

Township of Southgate

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Staff Report CAO2021-044

Title of Report: New Markdale Hospital Building Project, Request for
Municipal Commitment Payment & more Funding Support

Department: Administration

Council Date: May 5, 2021 Report with June 2, 2021 Resolution for
Financial Clarification

Council Recommendation:

New June 2, 2021 Resolution

Be it resolved that Council receive staff report CAO2021-044 as information; and

That Council direct staff to forward \$400,000.00 being the financial commitment to the New Markdale Hospital Construction Project, with \$360,000.00 from the Township's Markdale Hospital Reserve and \$40,000.00 from the Tax Stabilization Reserve to be paid out in 2021; and

That Council direct staff to create a reserve contribution of \$30,000.00 per year in the 2022 and 2023 budget to cover the additional Southgate \$60,000 commitment for the New Markdale Hospital Construction Project to be paid out in 2023.

Council Approved May 5, 2021 Resolution

Be it resolved that Council receive staff report CAO2021-036 as information; and

That Council direct staff to forward \$360,000.00 of the \$400,000.00 financial commitment to the New Markdale Hospital Construction Project; and

That Council approve transferring \$40,000 from the Southgate tax stabilization reserve to top up the New Markdale Hospital Construction Project Reserve to \$400,000.00 contribution commitment made in 2005; and

That Council approve the additional funding request of \$60,000 for the New Markdale Hospital Construction Project; and

That Council direct staff to create a reserve contribution of \$30,000.00 per year in the 2022 and 2023 budget to cover the \$60,000 commitment to the New Markdale Hospital Construction Project.

Background:

The Township of Southgate made a ten year commitment to the New Markdale Hospital Construction Project for \$400,000.00 (\$40,000.00/yr.) started in 2005 with Council approving the following resolution:

Moved by Councillor Brian Milne; **Seconded by** Councillor Ralph Winslade;

Resolved that Council contribute \$40,000 for the next 10 years to the Grey Bruce Health Services Markdale site Building Fund.

Carried. No. 232-05

In 2018 Southgate attained the full \$400,000.00 commitment (with no contribution in 2009, only \$20,000.00 in 2014 and 2018). A copy of Southgate's New Markdale Hospital Construction Project contribution report of the reserve history is included in this staff report as Attachment #1.

The reserve report shows the Mount Forest Hospital Renovation commitment of \$200,000.00 started in 2014 with \$20,000.00 per year for 10 years. A decision was made by Southgate Council and in 2020 the Township reallocated \$60,000 from the Markdale Hospital reserve to fully fund the \$200,000.00 requested for the Mount Forest Hospital project as they needed the funds to meet their contractor building payments.

Staff Comments:

The Township of Southgate Mayor and CAO received a presentation by virtual meeting from the Centre Grey Health Services Foundation Chair Harvey Fraser, Major Gift Committee members David Fawcett and Gerry McNalty and Executive Director Darlene Lamberti. A copy of that presentation is included in this staff report as Attachment #2, reporting on the scope and status of the project, providing a financial overview of new build cost, the amount of the local commitment, fundraising to date and the present financial shortfall.

The Foundation request for Southgate to contribute another \$60,000, if approved by Council, has a 5 year payment request. Staff recommends that the Township budgets this commitment in 2022 and 2023 to support the project construction payment requirements and to save on financing costs being incurred by the project.

Financial Impact or Long Term Implications

The Township's first financial commitment was \$400,000 approved by Southgate Council in 2005. At the present time in 2021 the Markdale Hospital Reserve is at \$360,000 and staff recommend that we finalize the full commitment in 2021 by transferring \$40,000 from the tax stabilization reserve.

The Centre Grey Hospital Foundation funding request to increase our contribution by \$60,000, to cover the new project costs based on the current construction budget.

Communications & Community Action Plan Impact:

This report has been written and presented to Council to communicate accurate information to the public.

Goal 3 - Promoting Health Services and Housing Choices

Action 3: The residents and businesses of Southgate envision a caring community which meets the needs of all ages and incomes for a healthy and comfortable life, even as our population grows and changes.

Concluding Comments:

1. That Council receive this staff report CAO2021-044 as information.
2. That Southgate forward \$400,000.00 financial commitment to the New Markdale Hospital Construction Project.
3. That Southgate transfer \$40,000 from the Southgate tax stabilization reserve to top up the New Markdale Hospital Construction Project Reserve to \$400,000.00 contribution that Southgate committed to in 2005.
4. That Council approve the addition funding request of \$60,000 from the Centre Grey Hospital Foundation for the construction project in Markdale.
5. That Council direct staff to create a reserve contribution of \$30,000.00 per year in the 2022 and 2023 budget to cover the \$60,000 commitment to the New Markdale Hospital Construction Project.

Respectfully Submitted,

CAO approval: Original Signed By

Dave Milliner – CAO

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Treasurer approval: Original Signed By

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