

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MAY 5, 2009

Item 1, Report No. 4, of the Special Budget Committee, which was adopted, as amended, by the Council of the City of Vaughan on May 5, 2009, as follows:

By receiving the following written submissions:

- a) ***Ms. Audrey Frati, 21 Nadia Avenue, Woodbridge, L4L 8P2; and***
- b) ***Ms. Cathy Ferlisi, Concord West Ratepayers Association, dated April 30, 2009.***

1 **VAUGHAN HEALTH CAMPUS OF CARE**

The Special Budget Committee recommends:

- 1) **That Clauses 1, 2, and 3 of the recommendation contained in the following report of the City Manager, the Deputy City Manager and Commissioner of Finance and Corporate Services, the Commissioner of Legal & Administrative Services, the Director of Legal Services and the Director of Reserves and Investments, dated April 27, 2009, be approved;**
- 2) **That staff be directed to bring forward a report to a Special Committee of the Whole meeting on May 21, 2009, at 7:30 p.m., taking into account the comments from the Mayor and Members of Council and the public; and**

That such report include those comments in the form of additional information items previously distributed by the Clerk from Rabbi Landa, Ms. Carrie Liddy, and the Vaughan Community Health Centre, or referenced by any deputants as forthcoming from other parties (e.g. Concord Ratepayers' Association and Glen Shields Ratepayers' Association);

- 3) **That the presentation by the following from the Vaughan Health Care Foundation be received:**
 - a) **Mr. Michael DeGasperis, Chairman of the Board;**
 - b) **Ms. Victoria van Hemert, Chief Planning Officer; and**
 - c) **Mr. Quinto Annibale, Secretary;**
- 4) **That the following deputations and written submissions be received:**
 - a) **Mr. Adriano Volpentesta, 74 Mediterra Drive, Vaughan, L4H 3B6;**
 - b) **Mr. Peter Badali, Vaughan in Motion to Cure Cancer, P.O. Box 865, Maple, L5A 1S8;**
 - c) **Mr. Carlos Pimentel, Carpenters Union, 222 Rowntree Dairy Road, Woodbridge, L4L 9T2;**
 - d) **Mr. Emilio Bisceglia, Bisceglia & Associates, 7941 Jane Street, Suite 200, Concord, L4K 4L6 and written submission prepared by All Realty Consultants;**
 - e) **Mr. Savino Quatela, 134 Grand Valley Blvd., Maple, L6A 3K6, and written submission;**
 - f) **Mr. Joe Collura, RBC Royal Bank, 1 Maison Parc Court, Suite 421, Thornhill, L4J 9K1;**
 - g) **Mr. Silvio Loiero, 30 Conti Crescent, Woodbridge, L4L 7G6;**
 - h) **Mr. Ken Schwenger, KARA, 118 Cold Spring Road, Kleinburg, L0J 1C0, and written submission dated April 27, 2009;**
 - i) **Ms. Rose Marciano, Seniors' Association of Vaughan (SAVI), 70 Tigi Court, Vaughan, L4K 5E4, and written submission;**
 - j) **Mr. Asif Khan, Run for Vaughan, 10610 Jane Street, Maple, L6A 3A2;**
 - k) **Ms. Susan Okom, 8050 Islington Avenue, Suite 19, Woodbridge, L4L 1W5, representing Pinewood Estates Ratepayers Association and Rimwood Estates Homeowners Association, and written submissions both dated April 27, 2009;**

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- l) Mr. Frank Galati, Islington Woods Community Association, 22 Arista Gate, Vaughan, L4L 9J1;
 - m) Mr. Frank Greco, Kleinburg BIA/Heritage Hill, 10504 Islington Avenue, Box 772, Kleinburg, L0J 1C0;
 - n) Mr. Basat Khalifa, 42 Regency View Heights, Maple, L6A 3T8;
 - o) Mr. Mubashir Khalid, 115 Queen Isabella Crescent, Maple, L6A 3T8;
 - p) Mr. Sam Ciccolini, 26 Grandvista Crescent, Woodbridge, L4H 3G5;
 - q) Dr. Robert Maggisano, Vascular Surgeon, 4600 Hwy #7, Suite 201, Vaughan, L4L 4Y7;
 - r) Mr. Naseem Mahdi, Ahmadiyya Muslim Community, 10610 Jane Street, Maple, L6A 3A2;
 - s) Reverend Jim Keenan, New Hope United Church, 9100 Jane Street, Building E, Concord, L4K 0A4, and written submission dated April 27, 2009;
 - t) Mr. Mario Racco, Brownridge Ratepayers' Association, 21 Checker Court, Thornhill, L4J 5X4, and on behalf of Concord West Ratepayers' Association and Glen Shields Ratepayers' Association; and
 - u) Mr. Richard Lorello, 235 Treelawn Blvd., Kleinburg, L0J 1C0; and
- 5) That the following written submissions be received:
- a) Rabbi Israel Landa, Executive Director, Beth Chabad Israeli Community, 1136 Centre Street, Suite 209, Thornhill, L4J 3M8;
 - b) Ms. Carrie Liddy, dated April 22, 2009; and
 - c) Ms. Isabel Araya, Executive Director, Vaughan Community Health Centre, 9401 Jane Street, Suite 206, Vaughan, L6A 4H7, dated April 24, 2009.

