

Municipal Road Transfers – Town of Blue Mountain

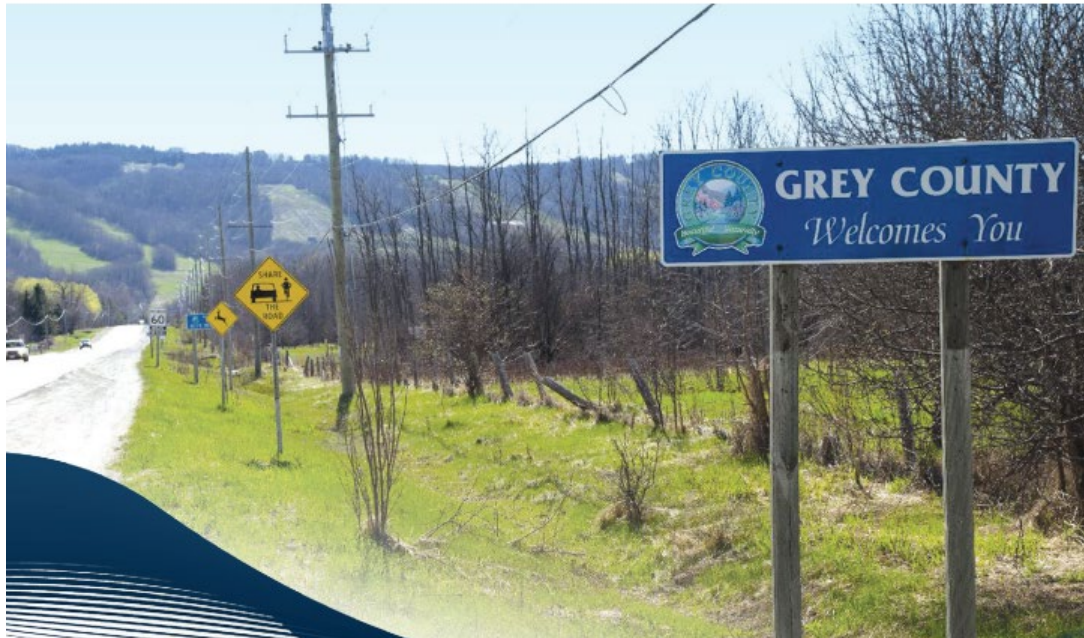
March 02, 2026



GREY COUNTY TRANSPORTATION MASTER PLAN

Final Draft Report

Project No. TR12-0311



Goal: Improving the overall Grey County road network.

Actions:

- Address the competing roles and functions of Grey County roads within urban areas.

Key Principles:

- Transfer roads serving 'through traffic' and regional functions to Grey County (upload).
- Transfer roads serving a local function to the local municipality (download).

Background

**Aligning road ownership
with the intended
function of the road.**

Urban Road Coordination



870km of Roads

85%+ of the network is rural roads.
Balance is urban and semi-urban roads.

Urban Grey County Roads

- Grey County maintains roads 'curb to curb.'
- Local municipality maintains underground infrastructure (watermain, sewers) and above ground infrastructure (sidewalks, street lighting)
- Shared responsibilities require coordinated operations, budgets, and capital plans.
- More coordination and administration is less efficient and cost effective.
- Partial control of operations causes delays and leads to lack of local control in responding to local needs
- Public confusion around responsibilities.

Urban Roads Challenges

Priority: Keeping road connectivity between communities via regional and provincial corridors.

- Inconsistent road authority causes conflicts with local priorities and ability to respond to local community needs and concerns, local economic development, and management of service-related infrastructure.
- Appropriate road authority will provide greater flexibility and ability to meet local needs in areas such as:
 - Construction coordination
 - Entrance permits
 - Utility placement
 - Cyclists and pedestrians
 - Water/wastewater/storm sewer maintenance
 - Urban road maintenance (summer and winter)
 - Right of way issues (entrances, encroachments, setbacks, signs)
 - Speed limits
 - Signalized intersections on MTO Connecting Links (no available funding for County government)

Benefits of Local Management

- Timely Response to Issues
- Understanding Local Needs
- Community Engagement
- Cost-Effective Budgeting
- Adaptability to Local Conditions
- Greater Accountability

Benefits of Local Management

Maintaining local roads increases responsiveness to community needs, supports efficient budgeting, and lessens economic impacts to the community.

