



Town of Saugeen Shores

Healthcare Administration Review

Current State Report

→ July 17, 2025



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Document Purpose



Purpose: The primary purpose is to support a review of the Town's current roles in the healthcare sector. It also serves as a summary of Optimus SBR's review of the current state which will then inform the future state and recommendations.



Objectives:

This document outlines:

- A summary overview of the Town's related infrastructure,
- A financial overview summarizing the historical revenues and costs related to the existing infrastructure and associated operations of the Town,
- An administrative process review of the governance and healthcare administration activities the Town undertakes, and
- A summary of strengths and challenges learned from stakeholder engagement interviews.



Next Steps: To review and validate the findings presented in this current state report, which will serve as the foundation for developing future state recommendations.

→ Section 1

Project Overview

Project Mission & Success

Project Mission

To conduct a Municipal Healthcare Administrative Review to evaluate the Town of Saugeen Shores (the Town) own's involvement in the healthcare sector, specifically focusing on enhancing operational efficiency, financial management, and resource planning to better support family physician recruitment and retention. By concentrating on these areas, the Town aims to bolster its support for healthcare services and ensure sustainable healthcare infrastructure for the community.

Project Success

A successful project will deliver the following results at the close of the engagement:

- An evaluation of the current state administrative processes, governance, and financial controls related to the Town's healthcare infrastructure and Town-owned medical buildings and condos and identify opportunities for improvement in efficiency.
- A review of the Town's healthcare administration-related operating structures, spending controls and administrative processes that identifies key areas for operational improvement.
- A resource needs assessment related to the Town's role in physician recruitment, retention, and healthcare partnership development that identifies gaps, proposes solutions to address gaps, and projects ongoing and future administration resource needs for the Town.
- Recommendations and a corresponding Implementation Plan to guide the Town in advancing improvement in healthcare administration.

Project Scope

In Scope

Project activities included in our Proposal including:

- Kick-off
- Bi-weekly Status Update Meetings
- Three (3) Discovery Interviews
- Discovery Update Meeting
- Stakeholder engagement – ten (10) interviews/focus groups
- Best practices review including interviews/focus on four (4) other municipalities
- Operational evaluation of scope of the Town’s involvement in healthcare administration, physician recruiting, related processes, resourcing to support the Town’s activities, and financial management of the Town’s infrastructure
- Current State and Financial Analysis Report
- Resource Needs Assessment of the Town’s resourcing of healthcare administration activities
- Identification and recommendations regarding systems and tools to enhance operational efficiency
- Recommendations focused on the Town’s role and opportunities to improve the efficiency of administration, financial management, and resourcing
- Implementation Strategy for actioning the identified recommendations
- Final Report

