completion of key construction projects, to enable housing and employment land development
- Advance funding approvals to allow for more timely project completion and mitigate significant infrastructure risks
- Align construction timing to minimize disruptions to motorists
- Complete housekeeping adjustments, returning excess funding to reserves

Key Findings:

In January 2025, the City of Barrie received approval on two grant applications totaling \$53,536,937 from the Province of Ontario. Through the Housing Enabling Core Servicing (HECS) grant, the City will receive \$18.6 million towards two widening and reconstruction projects on Mapleview Drive East and Yonge Street. The Housing Enabling Water Systems Fund (HEWSF) awarded the City \$34.9 million in grant funding towards two capital projects to construct a trunk sanitary sewer on McKay and Huronia Roads. All four impacted capital projects are included in the 2025 capital plan and require advancing and approval of construction funding to meet conditions of the grant programs. As a result of advancing the grant projects, a fifth project is no longer required and can be closed, returning \$1.8 million to reserves.

Advancing and approving funding for a key transmission watermain will mitigate risk of watermain failure and minimize traffic disruption. Staff have identified an opportunity to advance the rehabilitation of a transmission main on Big Bay Point Road. There are a number of capital projects in the vicinity over the next few years, and advancing the project not only mitigates the risk sooner, it will also lessen traffic disruption in the south end. The project is in the capital plan, and requires no additional budget, just advancing and approval of the construction funding.

The Big Bay Point Booster Pumping Station is scheduled for upgrade, and approval of the construction funding will allow for equipment pre-purchase, increasing schedule certainty. The project is in the capital plan and requires no additional budget. This approval of the funding in future years will allow tenders and procurement to proceed in 2025.

The Water Operations Branch has identified an opportunity to increase revenue. Water Operations requires increased project funding to accelerate the meter replacement program which will correct underbilling and generate additional revenue.

The Wastewater Operations Branch has identified operational efficiencies resulting in reduced operating budget requirements. The Wastewater team proposes bringing sewer inspection capabilities in-house and requires increased project budget to purchase the equipment that will lead to operating efficiencies.

The Harvie Road bridge over Highway 400 is complete and final accounting is required. The bridge and associated road widening were completed in June 2021, through funding from several related capital project accounts. Overall, there is a net budget return of \$295,694.

Financial Implications:

Accepting grants towards capital projects results in a reduction in draws from reserves, which is beneficial to the City.

Several of the recommendations within this report require increasing funding or advancing spending within the approved capital plan. The increases are not significant in the overall context of the capital plan and also provide for additional revenue generation and operating savings.

The following table summarizes the impacts on the capital plan, while the detailed breakdown of impacts from each project are included in the Additional Background Information and Analysis section of this report.

Project	Impact	Refund To Reserves
EN1261 – Yonge Street ROW Expansion	Advancing from 2027 to 2025; Funding status from forecast to approved	\$9.4M
EN1271 – Mapleview Drive East Road Expansion	Advancing from 2029 to 2025; Funding status from forecast to approved	\$9.2M
EN1255 – Huronia Road Interim Improvements and Sanitary Sewer	Advancing from 2031 to 2025; Funding status from forecast to approved	\$16.2M
EN1256 – McKay Road Improvements, Sanitary and Water Works	Advancing from 2031 to 2025; Funding status from forecast to approved	\$18.8M
EN1582 - Huronia Road Pavement Holding Strategy	Close project	\$1.8M
EN1559 – Big Bay Point Watermain Lining & Saddle Replacement	Advance from 2026 to 2025; Funding status from forecast to approved	\$0
EN1150 - Big Bay Point Road Booster Station Upgrade	No change in timing; Funding status from forecast to approved	\$0
EN1527 - Wastewater Collection System Inspection Camera	Realized operating efficiencies	(\$160k)
EN1554 - Water Meter Replacement Program	Increase project funding	(\$1.2M)
Harvie Road Projects	Close multiple projects	\$295k

Alternatives:

The following alternative is available for consideration by General Committee:

Alternative #1 – General Committee could maintain the existing capital project funding and timing for some or all of the noted capital projects. This alternative is not recommended as it restricts the City’s ability to take advantage of provincial grants, address critical infrastructure needs, and deliver projects in the most efficient manner possible.

