

Oakville Beaver

Mayor supports funding new hospital

Decision could be made tonight

April 20, 2010

"We've heard from expert doctors that single patient rooms are critical to controlling the spread of infectious diseases and promote greater healing. I am not willing to second guess expert doctors. I trust doctors when it comes to medicine, not politicians and not lay people." - Oakville Mayor Rob Burton.

If the rest of Oakville council feels as the mayor does the Town will be making a \$200 million contribution to Halton Healthcare Services (HHS) to help build the new Oakville hospital.

Oakville Mayor Rob Burton announced his support for the contribution at the conclusion of Monday's council meeting, which heard from 16 delegations with speakers both condemning and applauding the contribution proposal.

Council did not have time to make its decision Monday night and a meeting intended to bring about a conclusion to this issue was scheduled for tonight (Tuesday).

Information on this decision will be posted Wednesday.

In his Monday statements Burton gave a number of reasons for supporting the contribution including concerns that not making the contribution could indefinitely delay the project and a belief that it is not realistic to expect the province to fully fund the hospital.

"If you believe it is the responsibility of the provincial government to fund 100 per cent of the costs of a hospital, that's interesting, but the province never has for these big hospitals," said Burton.

"I've met with the leader of the official opposition, he has no plans to fully fund hospital construction either. A local commitment is a factor the province uses to decide how to allocate increasingly scarce provincial funding for hospitals."

Burton said the amount the province is asking for in the form of a local share has actually gotten better changing from being about 33 per cent of the hospital costs in 2005 to 30 per cent of the costs in 2006.

Despite this, Burton acknowledges that what is being asked of Oakville is big, but points out it is big for a reason, as a bigger hospital is needed to promote infectious disease control.

"We've heard from expert doctors that single patient rooms are critical to controlling the spread of infectious diseases and promote greater healing. I am not willing to second guess expert doctors," said Burton. "I trust doctors when it comes to medicine, not politicians and not lay people."

Burton said the proposed hospital is affordable given the restructured payment plan Town staff have put forward.

Under this plan \$130 million would be paid when the hospital opens at the Third Line and Dundas Street location in 2015, another \$40 million would be paid over the next 30 years for life cycle costs of the project.

Finally another \$30 million payment will only be considered at the time of the project's financial close.

Burton said paying this \$30 million will be at the discretion of a future council and is not a commitment, but a promise to consider.

"Town staff have indicated that the up to \$40 million donation for life cycle costs can be funded by non-tax revenues so there would be no tax impact for that portion of the donation," said Burton.

"The up to \$130 million donation required at the time of deliver of a complete operating hospital in 2015 may require some tax support, but it is too soon to know at this stage of the process. Council has made it clear to staff that we want to consider every way to fund the donation through non-tax revenues. Staff will report next year with ways to fund this amount through non-tax revenue opportunities including using proceeds from the recent sale of Blink Communications."

Burton said Town staff have confirmed that, if necessary, the full \$130 million could be funded for less than a one per cent annual tax increase with Oakville still being within the limits set by the Town's debt policies, which Burton said are the strictest in the province.

"I believe the Province would not have approved the new hospital if they did not believe it was needed, I believe if this hospital does not proceed as scheduled we will be risking the future health care of our Town," said Burton.

"I believe in this hospital and the lives it will save. I believe that access to safe high quality facilities will be essential to attracting the physicians and nurses and other health care professionals to our community that we need. I believe in the opportunities it will create for jobs and businesses in our community. I believe the restructured donation responds to concerns that the cost was too high. I believe that our town and its residents can afford to support the restructured donation that staff proposes. I believe access to high quality local health care is essential to creating a livable community."

Not everyone is in agreement with this.

Among those opposed to the Town making the \$200 million contribution is Oakville resident Bruce Caplan, who said that before the Town starts asking residents for money it should first take a look at itself and see where costs can be cut.

"In 2007 there were 63 employees of the Town who earned over \$100,000 or more, in 2009 there were 118, almost double. Total salaries for these people in 2007 amounted to just over \$7 million and in 2009 they amounted to over \$14 million, almost double," said Caplan.

"When I looked at the employees, who were here in 2007, and those same employees, who were here in 2009, their increases amounted to 14 per cent over two years, an average 7 per cent and I don't know in recessionary times, who is getting 7 per cent increases today. I believe this is an indication to a certain extent of the mismanagement of our finances and until we put this in order I firmly believe council has no right to ask us for more money."

Caplan said reducing Town employees' salaries could pay for the hospital or wage increases, having these employees pay for some of their benefits or reducing these benefits and by reducing the operating budget of Oakville Transit.

Dr. Roger Mailhot, an Oakville resident and former director and vice president of the scientific and regulatory affairs department of five pharmaceutical companies, also called on council to reject the proposed contribution stating the province's funding formula is unfair, the local share cost is too high and the funding of it will add to the existing burden of health costs.

"Health and hospital care, as we know, is a provincial jurisdiction and given that the province has a much broader basis of taxation than municipalities and its citizens already pay a health tax, the province should take full responsibility for the construction of the hospital," said Mailhot. "The Province is not honouring its constitutional responsibility."

Mailhot drew comparisons between hospital planning in Vaughan and the new Oakville hospital to illustrate that Oakville is paying too much for its local share.

In this example he said Vaughan, with a population of about 100,000 more people than Oakville, is only contributing a local share of \$80 million for a hospital with 300 beds.

Oakville with a smaller population is being asked to contribute a local share of \$200 million for a hospital with 457 beds.

Despite the Oakville Hospital being 1.5 times larger than the proposed Vaughan hospital, Mailhot said Oakville's \$200 million contribution is still way off the mark and should be reduced to somewhere between \$76 million and \$91 million.

In later discussions with a representative from Infrastructure Ontario it was pointed out that the Vaughan hospital project is still in the planning stages and as such the numbers discussed may not be firm.

Mailhot concluded his presentation by calling for a renegotiation of the Oakville's \$200 million contribution with HHS and the mounting of a campaign against the provincial government to change the current hospital funding formula.

Mayoral Candidate John Kay said the hospital project continues to suffer from a lack of transparency with residents still wanting to know how the \$200 million contribution will be paid for, how many beds will be in the hospital when it opens and what improvements the new hospital will actually offer.

"They want to know why they would trust this government to build their hospital, the same government that is trying to give them a power plant in their backyard," said Kay.

Halton Healthcare Services President and CEO John Oliver said HHS is committed to opening the hospital with five MRI's and CT scanners (how many of each is not confirmed yet) and 457 beds, although not all will be staffed and operational.

Oliver said HHS is currently pursuing a commitment from the Ministry of Health to have 45 per cent of the additional services opened during the hospital's first year, an additional 30 per cent opened during the second year and the final 25 per cent opened during the third year.

This timetable, however, cannot be guaranteed.