Out of Scope

- Implementation of recommendations

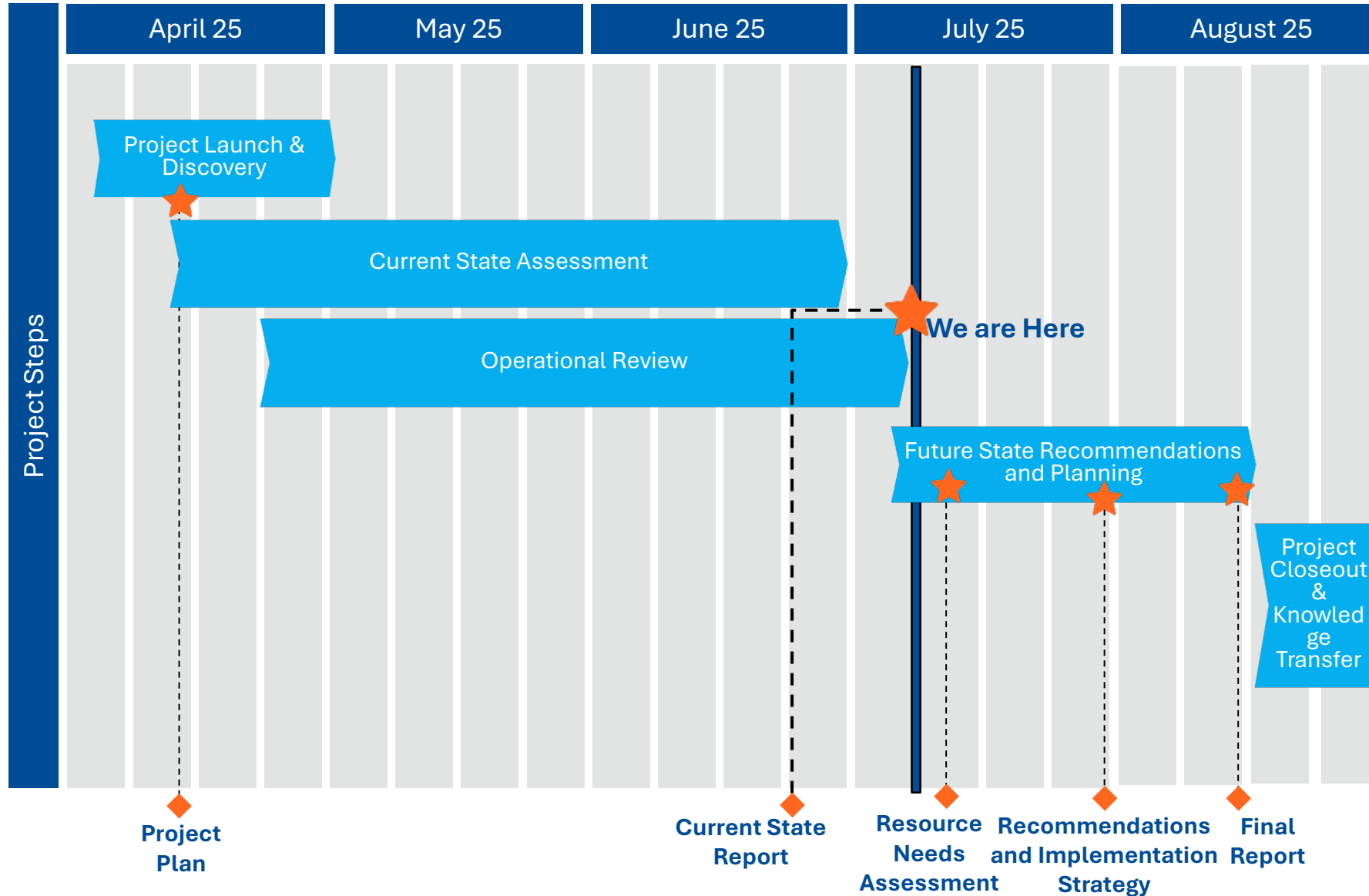
Project Approach

1	2	3	4	5
Project Launch & Discovery	Current State Assessment	Operational Review	Future State Recommendations and Planning	Project Closeout & Knowledge Transfer
1.1 Project Setup and Planning 1.2 Project Kick-Off 1.3 Data and Document Request 1.4 Discovery 1.5 Discovery Update 1.6 Project Workplan	2.1 Data and Document Review 2.2 Program Area Prioritization 2.3 Research and Stakeholder Engagement Plan 2.4 Stakeholder Engagement 2.5 Best Practices Review	3.1 Operational Evaluation 3.2 Draft Current State 3.3 Review and Presentation	4.1 Conduct Resource Needs Assessment 4.2 Identify and Specify Systems or Tools 4.3 Develop Recommendations 4.4 Draft Final Report 4.5 Review and Validation	5.1 Project Closeout 5.2 Knowledge Transfer
Deliverables				
<ul style="list-style-type: none"> Project Plan 		<ul style="list-style-type: none"> Current State Report 	<ul style="list-style-type: none"> Resource Needs Assessment Recommendations and Implementation Strategy Final Report 	



