



# The Corporation of the Municipality of Arran-Elderslie

## Staff Report

Council Meeting Date: September 13, 2021

Subject: SRDPCLK.21.09 Doctor Recruitment Incentives

Report from: Julie Reid, Deputy Clerk

Appendices: None

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### **Recommendation**

Be It Resolved that Council hereby,

1. Council directs staff to provide appropriate Doctor Incentives upon signing a four (4) year service contract between the Municipality of Arran-Elderslie and the physician candidate with the terms presented to Council on January 25, 2021:
  - i) Provide a maximum of one (1) year free rent at the Chesley Medical Clinic;
  - ii) Overhead expense allowance (which may include legal fees to set up corporation, moving expenses, housing allowance, other fees, staffing), as set out as follows:
    - a) \$20,000 upon execution of the agreement, and \$10,000 on the second and third anniversary date of the agreement and \$20,000 on the fourth anniversary with a pro-rated payback clause if the physician ceases their practice at the Chesley Medical Clinic during the term of the contract; or
    - b) \$50,000 payment up front if needed, that they stay for four (4) years and beyond, with a pro-rated payback clause if the physician ceases their practice at the Chesley Medical Clinic during the term of the contract.
  - iii) A furnished office and two (2) exam rooms located in the clinic and supply of office and diagnostic equipment not to exceed \$6,000 which shall remain the sole property of the Municipality of Arran-Elderslie at all time; and
2. That Council approve the transfer of funds from reserves (01-0000-2192) to match the terms of the executed agreements;
3. That Staff will coordinate with the Chesley Physician Recruitment Committee on future recruitment efforts and funding needs prior to the 2022 budget preparation.

## **Report Summary**

The intent of this report is to provide a resolution to formalize the current Doctor Recruitment Incentives and provide the confirmation details of such for auditing purposes.

## **Background**

During a Closed Council session on January 25, 2021, Council discussed the revisions to the contract requested by the Chesley Physician Recruitment Committee. Council directed Staff to make the revisions to the contract at that time. No resolution was passed at this session and for the purposes of future financial auditing these details need to be endorsed in open session.

## **Analysis**

The recruitment process has resulted in the signing of a contract by a physician who is to begin their practice officially in Arran-Elderslie as of September 1, 2021.

To date, no formal resolution has been passed to adopt the new incentives. This resolution is necessary for Staff to provide during the annual financial audit, and to formalize the terms of the Incentive Program.

On October 23, 2017, Resolution number 19-435-2017 was passed by Council approving the following incentives for Doctor's who sign a four (4) year service contract with the Municipality of Arran-Elderslie:

- 1) Provide a maximum of one (1) year free rent at the Chesley Medical Clinic;
- 2) Overhead expense allowance (which may include legal fees to set up corporation, moving expenses, housing allowance, other fees, staffing), as set out as follows:
  - a) \$10,000 per year payment for first two (2) years, and \$20,000 per year for the last two (2) years with a pro-rated payback clause if the physician ceases their practice at the Chesley Medical Clinic during the term of the contract; or
  - b) \$50,000 payment up front if needed that they stay for four (4) years and beyond, with a pro-rated payback clause if the physician ceases their practice at the Chesley Medical Clinic during the term of the contract.

On January 25, 2021, Council directed Staff to make the following changes to the Physician Contract:

- 1) Provide a maximum of one (1) year free rent at the Chesley Medical Clinic;
- 2) Overhead expense allowance (which may include legal fees to set up corporation, moving expenses, housing allowance, other fees, staffing), as set out as follows:
  - a) \$20,000 upon execution of the agreement, and \$10,000 on the second and third anniversary date of the agreement and \$20,000 on the fourth anniversary with a pro-rated payback clause if the physician ceases their practice at the Chesley Medical Clinic during the term of the contract; or
  - b) \$50,000 payment up front if needed that they stay for four (4) years and beyond, with a pro-rated payback clause if the physician ceases their practice at the Chesley Medical Clinic during the term of the contract.
- 3) A furnished office and two (2) exam rooms located in the clinic and supply of office and diagnostic equipment not to exceed \$6,000 which shall remain the sole property of the Municipality of Arran-Elderslie at all time.

Staff would also like to request that the Chesley Physician Recruitment Committee discuss and report back to Staff on the continued recruitment efforts and what funding needs may be needed for future recruitment efforts prior to Staff beginning the 2022 budget process.

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#### **Link to Strategic/Master Plan**

N/A

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#### **Financial Impacts/Source of Funding**

The Doctor Recruitment Reserve 01-0000-2192 currently has a balance of \$70,000.

Staff recommend that funds are transferred from the reserve each year to match the payment terms of the executed agreements.

A reserve strategy will be developed during the 2022 budget based on correspondence received from the Chesley Physician Recruitment Committee.

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Approved By: Sylvia Kirkwood, CAO