

COUNCIL REPORT

July 20, 2010

To: Mayor & Council

From: Bill Preisenz, CAO

Re: Keewatin Medical Clinic Building – 904 Ottawa Street

Recommendation:

That Council of the City of Kenora hereby support a lease with Drs. J. Kroeker, T. Wehner, and S. Wiebe for the Keewatin Medical Clinic located at 904 Ottawa Street for a 10 year lease; and further

That the City solicitor be requested to develop a lease for the Keewatin Medical Clinic incorporating the following new terms and conditions:

- **10 year lease**
- **Annual COLA clause provision**
- **Include a provision to allow both parties, by mutual consent, to amend conditions of the lease within its term**

Background:

The former Town of Keewatin, in 1999 prior to amalgamation, entered into a 10 year lease (Bylaw No. 99-033) with a number of medical doctors for the Keewatin Medical Clinic at 904 Ottawa Street. This 2,000 sq.ft. building was owned by the Town and when amalgamation occurred the building came under the ownership of the City of Kenora.

The original lease amount was \$11,140.40 and when the current lease expired on January 15, 2009 the annual lease payment was approximately \$12,500/annum. Although the lease has expired the City has continued to collect rent and impose COLA increases. Currently the tenant pays \$13,195/annum plus HST and the tenant is responsible for utilities while the City is responsible for realty taxes.

In early 2005 during the initial planning stages for the establishment of the Kenora Health Care Centre Board and subsequent acquisition of the Kenora Medical Clinic, the Keewatin Medical Clinic was included in the discussions as part of the overall plan to create a community based medical clinic system with a focus on retention and recruitment of health care professionals and was seen as an opportunity to develop a model which will overcome the barriers needed to attract and retain health care professionals. Since then the discussions between the Kenora Health Care Centre Board and the Keewatin Medical Clinic have been sporadic and no formal discussions have taken place.

Keewatin Medical Clinic

Recently, Doctor Tim Wehner contacted the City and indicated an interest in renewing the present lease with the City for a further 10 year period under the same terms and conditions with some provision that the lease could be transferred to the KHCC Board at some future date with mutual consent of both parties.

Issue

Should a lease with the Keewatin Medical Clinic lease be renewed at this time? or should Council investigate an amalgamated community medical clinic model including the Paterson Medical Clinic and the Keewatin Medical.

Analysis

The current lease expired January 15, 2009, however, both parties have continued to honour the terms and conditions of the lease.

In 2006 when the Kenora Health Care Centre Board was initially established and the Kenora Medical Clinic acquired there was a proposed health care model proposed whereby the City would transfer the Keewatin Medical Clinic to the Kenora Health Care Centre Board who would in turn own, operate and maintain the Clinic with the shared focus of retaining and attracting health care professionals. While this plan never came to fruition and the Keewatin Medical Clinic has operated independently, the KHCC Board has renovated and expanded its present site and created a modern facility that has not only has been supported by the medical professionals but has created new medical positions within the community through the Sunset Country Family Health Team. In summary, both Clinics have continued to thrive and operate independently of one another these past 5 years.