Recommendation

The City Manager, the Deputy City Manager and Commissioner of Finance and Corporate Services, the Commissioner of Legal & Administrative Services, the Director of Legal Services and the Director of Reserves and Investments recommend:

1. THAT this report be received for information,
2. THAT the presentation from the Vaughan Health Campus of Care be received,
3. THAT the comments from the public be received; and
4. THAT staff be directed to bring forward a report to Council taking into account the comments from the Mayor and Members of Council and the public.

Economic Impact

The economic impact will depend on the specifics of the request from the Vaughan Health Campus of Care (VHCC) and Council direction.

Communications Plan

On June, 2008, the City issued a press release indicating the City of Vaughan has approved in principle the provision of a significant contribution to the Vaughan Health Campus of Care for the purposes of site acquisition and hospital development in Vaughan.

The VHCC has requested an opportunity to meet with Council to make a request for financial support from the City of Vaughan. Notice of this meeting (April 27, 2009) was published on the City Page, in Vaughan Today on April 17th and in the Citizen/Liberal on April 23rd. It was also promoted on the City's website.

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Following Council's decision with respect to the presentation by the Vaughan Health Campus of Care the City's Corporate Communication staff will work with the Campus of Care to prepare appropriate media release(s).

Purpose

The purpose of this report is to provide background information to Council including background information provided by the Vaughan Health Campus of Care, regarding their presentation.

Background - Analysis and Options

On January 27, 2003, Vaughan Council took the first step toward establishing additional health care resources in the City by creating the Vaughan Health Care Facility Study Task Force. The Vaughan Health Care Foundation and the Vaughan Health Campus of Care (VHCC) were subsequently established and a report was prepared by IBM Business and Consulting Services on behalf of the Task Force and Foundation titled "Vaughan Health Campus of Care-Needs Assessment and Vision for the Future".

On February 22, 2005, Vaughan Council resolved:

“... the Minister of Health and Long Term Care be advised that Vaughan Council and the residential and business communities of the City of Vaughan are committed to working in partnership with the Ministry, the newly created “Central Area” Local Health Integration Network and all affected stakeholders to develop a health-care facility and system that will serve the needs of our rapidly growing communities, while being a catalyst for innovation and change in the delivery of health-care services.”

The Foundation had been working with the City, the Region of York, the Government of Ontario, the Central Local Health Integration Network (Central LHIN) to bring a new hospital and other health care resources to Vaughan. In the fall of 2006, the Foundation engaged Stantec Consulting to undertake an independent, comprehensive review of available locations for a new hospital in Vaughan. VHCC will be providing a detailed presentation, including the site selection process to Council and the public at the meeting of April 27, 2009 at 7:00 p.m..

On April 27, 2007, the provincial government announced its support for a new hospital in Vaughan. In early 2008, the Foundation approached Council, to discuss the provincial requirement for a local contribution to the funding of a hospital. The local share is anticipated to come from various sources including the local municipality.

