

COUNCIL REPORT

To: Mayor & Council

Date: June 30, 2010

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 \$2.4 million based on a 5 year commitment from Paterson Foundation of \$500,000.00. Subsequently, the Paterson Foundation has committed a further \$500,000.00 over 5 years to the Kenora Health Care Centre Board.

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	\$7,100.00	\$149,100.00
Progress #3 25-Jun-09	\$467,265.00	\$46,726.50	\$420,538.50	\$23,363.25	\$490,628.25
Progress #4 27-Jul-09	\$429,022.50	\$42,902.25	\$386,120.25	\$21,451.13	\$450,473.63
Progress #5 10-Sep-09	\$345,766.00	\$34,576.60	\$311,189.40	\$17,288.30	\$363,054.30
Progress #6 08-Oct-09	\$457,600.00	\$45,760.00	\$411,840.00	\$22,880.00	\$480,480.00
Progress #7 06-Nov-09	\$620,804.00	\$62,080.40	\$558,723.60	\$31,040.20	\$651,844.20
Progress #8 04-Dec-09	\$381,957.00	\$38,195.70	\$343,761.30	\$19,097.85	\$401,054.85
Progress #9 29-Dec-09	\$441,070.00	\$44,107.00	\$396,963.00	\$22,053.50	\$463,123.50
Progress #10 28-Jan-10	\$424,669.00	\$42,466.90	\$382,202.10	\$21,233.45	\$445,902.45
Progress #11 16-Mar-10	\$125,082.75	\$12,508.28	\$112,574.48	\$6,254.14	\$131,336.89
Totals	\$3,908,236.25	\$390,823.63	\$3,517,412.63	\$195,411.81	\$4,103,648.06

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 \$1,046,000.00 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. \$465,000.00 effective December 29, 2009
2. \$446,000.00 effective January 28, 2010
3. \$135,000.00 effective March 16, 2010