Local control lets municipalities decide how best to approach road maintenance to meet the unique needs and characteristics of each community.

Rural Roads Challenges

- Some rural roads have higher traffic and are being used as bypasses.
- Roads with more traffic and different driver habits need different service levels.
- Adding these roads to the regional network has county-wide benefits;
 - Routes for trucking around communities
 - Supporting tourism traffic flow
 - Taking non-local traffic off local roads
 - Supporting the efficient movement of goods traffic across the County
- Local municipalities may lack resources to manage higher volume, regional roads – these resources exist at the County level.



Rural Roads Challenges

Aligning strategic rural roads with the County network improves regional connectivity.

Urban & Rural Road Transfers

Key Principles:

- Align road control and authority with the appropriate road authority
- Empower member municipalities to be independently able to respond to local priorities and needs
- Reduce duplication of efforts and increase efficiency of tax base funds
- Ensure realignment of funds is aligned with road transfers
- Support maintenance and service level sustainability



Urban Transfer Maps

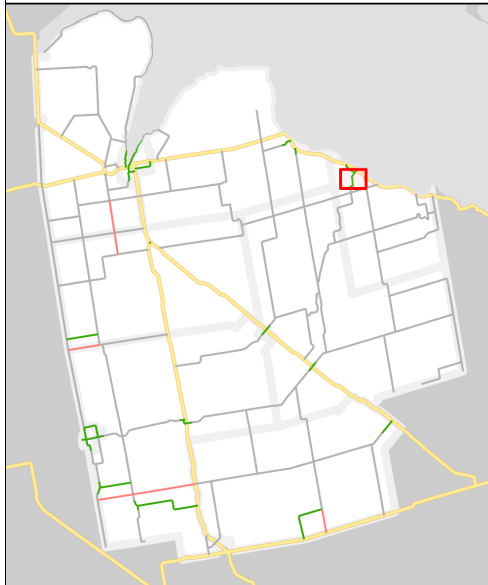
Grey Rd 13

Map 1

Average Daily Traffic Count: 3089
Segment Length: 3.5Km

Transfer Type

- Download
- Upload
- MTO Highway
- County Road
- Municipal Road
- Settlement Area
- Municipal Boundary



Urban Transfer Maps

Grey Rd 113

Map 2

Average Daily Traffic Count: 1486
Segment Length: 2.1Km

Transfer Type

- Download
- Upload
- MTO Highway
- County Road
- Municipal Road
- Settlement Area
- Municipal Boundary



Key activities to date



- Roads Exchange Task Force formed in February 2023 with representation from all nine municipalities.
- Eight open meetings held with all minutes reviewed by both Committee of the Whole and then approved by Council.
- Combined, there were 24 meetings of Council on the Road Exchange work over the past four years.
- Roads Exchange has been a topic of budget discussions
- Meetings with municipal staff to discuss exchanges, negotiate maintenance contracts and share details of funding models

Public Engagement

- In 2025, staff hosted a series of public open houses on the Road Exchange.
 - Beaver Valley Community Centre – 29th April
 - Grey County Admin. – May 6th
 - Hanover P&H Centre – May 14th
 - Frank Macintyre Building – May 21st
 - Markdale Arena – June 3rd
 - Grey Roots Museum – June 17th
- Letters were sent to all residents whose address would be changed inviting questions & participation in open houses
- Promoted online, in local media.
- A dedicated web page with details on the Road Exchanges has been regularly updated.



County of Grey

Jun 17, 2025 • 🌐

Are you interested in learning more about the proposed road transfers or the 2025 construction season? Drop by our public information session tonight at Grey Roots from 6:00 to 8:00 p.m.

You can also learn more by visiting our website at <https://www.grey.ca/government/special-projects/municipal-road-transfers>



