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**TO:** GENERAL COMMITTEE


**SUBJECT:** EXTENSION OF ROYAL VICTORIA REGIONAL HEALTH CENTRE CONTRIBUTION AGREEMENT

**WARD:** ALL

**PREPARED BY AND KEY CONTACT:** P. ELLIOTT-SPENCER, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES 

**SUBMITTED BY:** P. ELLIOTT-SPENCER, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES 

**GENERAL MANAGER APPROVAL:** P. ELLIOTT-SPENCER, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES 

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** C. LADD, CHIEF ADMINISTRATIVE OFFICER 

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### RECOMMENDED MOTION

1. That in response to the request from Royal Victoria Regional Health Centre, the approved Contribution Agreement between RVH and the City of Barrie remain in effect until December 31, 2016 and that all other terms, including the City of Barrie's total contribution amount and method of calculating any adjustments to that amount, remain unchanged.

### PURPOSE & BACKGROUND

#### Report Overview

2. In September 2010, City Council approved an agreement to provide up to \$52.5 million in funding to Royal Victoria Hospital for the expansion of the hospital (Staff Report #CRP001-10). The agreement provided for a series of payments, made on a semi-annual basis, based on actual expenditures incurred to date. The original agreement anticipated that the payments would be completed by June 30, 2013.
3. On October 26<sup>th</sup>, 2013 Council approved a motion to extend the agreement to December 31, 2014. In a letter dated September 29<sup>th</sup>, 2014 from Janice Skot, President and Chief Executive Officer of Royal Victoria Regional Health Centre to City CAO, Carla Ladd, the hospital has asked for a further extension to December 31, 2016. (Appendix A)
4. The purpose of this report is to ask Council to approve an extension of the agreement to December 31, 2016.

### ANALYSIS

5. To date the City has provided total funding of \$49.7 million. While the hospital project has achieved substantial completion as of August 30, 2013, the hospital is still working with the contractor to close out the contract. These delays have also impacted the timing of their equipment expenditures and thus the finalization of the project.
6. The Royal Victoria Regional Health Centre has fulfilled all other terms of the agreement.

7. This funding commitment is provided for in the RVH Reserve.

**ENVIRONMENTAL MATTERS**

8. There are no environmental matters related to the recommendation.

**ALTERNATIVES**

9. The following alternatives are available for consideration by General Committee:

**Alternative #1** General Committee could not approve the recommendation to extend the agreement. The City would then retain the final \$2.7 Million in funding which could be used to address City Infrastructure and other Capital needs. The City has advanced a total of \$50 Million to RVH and RVH has fulfilled the other terms of the agreement entered into in 2010.

This alternative is not recommended. The delay in finalizing the project is related to the delay in the construction contract. The hospital has maintained good communication with the City on the progress of the project, and fulfilled all other terms and conditions of the agreement.

**FINANCIAL**

10. The extension of the agreement will delay the release of the final payment of approximately \$2.7 million to the hospital. This funding commitment is provided for in the RVH Reserve.

**LINKAGE TO 2010-2014 COUNCIL STRATEGIC PLAN**

11. The recommendation(s) included in this Staff Report support the following goals identified in the 2010-2014 City Council Strategic Plan:

Improve and Expand Community Involvement and City Interactions

September 29, 2014

Ms. Carla Ladd  
Chief Administrative Officer  
City of Barrie  
70 Collier Street, P.O. Box 400  
Barrie, Ontario  
L4M 4T5

Dear Carla:

We would like to take this opportunity to once again express our gratitude for the significant support the City of Barrie has provided to the Royal Victoria Regional Health Centre (RVH) Phase 1 Expansion and Rotary Place development.

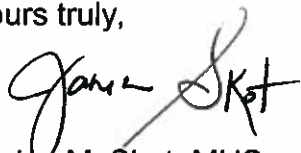
The Phase 1A expansion project achieved substantial completion August 20, 2013. This is a significant accomplishment but the contractor was approximately six months behind the originally intended substantial completion date – originally scheduled for February 2013 and we are still working with the contractor to close out the contract. We are also still in the process of implementing the final aspects of the Phase 1 Expansion.

Under the terms of the agreement between the City and RVH, we are to have drawn the entire \$52.5 million pledge by the end of December 31, 2014. However, as you know, we have only requested approximately \$50 million as of June 30, 2014. This is directly due to the construction delays which have also impacted the timing of our equipment expenditures and finalization of the project.

At this time we are writing to request a two year extension (until December 31, 2016) to the funding agreement between the City and RVH.

We appreciate your consideration related to this matter and would be pleased to provide any further details you require.

Yours truly,



Janice M. Skot, MHSc, CHE  
President & Chief Executive Officer