



Committee Report

To: Warden Chris Peabody and
Members of the Corporate Services Committee

From: Edward Henley
Director of Corporate Services

Date: October 5, 2023

Re: Attachment 2 CS-2023-054 Bruce County Health Care Reserve Fund.docx

Staff Recommendation:

That the funding of the Bruce County Health Care Reserve Fund be set at 0.5% of levy annually, and;

That staff be directed to develop a Health Care Reserve Fund policy which identifies eligibility criteria, timelines and standards for implementation as well recommend any necessary updates to By-law 3710.

Background:

The following report is an update to an original report presented to Corporate Services Committee on March 5, 2022 ([Bruce County Hospital Reserve Fund \(escribemeetings.com\)](https://www.escribemeetings.com)).

There are up to 11 hospitals within 4 different health service organizations in and around Bruce County that regularly provide service to Bruce County residents. (Appendix 1)

Bruce County Hospital Reserve Fund

By-law 3710, a by-law to establish a County Hospital Reserve Fund, was passed on April 1, 1999 (see attached) and replaced an earlier by-law #1909.

The purpose of this reserve is to be used for providing:

- i) Capital Grants to hospitals as directed by County Council from time to time
- ii) Providing grants to finance Physician Recruitment Sessions as directed by County Council from time to time

This report provides the financial history of this reserve back to 2008. In 2008, \$40,000 was used from the reserve to fund a Magnetic Resonance Imaging (M.R.I.) campaign. The remaining balance of under \$2,000 was carried forward until 2017 when it was allocated to partially fund a grant for the Wingham & District Hospital Foundation. There has not been an annual allocation, other than interest, to replenish this reserve, during that period.

Recent Funding Distributions

Since 2008 there were 4 health care related donations that were distributed and several that were not approved or deferred. The funding requests, other than noted above, were paid from general levy and not the depleted reserve. A more complete listing of funding since the 1960s is in Appendix 2.

Chart 1: Recent Health Care Organization funding

Organization	Annual \$	Period	Total \$
Grey Bruce Health Services	200,000	2014-2018	1,000,000
Wingham & District Hospital Foundation	25,000	2016-2019	100,000
Chapman House	50,000	2017	50,000
Grey Bruce Health Services Addictions & Mental Health and Wellness Treatment Centre	50,000 increasing to 150,000	2024-2028	500,000

Grey Bruce Health Services 2014-2018

The Grey Bruce Health Services funding request was presented to Council in 2013 and the following resolution was passed at the September 19, 2013 Corporate Services Committee meeting:

“That the request from the Grey Bruce Health Services for funding to support cancer care and other regional services be deferred for consideration as part of the 2014 budget discussions.” Carried.

Funding of \$200,000 per year was included in the 2014 budget and continued until 2018 for a total of \$1,000,000.

Wingham & District Hospital Foundation 2016-2019

The Wingham & District Hospital Foundation request was presented to Council on January 7, 2016 for hospital renovations and equipment replacement. The following resolution was passed at the March 3, 2016 Corporate Services Committee Meeting:

“That the County of Bruce pledge \$100,000 to support the Redevelopment of the Wingham and District Hospital over a four-year period; and,
That staff be directed to bring back a report on the financing of this pledge.”
Carried

The resolution at the Corporate Services Committee Meeting on April 7, 2016 clarified the funding:

“That the commitment to pledge \$100,000 over a four-year period 2016-2019 for the Redevelopment of the Wingham and District Hospital be financed from the Tax Stabilization Reserve; and,
That the 2016 contribution of \$25,000 be financed from the Tax Stabilization Reserve and that the remaining three years be included in the annual budgets.”
Carried.

Grey Bruce Residential Hospice: Chapman House - 2017

On November 3, 2016 the Grey Bruce Residential Hospice Executive Director addressed Council regarding the construction of Chapman House. As part of the presentation, a request was made for the County to consider a commitment of \$200,000 to the project. The minutes from this meeting indicate the Warden provided the following direction:

“That this request be deferred to the Corporate Services Committee for consideration as part of the 2017 budget deliberations.”