Strategic Plan Alignment:

Affordable Place to Live	X	Several of the projects included in this report provide services to enable housing and employment land development
Community Safety		
Thriving Community		
Infrastructure Investments	X	All of the infrastructure projects listed will update and improve infrastructure

Responsible Governance	X	This report recommends application of \$53.5 million in grants from the provincial government to City projects
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Additional Background Information and Analysis:

The City received two grants totaling over \$53.5 million. Advancing and approving spending on the following projects allows the City to receive grant funding and service key housing developments and employment land. Projects EN1261, EN1271, EN1255, EN1256, EN1582 are included in the 2025 capital budget, however, most of the project budgets were planned for later years as a forecast and were not yet approved for spending. The conditions of the two provincial grants require advancing construction, and the paragraphs and tables below summarize the proposed funding changes to provide spending authority and meet the completion dates.

EN1261 - Yonge Street ROW Expansion (Mapleview to Lockhart) and EN1271 - Mapleview Drive East Road Expansion (Yonge to Prince William)

Through the HECS grant program, the City is receiving \$18 million towards the construction of key transportation improvements. The scope includes widening and reconstruction of Mapleview Drive East (east of Yonge Street to Prince William Way) and Yonge Street (Mapleview Drive to Lockhart Road). The approved 2025 capital plan includes funding for construction between 2027 and 2031. Conditions of the grant require the projects to be complete by March 2028, which necessitates the advancement and approval of the funding in the City’s approved 2025 capital plan. There are funding adjustments associated with the grant, resulting in the return of funding to several capital reserves.

EN1261 – Yonge Street ROW Expansion (Mapleview to Lockhart)			
Funding Source	Current	Proposed	Change
Tax - Debt	\$1,319,570	\$671,561	(\$648,009)
Tax Capital Reserve	\$1,191,751	\$415,751	(\$776,001)
DC Reserves	\$22,635,862	\$14,652,060	(\$7,983,803)
Province of Ontario Grant (HECS)	\$0	\$9,407,813	\$9,407,813
Total	\$25,147,184	\$25,147,184	\$0

EN1271 – Mapleview Drive East Road Expansion (Yonge to Prince William)			
Funding Source	Current	Proposed	Change
Tax - Debt	\$1,490,734	\$1,490,734	\$0
Tax Capital Reserve	\$1,690,694	\$1,355,838	(\$334,856)
DC Reserves	\$28,577,866	\$19,757,222	(\$8,820,644)
Province of Ontario Grant (HECS)	\$0	\$9,155,500	\$9,155,500
Total	\$31,759,295	\$31,759,295	\$0

EN1255 - Huronia Road Interim Improvements and Sanitary Sewer (Lockhart to McKay), and EN1256 - McKay Road Improvements, Sanitary and Watermain Works (Hwy 400 to Huronia)

The HEWSF has awarded the City \$34.9 million in grant funding towards the construction of a trunk sanitary sewer on McKay Road (west of Highway 400 to Huronia Road) and Huronia Road (McKay Road to Lockhart Road). The project is shown in the approved 2025 capital plan with construction forecast to begin in 2031. Conditions of the grant require the projects to be complete by March 2028, which necessitates the advancement and approval of the funding in the City's approved 2025 capital plan. There are funding adjustments associated with the grant, resulting in the return of funding to several capital reserves.

EN1255 – Huronia Road Interim Improvements and Sanitary Sewer (Lockhart to McKay)			
Funding Source	Current	Proposed	Change
Tax - Debt	\$1,331,000	\$348,333	(\$982,668)
Tax Capital Reserve	\$653,487	\$408,997	(\$244,490)
Wastewater Capital Reserve	\$52,500	\$52,500	\$0
DC Reserves	\$32,241,006	\$17,091,142	(\$15,149,864)
Federal Gas Tax	\$636,955	\$857,456	\$220,501
Province of Ontario Grant (HEWSF)	\$0	\$16,156,521	\$16,156,521
Total	\$34,914,948	\$34,914,948	\$0

EN1256 – McKay Road Improvements, Sanitary and Water Works (Hwy 400 to Huronia)			
Funding Source	Current	Proposed	Change
Tax - Debt	\$2,351,649	\$689,904	(\$1,661,745)
Tax Capital Reserve	\$1,104,949	\$538,650	(\$566,299)
DC Reserves	\$36,471,340	\$19,882,281	(\$16,589,059)
Federal Gas Tax	\$72,518	\$72,518	\$0
Province of Ontario Grant (HEWSF)	\$0	\$18,817,103	\$18,817,103
Total	\$40,000,456	\$40,000,456	(\$0)

