

## COUNCIL REPORT

**To: Mayor & Council**

**Date: December 03, 2009**

**From: Bill Preisentanz, CAO**

**Re: Paterson Medical Centre – Loan Advance**

**Background**

In 2006 the City of Kenora funded renovations to the Kenora Medical Clinic(now known as the Paterson Medical Centre) in the amount of \$2.8 million through a repayable loan to the Kenora Health Care Centre, a not-for-profit corporation. To-date, KHCC has paid down the principal to \$2.5 million based on a 5 year commitment from Paterson Foundation of \$500,000.00.

In May 2008 Council stated its initial support of a planned expansion of the Paterson Medical Centre which was to include a land ambulance and medical office facility complex. Subsequently, Bylaw No. 178-2008 was ratified by Council in December 2008 increasing the loan amount from \$2.8 million to \$6.550 million in response to initial tender amount for the planned expansion. In March 2009 Council increased the loan amount from \$6.550 million to \$7.475 million in response to the decision by KHCC Board to construct a stand-alone state-of-the-art medical centre without a land ambulance facility.

Construction of the new expansion commenced in the Spring of 2009 and since that time the City has advanced payments for the progress payments on a monthly basis as outlined below:

**Progress Payments - Jarnel Contracting**

		Payment Request	Holdback Payable(10%)	Net Payable to Contractor	add: GST(5%)	Total Payment
Progress #1	11-May-09	\$73,000.00	\$7,300.00	\$65,700.00	\$3,650.00	\$76,650.00
Progress #2	08-Jun-09	\$142,000.00	\$14,200.00	\$127,800.00	\$6,390.00	\$134,190.00
Progress #3	25-Jun-09	\$467,265.00	\$46,726.50	\$420,538.50	\$21,026.93	\$441,565.43
Progress #4	27-Jul-09	\$429,022.50	\$42,902.25	\$386,120.25	\$19,306.02	\$405,426.27
Progress #5	10-Sep-09	\$345,766.00	\$34,576.60	\$311,189.40	\$15,559.47	\$326,748.87
Progress #6	08-Oct-09	\$457,600.00	\$45,760.00	\$411,840.00	\$20,592.00	\$432,432.00
Progress #7	06-Nov-09	\$620,804.00	\$62,080.40	\$558,723.60	\$27,936.18	\$586,659.78
Progress #8	04-Dec-09	\$381,957.00	\$38,195.70	\$343,761.30	\$17,188.07	\$360,949.37
Totals		<b>\$2,917,414.50</b>	<b>\$291,741.45</b>	<b>\$2,625,673.05</b>	<b>\$131,648.66</b>	<b>\$2,764,621.71</b>

**Under terms of the loan, the City only advances monies as required by the KHCC Corporation.**

**Recommendation:**

**That Council of the City of Kenora hereby authorize a cumulative loan advance of \$3,377,000.00 to the Kenora Health Care Centre Corporation in accordance with the terms and conditions of Bylaw Number 37-2009 based on the following interim advances:**

- 1. \$65,000.00 effective March 03, 2009**
- 2. \$75,000.00 effective April 22, 2009**
- 3. \$100,000.00 effective May 19, 2009**
- 4. \$210,000.00 effective June 09, 2009**
- 5. \$500,000.00 effective July 08, 2009**
- 6. \$500,000.00 effective August 04, 2009**
- 7. \$10,000.0 effective August 31, 2009**
- 8. \$365,000.00 effective September 10, 2009**
- 9. \$487,000.00 effective October 13, 2009**
- 10. \$655,000.00 effective November 06, 2009**
- 11. \$410,000.00 effective December 04, 2009**