The request was reviewed as part of the 2017 budget deliberations and a one-time commitment of \$50,000 was included in the 2017 budget to support the construction of the hospice.

Owen Sound Regional Hospital Foundation 2018

In November 2018 the County received a delegation from the Owen Sound Regional Hospital Foundation which requested \$400,000 over two years in support of the new M.R.I. It was not referred to a Committee for discussion, Council did not make any recommendation to support the request, nor was it part of the 2019 budget discussions. When a follow-up communication was received, Corporate Services Committee at its July 11, 2019 meeting passed this resolution:

“That the request for funding from the Owen Sound Regional Hospital Foundation, totaling \$400,000 over two years to support a new M.R.I. system, be considered in the 2020 budget.” (Carried)

The \$200,000 annual funding was included in the 2020 budget and presented to Council during budget deliberations and discussions recommended removing the request due to budget constraints. Council members were advised at the subsequent budget meeting that the funding request had been removed.

Saugeen Memorial Hospital Foundation 2021

On December 2, 2021 a delegation from the Saugeen Memorial Hospital Foundation made a presentation at the Council Meeting regarding the fundraising for a C.T. Scan for the hospital in Saugeen Shores. The Foundation made a request of \$600,000 to fund 20% of the \$3 million estimated project cost. The Foundation requested the funds as either a lump-sum or paid over a period of up to 5 years.

Contributions to the project were removed from the 2023 budget proposals due to a lack of dedicated reserve funds, and other major and uncertain budget pressures related to the delivery of long term care services.

Saugeen Hospice 2021

On December 2, 2021, Executive Committee deliberated on funding the Saugeen Hospice. A resolution was passed to defer the decision pending additional information regarding the project.

Kincardine Community Health Care Foundation

The County did not receive a request for funding for the Computed Tomography (C.T.) Scan for the Kincardine Hospital purchased in 2021.

In December 2021, the Kincardine Community Health Care Foundation launched a \$12 million fundraising campaign “Kincardine Hospital Redevelopment Capital Campaign” and may approach the County for funding.

Grey Bruce Health Services Addictions & Mental Health and Wellness Treatment Centre

The Grey Bruce Health Services funding request was presented to Council on April 6, 2023 and council requested that staff review the proposal and return with recommendations regarding funding and alignment with County initiatives. Staff returned with additional information and recommendations on September 7, 2023 and the following resolution was passed at the Corporate Services Committee meeting:

“That the County of Bruce commit to supporting the Grey Bruce Health Services Addictions and Mental Health Wellness and Treatment Centre by contributing \$500,000 to the project over a five-year period; and,

That staff be directed to include the contribution in the 2024 to 2028 Budget and Forecast as outlined in Option 2.” Carried.

Funding of \$50,000 is included in the 2024 budget, increasing in increments of \$25,000 until 2028, for a total forecasted contribution of \$500,000 over a five year period.

Recommendation

The County receives very large funding requests for hospital equipment or expansions on an infrequent basis. In recent years there have been minimal to no funds available in the County’s Hospital Reserve which has resulted in contributions to initiatives being made directly from the levy, or requests being deferred or denied due to fiscal constraints.

The County does not currently have any funds in the Bruce County Hospital Reserve Fund at present and the Tax Stabilization Reserve Fund balance is below what would be considered a target level of funding for an organization of Bruce County’s size.

Staff recommend a prudent approach to future funding using multi-year budgeting along the lines that some other Counties have moved towards. This would involve a regular transfer of funds into the reserve that can be drawn upon based on current balances or future contributions could be allocated. This approach can establish with funding requestors that

there is a finite amount of funds available from the County that should be shared amongst all hospitals that regularly provide service to Bruce County residents.

The County could fund the reserve with an annual transfer equivalent to 0.5% of levy, which would total approximately \$311,000. This is based on an approximate \$4.54 per resident funding which is similar to the amount funded by Grey County under their existing policy.

