



Date 5 January 2011

City Council Committee Report

To: Mayor Canfield & Members of Council

Fr: Karen Brown

Re: Kenora Health Care Centre Loan Guarantee Term Approval

Recommendation:

That Council hereby confirms its guarantee of a one-time loan on behalf of the Kenora Health Care Centre up to a maximum of \$700,000 to Copperfin Credit Union as approved at its December 13th, 2010 Open Council Meeting based on a maximum repayment term of ten years; and

That a copy of this resolution be sent to both the Kenora Health Care Centre Board and the Copperfin Credit Union.

Background:

At the December 13th, 2010 Open Council Meeting, Council passed the following resolution:

That Council hereby authorizes a guarantee on behalf of the Kenora Health Care Centre up to a maximum of \$700,000 to Copperfin Credit Union for the purposes of a one-time loan to fund the Paterson Medical Clinic building renovations, subject to the loan being amortized and repaid over a period as agreed to between the Copperfin Credit Union, the Kenora Health Care Centre and the City of Kenora.

Subsequent to this approval, negotiations between the Kenora Health Care Centre (KHCC) Board and Copperfin Credit Union resulted in a proposed repayment term of a maximum of ten years. At the meeting of the Kenora Health Care Centre Board held on December 21st, 2010, that Board passed the following resolution:

“That the proposed financing option/loan from Copperfin Credit Union be accepted pending the inclusion of a finance plan that is based on the Charter Bank prime rate of 3% plus 1% with a one year no penalty and; that is amortized over 10 (ten) years and; that there be no appraisal charges”

The discussion paper between the KHCC Board and Copperfin has now been executed between those parties. The concurrence from the City with respect to the repayment term remains outstanding.

The proposed ten year repayment term is reasonable and appropriate, and it is recommended that Council provide final approval based on that term.

Budget:

N/A

Communication Plan/Notice By-law Requirements:

The KHCC Board and Copperfin Credit Union will each be sent a copy of the related resolution.