

# Noble Asks New Council to Back Clinic Mortgage

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by Paul Jankowski

South Bruce Peninsula council has been asked to reconsider guaranteeing the mortgage for the Sauble Beach medical clinic.

Carl Noble, the chairman of the board of the not-for-profit corporation that built the clinic, told a committee of the whole meeting Tuesday the previous council made a decision based on incomplete information.

After a closed-door discussion in July, the previous council voted against guaranteeing a \$1.1 million mortgage for the clinic held, in part, by members of the clinic's board of directors.

Councillors had voted in March at a committee of the whole in favour of the idea. However, council did not follow up on the committee's recommendation after receiving unsolicited advice from the town's lawyer.

"No matter what happens, there's always one lawyer who is wrong. When you go to court you have one lawyer who is not correct," Noble told councillors Tuesday.

The previous council's actions has cost the not-for-profit corporation approximately \$60,000 in higher interest costs, Noble said in a letter included in Tuesday's agenda.

The corporation is now seeking a \$1.2 million mortgage. However, the building and property is worth \$2.3 million. With the town as a guarantor, the mortgage would be 1% less than otherwise available and the building could be amortized over 25 years instead of 15, Noble said.

Noble said fundraising brought in \$800,000 from the community to build the clinic. The existing mortgage is held by 10 people who volunteered to contribute just over \$1 million to finish construction of the building to avoid paying a \$400 a day penalty under the clinic's lease with the family health team.

If the town does guarantee the mortgage, it will be transferred to a bank. The income from renting space to the health team and the chamber of commerce carries the building's costs, Noble said, and there's another 4,000 square feet that is not yet completely finished or rented.

Noble told councillors if the not-for-profit corporation pays off all debts "and has money, it has a maximum amount it can keep in reserve. The rest of it has to be sent out to charities in the area . . . I'm guessing it will be a minimum of 15 years before it gets into that position."

He said he understands the town, if it acts as guarantor, "would want sort of guarantee . . . that if we fail you get the building." That can be done, Noble added.

Mayor John Close told Noble councillors would consider the request at a future committee of the whole meeting.

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