It is also recommended that a funding policy be developed by staff that take into consideration the following:

- Eligibility criteria
- Timelines
- Retention of funds by County until purchase or initiative is underway
- Coordinated funding between County and local municipalities
- Frequency of funding requests
- Other factors as determined

Financial/Staffing/Legal/IT Considerations:

It is noted that the 2024-2028 budget is being presented to Corporate Services Committee next week, with supporting documents already published. The above recommendation has been included in the budget submission. If not approved, or approved at a revised amount, the budget presented to council would require amendment.

There are no staffing, legal or I.T. considerations.

Interdepartmental Consultation:

The Corporate Services team worked in consultation with the Office of the CAO to prepare the updated report and recommendation.

Link to Strategic Goals and Elements:

Build strong and inclusive communities.

Report Author:

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Deputy Treasurer

Departmental Approval:

Edward Henley
Director of Corporate Services

Approved for Submission:

Derrick Thomson
Chief Administrative Officer

Appendix 1: Hospitals Located in Bruce County & Surrounding Areas

Hospital	County Location	Health Service Organization
Warton Hospital	Bruce	Grey Bruce Health Services
Lion's Head Hospital	Bruce	Grey Bruce Health Services
Southampton Hospital	Bruce	Grey Bruce Health Services
Owen Sound Regional Hospital	Grey	Grey Bruce Health Services
Walkerton & District Hospital	Bruce	South Bruce Grey Health Centre
Chesley Hospital	Bruce	South Bruce Grey Health Centre
Kincardine Hospital	Bruce	South Bruce Grey Health Centre
Durham Hospital	Grey	South Bruce Grey Health Centre
Hanover & District Hospital	Grey	Hanover & District Hospital
Wingham & District Hospital	Huron	Listowel Wingham Hospital Alliance
Listowel Memorial Hospital	Huron	Listowel Wingham Hospital Alliance

Appendix 2: History of Hospital and Health-related Funding

Organization	Period	Total \$
Capital Grant, Walkerton Hospital	1964	25,000
Lion's Head Outpost Hospital	1964	15,000
Saugeen Memorial	1965	25,000
Bruce Peninsula	1966	25,000
Kincardine	1968	25,000
Kincardine	1976	30,000
Saugeen Memorial	1978	30,000
Chesley District Hospital	1982	45,000
Grey Bruce Regional Health Centre	1983	1,410,000
Bruce Peninsula Health Services	1988	300,000
Kincardine	1988	30,000
Grey Bruce Health Services	2004-2008	1,000,000
Grey Bruce Health Services	2014-2018	1,000,000
Wingham & District Hospital Foundation	2016-2019	100,000
Chapman House	2017	50,000
Grey Bruce Health Services Addictions & Mental Health & Wellness Treatment Centre	2024-2028	500,000

Appendix 3: Comparison of Hospital Reserve Funding by County

Criteria	Grey (new)	Grey (old)	Simcoe	Northumberland	Niagara	Bruce (Proposed)*
Population	100,000	100,000	479,650	86,000	481,727	68,500
Total Annual Budget	171,200,000	171,200,000	572,000,000	188,400,000	905,300,000	150,917,000
2021 Levy	62,300,000	62,300,000	18,500,000	60,400,000	405,000,000	62,184,000
Contribution	467,600	299,100	3,000,000	250,000	1,500,000	311,000
Contribution per capita	\$4.68	\$3.00	\$6.25	\$2.91	\$3.11	\$4.54
Contribution as % of levy	0.75%	0.50%	1.62%	0.41%	0.37%	0.50%

*Bruce County numbers have been updated to reflect 2023 financial information to reflect most recent financial information.

The following Counties do not contribute to a hospital reserve and instead consider each request on an individual basis at budget time; Wellington, Dufferin, and Perth.

When initially reviewed in 2022, Wellington County was the only County that borrowed money to contribute to a hospital fundraising campaign - \$14,400,000 over 10 years to 3 different fundraising campaigns.