



Staff Report

Operations

Report To: COW - Operations, Planning and Building Services
Meeting Date: February 3, 2026
Report Number: OPS.26.008
Title: Craigleith SLS, Mill St SPS and Bay-Grey St Linear Works Financial Reporting and Project Cost Update
Prepared by: Alan Pacheco, Director of Operations

A. Recommendations

THAT Council receive Staff Report OPS.26.008, entitled "Craigleith SLS, Mill St SPS and Bay-Grey St Linear Works Financial Reporting and Project Cost Update" which constitutes the fulsome report requested by Council.

B. Overview

This report provides the fulsome financial update requested by Council and provides an overview of current project financials, including costs broken down by individual project and recent budget additions. The current total project budget is \$53,563,052 reflecting approved construction, engineering, utility relocation, and related project costs.

This report also outlines the reporting framework staff will use for quarterly updates through to project completion, with the next scheduled financial report to be brought forward at the end of first Quarter in 2026. It is important to note that 2025 costs are not yet finalized, as staff are completing year-end financial processes and costs may change accordingly.

C. Background

This report focuses upon a bundled project being the Craigleith Sewage Lift Station, Bay-Grey Linear Works and Mill Street Sewage Pumping Station. They were delivered together to reduce costs, improve scheduling, and limit disruption to the community. While the work was combined for construction efficiency, Council has directed staff to clearly report financial information in a transparent and consistent manner. This report is directed towards addressing the following component of the December 16, 2025 resolution for OPS.25.049:

AND THAT Council directs staff to report out on the Bay Street Reconstruction financials and any related works throughout the project delivery time period with the first report coming no later than February 3, 2026 (interim report), with a more fulsome staff report to the February 24, 2026 Committee of the Whole meeting and quarterly from this date

onwards until the completion of the project. Although the projects were combined updates are to be provided at both the whole and individual tendered levels.

As a result, project costs are reported in the following ways:

- engineering costs associated with the overall project;
- construction costs for each individual project that was tendered;
- utility relocation and miscellaneous costs; and
- total project costs across all components.

This approach is intended to improve transparency and accountability and to support Council's ongoing oversight of project expenditures throughout construction.

D. Analysis

This section provides an overview of engineering costs, a breakdown of costs by individual project including: Craighleith Sewage Lift Station Project (CSLS), Bay-Grey Street Linear Works, Mill Street Sewage Pumping Station Project (MSSPS) and a summary of Utility Relocation and Miscellaneous costs.

This format will also serve as a template for future financial reporting to Council throughout the project lifecycle.

Engineering:

This table below summarizes the overall engineering budget for all projects combined, showing the revised approved 2025 Engineering Budget, the amount committed through awarded engineering services, expenditures to date, and the remaining committed balance. It also reflects a correction from Staff Report OPS.25.049, whereby the approved 2025 Engineering Budget for this project was increased to \$2,775,200. The updated budget amount and associated changes are shown in this table.

Engineering Budget Overview – All Projects Combined		
Item	Amount (\$)	% of Committed Funds Remaining
Engineering Budget	2,775,200.00	
Committed Funds for Engineering Services (PO)	2,479,646.10	
Amount Spent	1,176,490.65	47.45%
Committed Funds Remaining (as of Dec 31, 2025)	1,303,155.19	52.55%

The table below provides a breakdown of engineering expenditures by project and shows each project's share of the total committed engineering funds. It illustrates how engineering costs have been allocated across the Craigleith Lift Station, Mill Street SPS, and Bay-Grey Street Linear Works projects, and confirms that 47.45% of the committed engineering funds have been spent to date

Engineering Budget Overview – Project Breakdown		
Project	Engineering Spent (\$)	% of Committed Funds Spent
Craigleith Lift Station (CSLS)	361,639.22	14.81%
Mill Street SPS	330,257.44	13.53%
Bay-Grey Street Linear Works	484,593.98	19.85%
Committed Funds Spent	1,176,490.65	47.45%

As part of the value engineering exercise being undertaken, funding in the amount of \$150,000 will be drawn from this budget line. Staff note that this expenditure was not originally identified as a separate line item and, as a result, an adjustment to the overall project budget may be required to fully fund this exercise. Any required budget adjustments will be reported to Council for consideration, as appropriate.

Craigleith Sewage Lift Station Project:

This table below summarizes the construction financial status of the Craigleith Lift Station project, showing the contract-committed construction value, available contingency, expenditures to date, and remaining funds. It provides Council with a clear view of how much of the awarded contract and contingency has been spent and the remaining financial capacity available to complete the project

Craigleith Lift Station (CSLS) – Construction Financial Status				
Item	Amount (\$)	Spent (\$)	Remaining Funds (\$)	% of Remaining Funds
Contract Committed Funds Awarded (PO)	\$8,477,900.00	\$363,377.70	\$8,114,522.30	96%
Additional Contingency	\$500,000.00		\$500,000.00	100%
Individual Project Budget	\$8,977,900.00	\$363,377.70	\$8,614,522.30	96%

Bay Street & Grey Street Linear Works Project:

The table below presents the construction financial status of the Bay Street and Grey Street Linear Works project, showing the contract-committed construction value, available contingency, expenditures to date, and remaining funds. It provides Council with a clear snapshot of the amount spent to date and the remaining financial capacity, including contingency, available to complete the project.