At the Council meeting of June 16, 2008, Council adopted the following resolution:

WHEREAS the Ontario government announced its decision to support planning for new hospital services in the City of Vaughan;

AND WHEREAS the Central Local Health Integration Network (LHIN) has been working in conjunction with the Vaughan Health Care Foundation and the Vaughan Health Campus of Care to conduct planning for health care services in Vaughan;

AND WHEREAS the City of Vaughan is a founding member of the Vaughan Health Care Foundation and continues to support its vision and activities and other community initiatives;

AND WHEREAS Vaughan Council has proposed a major health care facility in the City of Vaughan, and endorses the Vaughan Health Campus of Care needs assessment report;

AND WHEREAS the City of Vaughan is the largest City in Canada without its own hospital;

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AND WHEREAS accessibility to local health care services is essential to a growing and healthy community;

AND WHEREAS the Council of the City of Vaughan recognizes that a hospital in Vaughan is the highest priority for Vaughan residents;

AND WHEREAS Vaughan wishes to confirm its partnership with the Vaughan Health Campus of Care to acquire land and develop a hospital facility in Vaughan;

AND WHEREAS the Ministry of Health and Long-Term Care, requires a significant local share contribution towards the development of a new hospital facility as part of its funding formula;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Council of the City of Vaughan approves in principle the provision of a significant financial contribution to the Vaughan Health Campus of Care for the purposes of site acquisition and hospital development, which will form part of the community's local share;
2. The City of Vaughan requests that the Minister of Health and Long Term Care obtain approval from the Lieutenant Governor in Council to enter into an agreement with the City of Vaughan to support the acquisition of land for a hospital in Vaughan;
3. The City of Vaughan request that the Minister of Health and Long Term Care grant approval to the Vaughan Health Campus of Care to proceed to the Master Planning and Functional Planning stages of hospital approval in conjunction with the Central LHIN.
4. A copy of this resolution be forwarded to the Honourable George Smitherman, Provincial Minister of Health and Long-Term Care; the Honourable Jim Watson, Provincial Minister of Municipal Affairs and Housing, the Honourable David Caplan, Provincial Minister of Public Infrastructure and Renewal, Greg Sorbara, MPP Vaughan; Peter Sherman, MPP Thornhill; and to the Chair and Council of the Regional Municipality of York.

In October 2008, the provincial government announced its support for the VHCC to move to the Master Program/Master Plan/Business Case phase of the process. VHCC has requested an opportunity to make a presentation to Council to request financial support to acquire land and develop a hospital facility in Vaughan.

Municipal Financial Contribution

Under the Municipal Act, long term funding is obtained through the upper tier municipality. In Vaughan's case, it is the Regional Municipality of York. There is provincial legislation which restricts the amount of debt a municipality can incur. The Annual Repayment Limit uses a current calculation based on "own source revenues". The limit for a municipality under the provincial legislation is 25%. By way of policy the City has targeted a lower internal limit of 10%. The City's debt limit is just over 5%.

Typically the Region issues debentures twice a year. Staff has contacted the Region and they advise a debenture issue could be done separately. The Region advises that the funds would be available shortly after Vaughan Council and Regional Council provide these approvals.

The amount of the annual repayment (principal and interest) and the impact to the municipality will depend on a number of variables including the amount borrowed, the interest rate at the time, the term and the amortization period.

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A hospital is a significant long term facility and it would be appropriate to fund such an asset over a long term, i.e. 20 years. Also a shorter period would result in a quicker repayment, however a greater annual impact to the municipality.

Assuming a 10 year debenture with a 20 year amortization period at an interest rate of 5%, the annual repayment would be approximately \$1.6M for every \$20M debentured. A 1% increase in property taxes is equivalent to \$1,178,254.00 or \$10.97 a year to the average assessed home in Vaughan, therefore for every \$20M debenture, property taxes would increase by 1.4% or approximately \$15 for the average assessed home in Vaughan.

Once the necessary approvals are in place there are options available to the City to obtain interim financing prior to the receipt of long term financing. The City could use its line of credit with its corporate bank. Further details can be provided however they will depend on the specifics of the request from the Campus of Care.

Protection of Public Interest

As part of the report to Council after the public meeting, staff will provide options regarding the protection of the public interest including financial risk management, ensuring compliance with applicable law and ensuring delivery of the intended benefit. Staff would address safeguards for the City in the event that a hospital does not come to fruition within a reasonable time frame.

Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council as a hospital in Vaughan is one of Council's highest priorities.

Regional Implications

There are no regional implications as a result of this report.

Conclusion

VHCC has provided background information attached to this report and will be making a presentation on April 27, 2009. In considering VHCC's specific request, it would be appropriate to direct staff to report to Council providing options, having regard for comments from the Mayor and Members of Council and the public.

Attachments

Attachment #1 - Vaughan Hospital Planning, Local Share and Site Selection Process - Overview

Report prepared by:

Clayton Harris
Deputy City Manager
Commissioner of Finance and Corporate Services

Heather Wilson
Director of Legal Services

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)