Annual Reinvestment vs Replacement Value

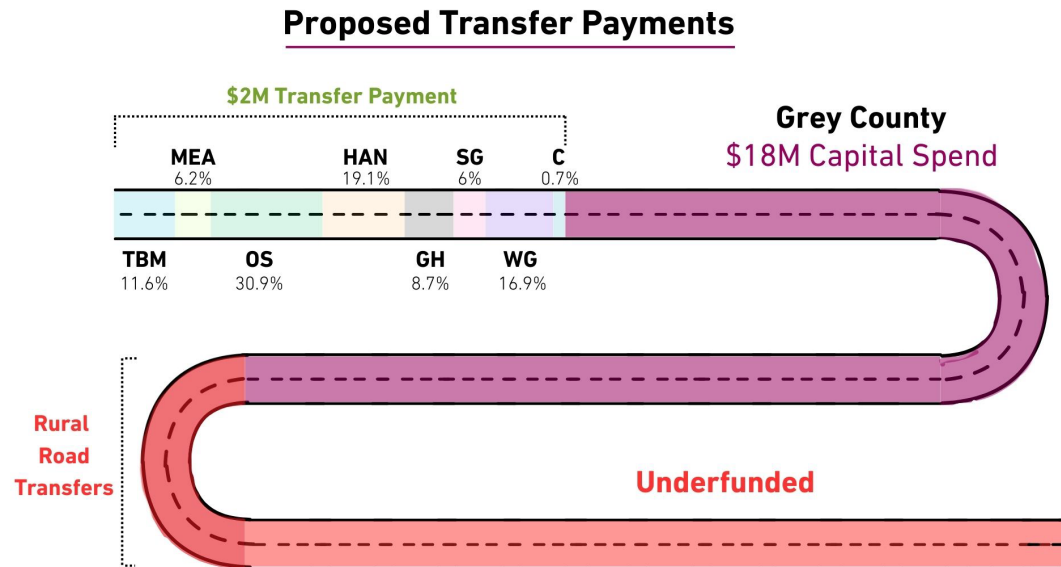
- Grey County's Road Assets have a replacement value of \$1.365 bn.
- In 2026, Grey County will reinvest approximately 2% of this value, back into its roads through the capital program, or \$22.16 m.
- For every \$1 of replacement value, Grey County spends approximately \$0.02, on average, each year.
- On average, this means that Grey County reinvests the asset replacement value about once every 50-60+ years.



Building the Capital Program

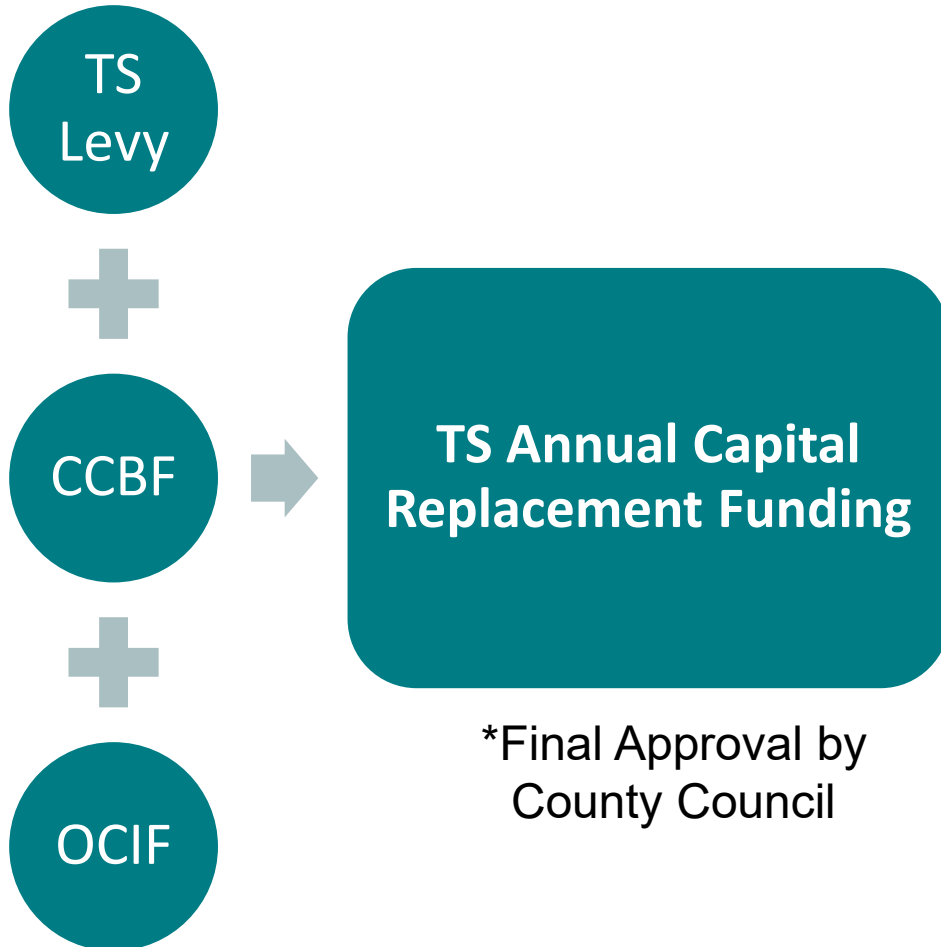
- Grey County's 10-year transportation capital program is designed to meet available funds.
- Asset management planning principles are used to prioritize projects to establish a priority list of works.
- Estimates are developed for projects, with those in the 1 to 3-year horizon being estimated with increasing confidence of cost.
- Projects are completed based on capital allocation in each year. Where a project value exceeds the budget, projects are deferred to later years.
- Council establishes the available budget each year through the budget cycle. In years where budgets are reduced, capital works are deferred.