Bay Street & Grey Street Reconstruction – Construction Financial Status				
Item	Amount (\$)	Spent (\$)	Remaining Funds (\$)	% of Remaining Funds
Contract Committed Funds Awarded (PO)	\$17,927,450.00	\$1,304,135.09	\$16,623,314.91	93%
Additional Contingency	\$2,410,550.00		\$2,410,550.00	100.00%
Individual Project Budget	\$20,338,000.00	\$1,304,135.09	\$19,033,864.91	94%

Mill Street Sewage Pumping Station (SPS):

The Mill Street Sewage Pumping Station project has not yet been tendered. The approved project budget is \$19,941,000, based on pre-tender estimates. Staff will provide quarterly financial updates to Council once the construction contract has been awarded and project expenditures commence.

Utility Relocation & Miscellaneous Update:

This table summarizes utility relocation and miscellaneous project costs incurred to date, compared against the approved budget. It identifies individual utility and ancillary cost items, the total expenditures to date, and the remaining available budget, providing Council with a clear view of current spending and remaining financial capacity for these supporting works.

Utility Relocation & Miscellaneous Budget – Financial Status		
Item	Fund Spent(\$)	% of Approved Budget
EPCOR Phase 1 (Mill–Elgin)	0	0.0%
Hydro One – Craighleith LS	19,855.79	2.2%
Enbridge Gas – Phase 1	30,792.97	3.4%
Tree Relocation – Mill St SPS	4,956.31	0.5%

Tree Watering – Baymount	3,600.00	0.4%
Tree Removal – Craigleith LS	3,560.58	0.4%
Tree Removal – Mill St SPS	2,268.23	0.2%
Construction Signs	628.87	0.1%
MECP Fees	12,000.00	1.3%
Legal Fees	6,253.16	0.7%
Building Permit	580.00	0.1%
Total Spent (to date)	84,495.91	9.2%
Approved Budget	915,840.00	100%
Remaining Funds	851,199.88	90.8%

Consolidated Summary of Total Project Costs

This table provides a consolidated summary of project costs, showing approved values exclusive of HST, costs inclusive of non-recoverable HST, and actual expenditures to date for each project component. It also illustrates the percentage of each project budget that has been spent, giving Council a clear snapshot of overall financial progress across the combined projects.

Consolidated Summary of Project Costs				
Project	Cost excluding HST (\$)	Cost with non-recoverable HST (\$)	Actual Spent (\$)	% Spent
Engineering (Committed PO)	2,479,646.10	2,523,390.19	1,176,490.65	47%
Utility Relocation & Miscellaneous	900,000	915,840	84,495.91	9%
CSLS Reconstruction	8,977,900	9,135,910	363,377.70	4%
Bay / Grey St. Linear Works	20,338,000	20,695,950	1,304,135.09	6%
MSSPS Reconstruction*	19,941,000	20,291,962*	0	0.0%
Total	–	53,563,052.19	2,928,499.49	5.4%

*Please note that the MSSPS are Pre-Tender Estimates and adjustment will be made once tender has been awarded.

In addition, staff are preparing supplemental reports that will address broader capital project reporting practices, project funding sources and procedural controls. These reports are intended to strengthen fiscal oversight, improve consistency in financial reporting, and ensure Council continues to receive clear, timely, and accurate information on capital project expenditures.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

There are no Environmental Impacts in this financial report.

G. Financial Impacts

There is no immediate financial impacts associated with this report. Ongoing financial impacts will be reported through the enhanced reporting framework outlined above and will be aligned with approved capital budgets or brought forward for Council consideration if required.

H. In Consultation With

Monica Quinlan, Director of Corporate and Financial Services / Treasurer

Serena Wilgress, Manager of Purchasing & Risk Management

Adam Smith, Chief Administrative Officer.

I. Public Engagement

A The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required.

Any comments regarding this report should be submitted to Alan Pacheco, Director of Operations directorops@thebluemountains.ca.

J. Attached

None.

Respectfully submitted,

Alan Pacheco
Director of Operations

For more information, please contact:
Alan Pacheco, Director of Operations
directorops@thebluemountains.ca
519-599-3131 extension 260

Report Approval Details

Document Title:	OPS.26.008 Craigleith SLS, Mill St SPS and Bay-Grey St Linear Works Financial Reporting and Project Cost Update.docx
Attachments:	
Final Approval Date:	Jan 26, 2026

This report and all of its attachments were approved and signed as outlined below:

Alan Pacheco - Jan 26, 2026 - 1:49 PM

No Signature found

Adam Smith - Jan 26, 2026 - 4:11 PM