



August 2, 2011

City Council Committee Report

To: Mayor Canfield & Council

Fr: Charlotte Edie, Treasurer

Re: Kenora Health Care Centre Debt Guarantee

Recommendation:

Whereas Kenora City Council provided financing to the Kenora Health Care Centre for the purchase, rehabilitation and expansion of the Kenora Medical Clinic with the intent of establishing a state of the art medical facility in the City of Kenora; and

Whereas that goal has now been achieved; and

Whereas it was resolved that the Kenora Health Care Centre was directed to pursue external financing options to pay out the loan balance to the City; and

Whereas the City is required to provide a guarantee in order to assist the Kenora Health Care Centre in securing the external financing;

Now therefore, let it be resolved that the City of Kenora guarantee the external financing of the Kenora Health Care Centre (KHCC) up to a maximum of \$7.6 million.

Background:

In 2006 the City of Kenora set out to support the initiative by the Kenora Health Care Centre Board to provide a state of the art health care facility in the City of Kenora. That goal has now been achieved. In February 2011 Council directed the KHCC to pursue external financing to cover the loan advances from the City. To assist the KHCC in securing favourable mortgage terms as well as 100% external financing, the City of Kenora must fully guarantee the debt up to \$7.6 million, which would cover the current loan held by the City plus an additional \$700,000 owed to Copperfin Credit Union.

Budget:

No anticipated budget impacts.

Communication Plan/Notice By-law Requirements:

Communication with Kenora Health Care Centre.