

To:	Warden Matrosovs and Members of Grey County Council
Committee Date:	February 26, 2026
Subject / Report No:	EDTC-CW-05-26
Title:	Unbudgeted Capital Projects – 2026 EDTC Department
Prepared by:	Taylor Eckenswiller, Facilities Supervisor
Reviewed by:	Savanna Myers, Director EDTC
Lower Tier(s) Affected:	

Recommendation

1. **That report EDTC-CW-05-26 regarding Unbudgeted Capital Projects – 2026 EDTC Department be received;**
2. **That the Grey Roots Caulking of Exterior Control Joints and Windows project at a cost of \$36,600 be approved and funded from the Grey Roots Main Building Improvements Reserve; and**
3. **That the Grey Roots Road Sign project increase of \$10,500 be approved and funded from the Grey Roots Main Building Improvements Reserve; and**
4. **That the replacement of Boilers and Hot Water Tank at Sydenham Campus at a cost of \$85,000 be approved and funded from the Sydenham Campus Reserve.**

Executive Summary

The purpose of this report is to deal with one unanticipated capital project and two projects that were incomplete at the end of 2025 in the Economic Development, Tourism & Culture Department. All three projects are funded from their respective reserves and will not have an impact to the levy.

Background and Discussion

Each of the three unbudgeted capital projects in 2026 are before Council for different reasons.

1. **Caulking of Control Joints and Windows at Grey Roots**

The Caulking project was included in the 2025 budget, funded from reserve. The project was anticipated to be completed before end of year, though delays in contractor availability prevented the job from being completed.

Staff requests approval to complete the project in 2026, using the 2025 budgeted amount of \$36,600 with the work funded from the Grey Roots Main Building Improvements Reserve.

2. Road Sign Replacement at Grey Roots Museum & Archives

The Road Sign Replacement at Grey Roots was included in the 2025 budget at a cost of \$40,800 and funded from the Grey Roots Main Building Improvements Reserve. The project was delayed due to the timing of the development permit application through the Niagara Escarpment Commission. The project was awarded in 2025 for \$49,575 (excluding HST) and the contractor remains on hold until permits are received, which is now expected in the coming weeks.

Staff anticipated a partial payment to the contractor in 2025 and carried over \$40,000 for this project in the 2026 budget. As no payment was issued in 2025, the project budget for 2026 is now \$10,500 under the required value. Staff request that the additional \$10,500 required to complete the full project in 2026 be funded from the Grey Roots Main Building Improvements Reserve.

3. Replacement of Boilers and Hot Water tank at Sydenham Campus

This project was not anticipated when the 2026 budget was developed.

The two boilers currently provide domestic hot water (DHW) heat to the perimeter heating loop in the childcare wing, reheat to the roof top units (RTU's) in the childcare wing and some radiant heat in the hallways.

Despite regular preventative maintenance the boilers continue to require contracted repairs, which are becoming increasingly frequent and costly (more than \$10,000 in the past year). The 2021 Building Condition Assessment (BCA) estimated the useful life of the boilers as 30 years and recommended replacement in 2039 and 2043. Based on conversations with contractors, staff now understand this is not a recommended life cycle.

With the information now on hand, staff understand that by replacing the boilers and the hot water tank we will be able to split these two systems up. The boilers will no longer feed the tank with hot water, therefore the facility will not lose hot water when the boilers are down. This will ensure the building meets the requirement for hot water which is a requirement of public health.

Currently the boilers run all summer long to provide hot water to the building. By splitting up these two systems, there will be increased efficiency by only running the boilers when the building requires heat. This will result in better conditions for our tenants as well as avoid costly emergency fixes and reduce ongoing operating costs.

Staff have exhausted available repair options.

Replacement recommendation:

The recommendation from staff is to replace the current gas-fired boilers with like-for-like gas-fired boilers. The building will still need two so that one can run as a backup if the other is down. Staff have explored other options that are not practical for various reasons.

It is recommended that the current DHW tank be replaced with a heat-pump water heater. This will run as a standalone system and decrease gas-consumption whilst increasing efficiencies.

Financial and Resource Implications

The Caulking of Exterior Control Joints and Windows project was included in the 2025 budget for \$36,600, funded from Grey Roots Main Building Improvements Reserve. The project was expected to be

completed in 2025. Therefore, no costs were included in the 2026 budget. However, the project was not completed in 2025 and therefore those funds remain in the reserve. Staff are seeking approval to complete the project in 2026 utilizing the existing reserve funds.

The Grey Roots signage replacement was awarded for \$49,575 (excluding HST) in 2025. It was anticipated that a portion of the work would be done in 2025, and the remainder of the project was estimated at \$40,000 and in the 2026 budget. As the full project cost will occur in 2026, staff are seeking approval of an additional \$10,500 be funded through Grey Roots Main Building Improvements Reserve.

The replacement of Boilers and Hot Water tank at Sydenham Campus were not budgeted in 2026 due to the BCA replacement recommendation being in 2039 and 2043, respectively. However, due to increasing maintenance costs, staff are seeking approval of an amount of \$85,000 to be funded through the Sydenham Campus Reserve to complete the project in 2026. At the end of 2025, the Sydenham Campus Reserve balance is \$181,588. Based on budgeted transfers to reserve and existing projects this reserve is projected to have a balance of \$108,988 at the end of 2026, not including this project. After funding this project from the reserve, the reserve will have a balance in 2026 of approximately \$23,900 and will be in a deficit position beginning in 2027 until 2034 unless reserve contributions are increased.

Relevant Consultation

Internal: CAO, Deputy CAO, Director EDTC, Manager of Facilities and Operations, Architectural & Design Program Manager, Manager of Museum & Archives, Business Development Manager, Purchasing Manager, Financial Analyst, Director of Finance.

AODA Compliance

Contribution to Climate Change Action Plan Targets

External

Appendices and Attachments

None.