



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Administration, Finance and Human Resources Committee
From: Ken DeHart, County Treasurer
Date: Tuesday, September 19, 2023
Subject: **Groves Memorial Hospital – Final Transfer of Original \$5.0 Million Grant**

Background:

Groves Memorial Hospital first approached the County requesting a \$5.0 million contribution for hospital development in 2002. The following year County Council approved a Hospital Capital Grant Policy, which was subsequently deemed unnecessary and repealed in 2008. While the policy was in place, an original grant for \$5.0 million was approved for the expansion of Groves Memorial Community Hospital in Fergus to cover costs that were not covered by the Ministry of Health. During this time, the Groves Hospital project changed from an expansion on the existing site to a new hospital on a greenfield site.

In November of 2008, Wellington County and Groves Hospital acquired the “Trask Lands” adjacent to existing County land holdings at Wellington Place. The Hospital acquired 34 acres as the site of the new hospital and the County acquired 71 acres. The County provided \$0.96 million in funding to the Hospital for the land purchase funded from the Hospital Reserve. This left \$4.04 million outstanding from the original \$5.0 million commitment to Groves Hospital. At the end of 2011, \$4.04 million remained in the Hospital Reserve to fund this commitment.

At this time the County and Groves Memorial Hospital entered into an agreement outlining each entity’s responsibility for various items including storm water management pond construction, sanitary sewer construction, watermain construction, roads construction, transfer of property, easement registration and cost sharing.

Between 2012 and 2013, the County also funded the hospital’s share of the related Wellington Place design and engineering fees in the amount of \$0.15 million. The County provided funding of \$2.4 million over 2014 and 2015 out of the original grant to complete the land servicing as per the agreement. Additional funding from 2016 to 2023 of \$0.20 million was provided for legal and professional fees related to site development, easements, and road transfers.

Note that in 2014, County Council approved an additional \$9.4 million in Hospital grant funding to the County’s three local hospitals: Groves Memorial (\$5.0 million), Louise Marshall (\$2.2 million) and Palmerston and District Hospital (\$2.2 million). These grants were transferred to the hospitals between 2015 and 2020. This brought the County’s total investment in its local hospitals to a total of \$14.4 million, including \$10.0 million for Groves.

All final costs, registrations, and transfers for the original \$5.0 million are now complete and accounted for including the transfer of ownership of Frederick Campbell Street to the County, leaving a balance owing to Groves Memorial Hospital of \$1,295,700.

Spending	Amount
#21480021 - Groves Hosp Land Grant	959,943
#21420001 - WP Servicing Design (70%)	149,223
#21440001 - Groves Hosp Grant	2,595,134
Transfer remaining balance of Grant	1,295,700
TOTAL Groves Memorial Hospital Grant	\$ 5,000,000

Recommendation:

That Council approve the transfer of \$1,295,700 to Groves Memorial Hospital on September 28, 2023, in order to fulfill the original 2008 pledge of \$5.0 million.

Respectfully submitted,



Ken DeHart, CPA, CGA
County Treasurer