Financial Transfers based on Asset Values



- We are all underfunded on assets
- We have worked out a fair formula based on asset management replacement value, proportional to each municipalities roads and are transferring the proportional capital associated to the 10-year plan
- We know this is not enough – but we are transferring what we have and what would have been the apportioned spend on urban roads

TS Capital Funding Formula



*Final Approval by
County Council

Example

In 2026:

Transportation Services Levy:
\$13,025,200

Canada Community Building Fund (CCBF):
\$3,304,651

Ontario Community Infrastructure Fund (OCIF):
\$3,836,916

TS Annual Capital
Replacement Funding: \$20,166,767

Current 2027 Projection = \$22,302,653
(based on 2027 projected County budget
(6.57%))

Replacement Value of Assets

Replacement Value and % of Total

Municipality	Urban	Semi-Urban	Rural	Total	Replacement Costs	Percentage
Grey County	49	66	755	870	\$1,360,516,700	-
The Blue Mountains	2.860	2.267	0.519	5.65	\$16,714,512	11.59%
Chatsworth	0.000	0.367	0.000	0.37	\$1,010,718	0.70%
Georgian Bluffs	0.000	0.000	0.000	0.00	\$0	0.00%
Grey Highlands	2.463	1.308	0.383	4.15	\$12,533,821	8.69%
Hanover	5.577	1.411	3.452	10.44	\$27,588,895	19.14%
Meaford	0.758	1.714	1.151	3.62	\$8,859,688	6.15%
Owen Sound	9.564	3.246	2.129	14.94	\$44,485,306	30.86%
Southgate	2.419	0.000	0.308	2.73	\$8,680,291	6.02%
West Grey	3.765	2.787	2.782	9.33	\$24,284,975	16.85%
Totals	27.41	13.10	10.72	51.23	\$144,158,206	100.00%

Replacement Value : \$ 144,158,206
 % of Total Replacement Value: 10.5958424472% (A)

Price per KM

urban \$3,417,000.00
 semi \$2,754,000.00
 rural \$1,346,000.00

Updated Urban Transition Funding (based on 2026 transfer dates)

	Municipality	BM	CH	GB	GH	HA	ME	OS	SG	WG
	Number of kms	5.65	0.37	0.00	4.15	10.44	3.62	14.94	2.73	9.33
	% of Urban Roads Transferred	11.59%	0.70%	0.00%	8.69%	19.14%	6.15%	30.86%	6.02%	16.85%
2026	\$ 943,000	\$ 120,824	\$ 7,306	\$ -	\$ 32,067	\$ 199,432	\$ 64,044	\$ 321,570	\$ 22,208	\$ 175,549
2027	\$ 2,363,154	\$ 273,997	\$ 16,568	\$ -	\$ 205,464	\$ 452,259	\$ 145,235	\$ 729,238	\$ 142,294	\$ 398,098
2028	\$ 2,551,410	\$ 295,825	\$ 17,888	\$ -	\$ 221,832	\$ 488,287	\$ 156,805	\$ 787,331	\$ 153,630	\$ 429,812
2029	\$ 2,747,412	\$ 318,550	\$ 19,263	\$ -	\$ 238,873	\$ 525,798	\$ 168,851	\$ 847,815	\$ 165,432	\$ 462,831
2030	\$ 2,951,425	\$ 342,205	\$ 20,693	\$ -	\$ 256,611	\$ 564,842	\$ 181,389	\$ 910,770	\$ 177,716	\$ 497,199
2031	\$ 3,163,702	\$ 366,817	\$ 22,181	\$ -	\$ 275,068	\$ 605,467	\$ 194,435	\$ 976,276	\$ 190,498	\$ 532,959
2032	\$ 3,224,983	\$ 392,420	\$ 18,984	\$ -	\$ 294,267	\$ 647,727	\$ 208,006	\$ 1,044,418	\$ 163,035	\$ 456,126
2033	\$ 3,273,441	\$ 419,046	\$ 15,204	\$ -	\$ 314,233	\$ 691,676	\$ 222,120	\$ 1,115,283	\$ 130,573	\$ 365,306
2034	\$ 3,308,064	\$ 446,728	\$ 10,805	\$ -	\$ 334,991	\$ 737,367	\$ 236,792	\$ 1,188,956	\$ 92,799	\$ 259,625
2035	\$ 3,327,814	\$ 475,500	\$ 5,751	\$ -	\$ 356,567	\$ 784,858	\$ 252,043	\$ 1,265,533	\$ 49,388	\$ 138,173
2036*	\$ 1,193,839	\$ 126,933	\$ 7,676	\$ -	\$ 153,720	\$ 209,515	\$ 67,282	\$ 337,830	\$ 106,459	\$ 184,425
	Total Over Next 10 Years	\$ 3,578,846	\$ 162,319	\$ -	\$ 2,683,693	\$ 5,907,227	\$ 1,897,002	\$ 9,525,021	\$ 1,394,032	\$ 3,900,103