EN1582 – Huronia Road Pavement Holding Strategy (Lockhart to McKay)

Due to grant funding, this project can be closed and \$1,834,000 returned to reserves. This project to address the poor pavement condition on Huronia Road, was included in the approved 2025 capital plan, considering the planned timing of the trunk sewer work in the 2031 timeframe. With the advancement of the sewer project made possible by the HEWSF grant, the separate pavement holding strategy is no longer required. The road will be paved following the installation of the trunk sewer.

EN1582 – Huronia Road Pavement Holding Strategy (Lockhart McKay)			
Funding Source	Current	Proposed	Change
Tax Capital Reserve	\$1,834,000	\$0	(\$1,834,000)
Total	\$1,834,000	\$0	(\$1,834,000)

Advancing and approving spending on the following projects allows the City to pre-purchase equipment to avoid delays and mitigate risk of watermain failure.

Projects EN1559 and EN1150 are included in the 2025 capital budget. The recommendation for both projects is to provide spending authority for the full construction phase. This does not increase the total project costs. Approving and advancing future construction funding is required to initiate procurement.

EN1150 – Big Bay Point Road Booster Station Upgrade

The Big Bay Point Road Booster Pump Station is planned to be upgraded to replace pumps, generators and other equipment at the end of life. The project team has learned that some of the equipment have long delivery times of 11 to 12 months. The consultant’s workplan is based on optimizing the schedule and minimizing disruption to water operations. Approving the construction funding will allow for pre-purchasing the equipment and tendering the project in late 2025 to ensure the work begins on schedule and avoids waiting for critical components that will stall progress.

EN1150 – Big Bay Point Road Booster Station Upgrade			
Funding Source	Current 2025-2028	Proposed 2025-2028	Change
Water Capital Reserve	\$3,706,401	\$3,706,401	\$0
Total	\$3,706,401	\$3,706,401	\$0

EN1559 – Big Bay Point Watermain Lining and Saddle Replacement

Through the ongoing design phase, structural lining has been confirmed as the construction methodology for the watermain repair. Lining will result in a shorter construction period and earlier completion. Advancing the project timing is desirable as it will mitigate the considerable risk associated with the current condition of the main, and also will minimize traffic disruption, as a number of other capital projects are planned in the vicinity over the next few years.

EN1559 – Big Bay Point Watermain Lining and Saddle Replacement			
Funding Source	Current 2025-2028	Proposed 2025-2027	Change
Water Capital Reserve	\$10,572,000	\$10,572,000	\$0
Total	\$10,572,000	\$10,572,000	\$0

Advancing and approving spending on the following projects allows the City to realize operating efficiencies and address underbilling to generate additional revenue. Projects EN1527 and EN1554 are included in the 2025 capital budget.

EN1527 – Wastewater Collection System Inspection Camera

Increasing the project budget by \$160,000 will realize operating efficiencies. This advanced camera can be deployed into sanitary laterals from the sewer main, enhancing worker health and safety, reducing the need for costly excavations, and providing valuable data to support various corporate programs, including asset management, inflow and infiltration investigations, and in-situ repairs. Bringing this service in-house is projected to result in savings of \$50,000 annually by reducing reliance on contractors, with additional savings anticipated from fewer exploratory excavations.

The truck and camera equipment were budgeted separately and planned to be procured separately. As work advanced, it became apparent that a single procurement was the best way to facilitate a competitive bidding process, however this added time to the overall project and cost increases due to inflation.

EN1527 – Wastewater Collection System Inspection Camera			
Funding Source	Current	Proposed	Change
Wastewater Capital Reserve	\$300,000	\$460,000	\$160,000
Total	\$300,000	\$460,000	\$160,000

EN1554 - Water Meter Replacement Program

Increasing project funding will correct underbilling and generate additional revenue. The City of Barrie has over 47,000 water meters and their associated smart points installed in each residential dwelling and industrial, commercial or institutional (ICI) building for the purpose of fair and accurate billing. These assets have a design life cycle of twenty (20) years for residential water meters and between four (4) and ten (10) years for ICI water meters. In 2023, total water and wastewater billings amounted to \$72,788,989 based on water meter readings. Assuming 51% of our meters are under registering (estimated at 5-30% of usage) lost revenues would amount to a minimum of \$1.86 million annually. In 2024 Council approved an additional staff member dedicated to replacing water meters, to address some of the underbilling issues and more appropriately collect revenue. Staff were able to replace more meters than originally estimated, and therefore additional capital funding is required to advance the program.

