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Date: January 25, 2017
To: Mayor and Council
Author: Jennifer Astrologo, Director of Corporate Services
RE: Medical Centre Lease Agreements and Long Term Agreements
Report No.: CS-2017-004

AIM

To provide Council with information pertaining to the current agreements the Town has with medical centres and the ability of Council to enter into agreements which extend beyond the term of Council.

BACKGROUND

At the January 23, 2017 Regular Meeting of Council, Deputy Mayor Queen made a motion (reproduced below) requesting a follow up report regarding the proposed Medical Centre Lease that was discussed at the October 31, 2016 Special Meeting.

89-2017 Moved by G. Queen, seconded by S. McIntyre that Council be provided with a report referenced in the October 31, 2016 Special Meeting of Council RE: Medical Centre Proposed Lease regarding the status of the other agreements with medical facilities and the ability to enter into an agreement which extends beyond the term of Council, by the next Regular Meeting.
(unadopted)

CARRIED

DISCUSSION

Currently, the Town has two (2) active lease agreements for the provision of medical services: Rock/DH Investments ("Rock") and ATM/Malott Guardian ("ATM").

The lease agreement with Rock was entered into in October 2009 for a 10 year term. The Town has obligations under this lease until 2019. The agreement with ATM was entered into in 2012 and extends for a five (5) year term, which term is set to expire later this year.

The Town's financial obligation with respect to these leases is set out below and attached as Schedule "A". This information was provided by the Director of Financial Services and was attached to a report she presented to Council in and around October 2015.

Rock	\$ 165,000
ATM	\$ 26,000
Total	\$ 191,000

With respect to the proposed Kingsville Medical Centre, the below motion was carried at the October 31, 2016 Special Meeting of Council:

625-2016 Moved by L. Patterson, seconded by T. Neufeld Council enter into a Lease Agreement with Global Investment Management for the Kingsville Medical Centre for a 3-year period, and further that a one-time contribution of \$65,000.00 be allocated within the 2017 Capital Budget and (4 months of lease payments) \$59,125.00 be allocated to the 2017 Operational Budget.

CARRIED

At that meeting, Ms. Van Mierlo-West advised Council that the agreement would be reviewed by the Director of Financial Services and the Director of Corporate Services.

Council is well within its right to enter into agreements which extend beyond the term of Council. However, the *Municipal Act, 2001*, requires that the municipality obtain legal and financial advice with respect to certain agreements which extend beyond the term of council. The relevant provisions of *Ontario Regulation 653/05* are attached as Schedule "B". In any event, Ms. Van Mierlo-West has committed to a legal and financial review of the agreement through the Directors mentioned above.

As of writing this report, the draft lease agreement for the Kingsville Medical Centre has not yet been received by the Town. Once the draft agreement is received, advice and recommendations will be forwarded to Council for consideration. Any commitment made by the Town is contingent on Council's approval of the draft lease agreement.

LINK TO STRATEGIC PLAN

To maintain and improve the health, safety and well-being of our residents.

FINANCIAL CONSIDERATIONS

The Town is currently responsible for payments in the amount of \$191,000 up to and including the 2019 budget for current medical lease agreements. Council budgeted for a payment of \$85,000 in the 2017 budget year for the proposed Kingsville Medical Centre, assuming that the parties can reach an agreement with respect to the lease.

CONSULTATIONS

S. Zwiers, Director of Financial Services

RECOMMENDATION

That Council receive this report regarding Medical Centre Lease Agreements and Long Term Agreements for information

Jennifer Astrologo

Jennifer Astrologo, B.H.K., LL.B
Director of Corporate Services

Peggy Van Mierlo-West

Peggy Van Mierlo-West, C.E.T.
Chief Administrative Officer