- = Tapered down payments starting 2032
- = Based on 2026 approved budget and prorated based on date of transfer
- = Based on 2026 approved budget and prorated based on later transfer date

* The 2036 payment finishes the 10-year funding and covers the balance of the prorated 2026 funds.

Budget Impacts to Transfer Funding

Current 2027 Projection

Municipality	HA
Number of kms	10.44
% of Urban Roads Transferred	19.14%
2026	\$ 199,432
2027	\$ 452,259
2028	\$ 488,287
2029	\$ 525,798
2030	\$ 564,842
2031	\$ 605,467
2032	\$ 647,727
2033	\$ 691,676
2034	\$ 737,367
2035	\$ 784,858
2036*	\$ 209,515
	\$ 5,907,227

Current 2027 Projection plus 1% County Levy (~ \$850,000)

Municipality	HA
Number of kms	10.44
% of Urban Roads Transferred	19.14%
2026	\$ 199,432
2027	\$ 469,495
2028	\$ 505,828
2029	\$ 543,649
2030	\$ 583,009
2031	\$ 623,959
2032	\$ 666,547
2033	\$ 710,833
2034	\$ 756,866
2035	\$ 804,707
2036*	\$ 209,515
	\$ 6,073,839

Current 2027 Projection less 1% County Levy (~ \$850,000)

Municipality	HA
Number of kms	10.44
% of Urban Roads Transferred	19.14%
2026	\$ 199,432
2027	\$ 435,022
2028	\$ 470,665
2029	\$ 507,785
2030	\$ 546,427
2031	\$ 586,645
2032	\$ 628,487
2033	\$ 672,010
2034	\$ 717,267
2035	\$ 764,317
2036*	\$ 209,515
	\$ 5,737,571

