



TOWN OF MINTO

DATE: March 13, 2018

REPORT TO: Mayor and Council

FROM: Bill White, CAO/Clerk

SUBJECT: Municipal Services Corporation, Harriston Lions Medical Clinic Renovations

STRATEGIC PLAN:

Protect the health and safety of the community and citizens, business and the environment, by supporting a quality Volunteer Fire Department, emergency preparedness, and access to health care, prevention and wellness opportunities.

Actions and Initiatives

6.1. Cultivate strong relationships with the healthcare community taking an active role in moving health initiatives forward by appointing Council representatives to local Boards, and facilitating and assisting with maintenance and development of affordable local medical facilities.

BACKGROUND

At the September 19, 2017 Council meeting the Municipal Service Corporation provided an update on operation of the Harriston Lion's Medical Clinic located at the corner of John Street and Arthur Street. Council was asked to approve two additional Board Members, the Deputy Mayor and Manager of Business and Economic Development, adding to the original Board of the Mayor, C.A.O. Clerk and Treasurer.

The building has about 2,800 square feet in floor area, 17 paved parking spaces and a fenced play area. The building contains dental offices for Dr. William VanSickle, and office space leased by the Family Health Team. Council will recall Dr. Doyin Oyelowo chose not to renew her lease at the Clinic instead relocating to the Minto Rural Health Centre in Palmerston. The Business and Economic Manager helped recruit a replacement tenant, and the Board is currently working with a medical practitioner to lease remaining space in July.

Since the September 2017 report to Council the Board has pursued renovations to the space to allow for Dr. VanSickle to expand. This required the Family Health Team satellite office to relocate in the building. The Facilities Manager has been assisting the Board by pricing the cost of renovations, obtaining a contractor for the work, and working with both tenants to ensure their space is ready for them to occupy. This leaves final renovations for the new tenant as well as work on the overall building.

Renovations needed to the overall building include roof, insulation, fascia and soffit, eaves trough, outside lights, and gable ends. Interior renovations include washroom/plumbing

upgrades, flooring, baseboard, insulation, paint, LED lights, drywall, and wiring. The total cost of renovation is not expected to exceed \$75,000.

COMMENTS:

In 2015 the Town formed a Municipal Services Corporation under Section 203 of the Municipal Act, and assumed shares of the Harriston Lion's non Profit Corporation and with it ownership of the Harriston Lion's Medical Clinic. The Lion's had wanted to dispose of the asset to the Town in the face of dwindling membership.

The mandate of the Municipal Services Corporation as set out in the 2015 Business Case is as follows:

1. Assume the Harriston Lions Community Medical Corporation as a municipal service corporation under the Municipal Act of Ontario to retain the Harriston Medical Clinic in the community according to the agreement between the Board and the Town.
2. Operate and maintain the medical clinic building in accordance with best practices to secure its long term viability as a medical service centre or for similar health related or public uses to the benefit of the area.
3. Explore and expand the municipal service corporation into an Economic Development Corporation under the Act where in the best interests of the community

The new medical practitioner will sign an updated lease with the Municipal Service Corporation that will clearly specify tenant and owner maintenance responsibilities. In previous meetings, Dr. VanSickle was willing to negotiate a new lease at a higher rental rate with additional space in the building. The Board intends to place Dr. VanSickle and the new medical practitioner on a lease with the same terms.

FINANCIAL CONSIDERATIONS:

Under new proposed leases the Board expects about \$35,000 of revenue annually versus expenses of around \$25,000. Since the Town is the sole "owner" of the Corporation, the Board is requesting a loan of up to \$75,000 to complete renovations and prepare for the new tenant in July. It is expected the loan would be repaid in 10 to 12 years.

The building has an estimated market value of about \$300,000. From a conventional business perspective having a full building with only 25% debt is attractive financially. Dr. VanSickle's is prepared to extend his lease and the new medical practitioner's new lease will provide for a revenue stream through 2023 and beyond.

RECOMMENDATION:

That Council receives the Municipal Service Corporation March 13, 2018 report and approves a \$75,000 loan to the said Corporation to be re-paid within 12 years.

Bill White, C.A.O. Clerk