EN1554 – Water Meter Replacement Program			
Funding Source	Current	Proposed	Change
Water Capital Reserve	\$1,605,061	\$2,835,061	\$1,230,000
Total	\$1,605,061	\$2,835,061	\$1,230,000

Harvie Road Projects

The Harvie bridge is completed, and housekeeping adjustments are required to finalize accounting and close projects. The Harvie Road and Big Bay Point Road

Crossing over Highway 400 was completed in June 2021. Land acquisition costs were finalized in 2023 and an additional \$3 million was requested as part of the 2024 capital plan. Final funding adjustments between accounts are required. Overall, there is a net budget return of \$295,694. Underspending in EN1262 and EN1287 is available to offset budget overages in EN1161 and EN1188.

EN1161 – Harvie Road and Big Bay Point Road New Crossing (Hwy 400)			
Funding Source	Current	Proposed	Change
Tax Capital Reserve	\$2,584,463	\$3,306,214	\$721,750
DC Reserves	\$5,187,667	\$6,568,101	\$1,380,434
Other Funding	\$127,870	\$127,870	\$0
Total	\$7,900,000	\$10,002,185	\$2,102,185

EN1188 – Harvie Road ROW Expansion (Veterans to Bryne)			
Funding Source	Current	Proposed	Change
Tax Capital Reserve	\$69,300	\$123,805	\$54,505
DC Reserves	\$128,700	\$229,924	\$101,224
Total	\$198,000	\$353,730	\$155,730

EN1262 – Harvie Road ROW (Essa to Bryne)			
Funding Source	Current	Proposed	Change
Tax Capital Reserve	\$4,337,810	\$3,728,786	(\$609,024)
Water Capital Reserve	\$970,000	\$1,269,980	\$299,980
Wastewater Capital Reserve	\$620,000	\$130,582	(\$489,418)
DC Reserves	\$11,432,497	\$9,905,999	(\$1,526,498)
Other Funding	\$160,129	\$160,129	\$0
Non-Funding Revenue	\$202,144	\$202,144	(\$0)
Total	\$17,722,580	\$15,397,620	(\$2,324,959)

EN1287 – Harvie Road and Big Bay Point Road New Crossing (Hwy 400)			
Funding Source	Current	Proposed	Change
Tax Capital Reserve	\$5,060,537	\$8,096,266	\$3,035,728
Water Capital Reserve	\$2,878,443	\$2,878,500	\$56
DC Reserves	\$24,989,554	\$24,874,916	(\$114,637)
Province of Ontario Cost Sharing	\$10,000,000	\$6,850,202	(\$3,149,798)
Other Funding	\$182,216	\$182,216	\$0
Non-Funding Revenue	\$85,000	\$85,000	\$0
Total	\$43,195,750	\$42,967,100	(\$228,650)

Summary of the Harvie Road Projects

Project	Current	Proposed	Change
EN1161 - Harvie Road and Big Bay Point Road New Crossing (Highway 400)	\$7,900,000	\$10,002,185	\$2,102,185
EN1188 - Harvie Road ROW Expansion (Veterans to Bryne)	\$198,000	\$353,730	\$155,730
EN1262 - Harvie Road ROW (Essa to Bryne)	\$17,722,579	\$15,397,620	(\$2,324,959)
EN1287 - Harvie Road and Big Bay Point Road New Crossing (Highway 400)	\$43,195,749	\$42,967,099	(\$228,650)
Total	\$69,016,328	\$68,720,634	(\$295,694)

Consultation and Engagement:

No public consultation was required in relation to this staff report.

Environmental and Climate Change Impact Matters:

There are no environmental and/or climate change impact matters related to the recommendation.

Appendix:

Not applicable

Report Author:

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File #:

C11 - CAP

Pending #:

Not applicable