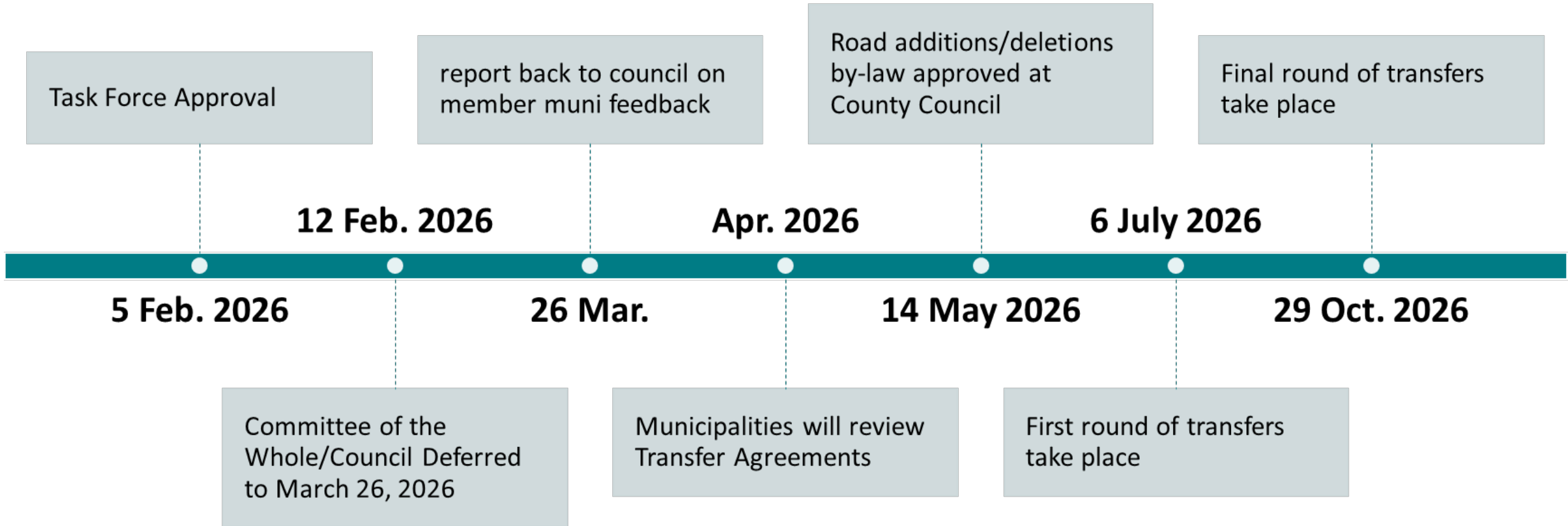
These tables illustrate an example of the potential impact on municipal contributions based on TS capital funding changes:

As shown in the middle table, by increasing TS capital by \$850,000 (estimated 1% levy increase), an additional \$17,000 would be received by Hanover in 2027, compounding through the remaining years (subject to increases/decreases in future years).

Municipal Contribution Overview

- Municipal funding amounts will change year to year.
- Funding is driven by the Transportation Services (TS) budget approved as part of the Grey County annual budget process.
- Annual road replacement funding is made up of three sources: Levy, CCBF, and OCIF.
- When TS funding levels change, there will be a corresponding impact on municipal transition funding.
- 2036 funding is the balance of the prorated 2026 funding to make the 10 years of contributions whole.

Process Summary – Key Dates



Template Agreement Summary

- Includes all required legal transfer language.
- The main body sets out general transfer details that are consistent across all nine agreements.
- The agreements will differ within each listed schedule.
 - Schedule A – Legal Description of Identified Roads
 - Schedule B – Financial Arrangements
 - Schedule C – Maintenance Agreements (if required)



Key Activities During Transition

- March 26th: County Council considers proceeding to the next phase of the transition.
 - Working with municipal staff to finish agreements
 - Focused on resident support and engagement.
- Commitment to support the approximately 300 residents/businesses who will see their road name changed (impacts of address change).
- Informing affected properties with details of new addresses and extending support in completing required address change forms. In-person assistance as required.
- Launching a hotline number for affected residents to call with questions or to request support.
- Proactive outreach to Elections Ontario to minimize challenges on member municipal legislative service teams in advance of October elections.

Key Activities During Transition

- Update MTO signage on highways to reflect new road names.
- Notify Bell 911, Canada Post, MPAC, etc.
- Plan for intersection and civic address sign replacement.
- Management of the transfer of historical information to and from each Municipality for the transferred roads.
- Legal reviews on each section of road to finalize ownership and ensure each parcel of land is being assigned correctly at the land registry office (multi-year).
- Traffic By-Law updates (i.e. speed zones, parking by-laws, community safety zones, etc.).
- Franchise agreement updates (gas, hydro), Adopt a Highway contracts (multi-year).
- Internal operational policy and process changes, for example:
 - GIS mapping systems
 - Work management programs
 - Bridge and Roads Needs Study updates
 - Asset Management Policy updates
 - Operational tender updates (e.g. street sweeping, catch basin cleaning)

Proposed Transfer Dates

- **July 6, 2026** – Transfer date for approved roads
- **October 29, 2026** – Transfer date for the Municipality of Grey Highlands and the Township of Southgate, following construction completion

Conclusion

- **Road exchanges will better align road ownership with the intended function of roads.**
- **Urban transfers will improve efficiency and responsiveness and local control.**
- **Rural transfers will improve regional connectivity.**
- **Grey County will support local municipalities with 10 years of urban transition funding.**
- **Grey County will continue to collaborate with municipal staff on the transition.**
- **Grey County is available to help affected property owners with address changes.**

Questions?