We are Here

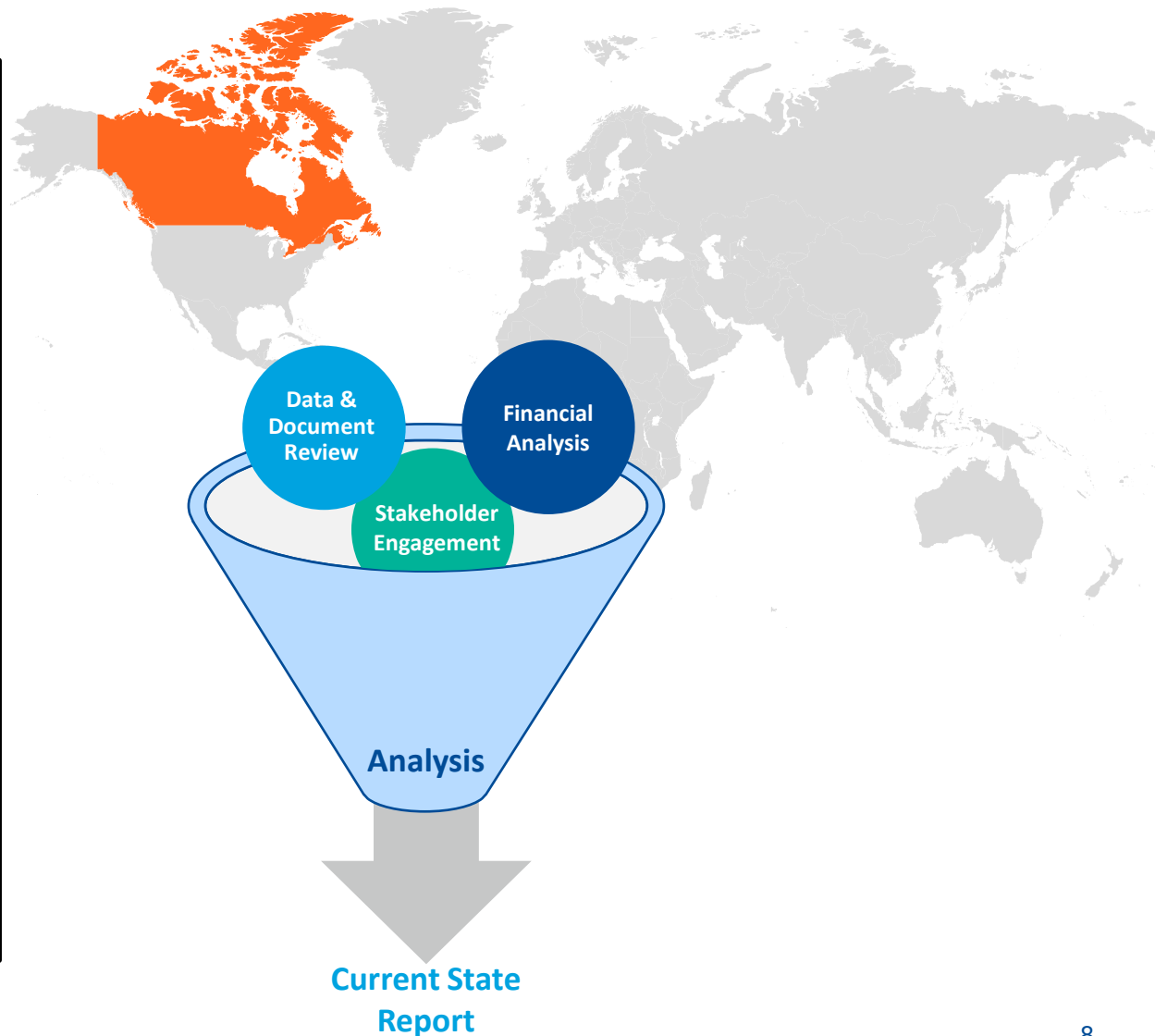
Timeline of Activities



Methodology

This below outlines the activities that informed the Current State Report:

Data & Document Review	Data and Document Review – a detailed review of data and documents provided by the Town of Saugeen Shores. This informed stakeholder engagement interviews and provided an understanding of the current state.
Stakeholder Engagement	Stakeholder Engagement – Conducted stakeholder interviews and focus groups with the Town of Saugeen Shores Operational Team, physicians and individuals whose functional role is in Recruitment of Physicians, and Municipalities.
Financial Analysis	Financial Analysis – Reviewed financial data provided by the Town of Saugeen Shores related to operational costs and infrastructure costs.



→ Section 2

Project Context

Background

Project Overview

- The Town of Saugeen Shores has engaged Optimus SBR to conduct a Municipal Healthcare Administration Review to evaluate the Town’s involvement in the healthcare sector, specifically focusing on operational efficiency, financial management, and resource planning to better support physician recruitment and retention.

Key Developments

- The widespread physician shortage across Ontario, particularly in rural, northern, and remote areas, is especially concerning, as it may hinder the Town’s ability to attract and retain physicians with competitive recruitment packages
- Recent developments affecting the Town highlight the urgency of this review. Provincial funding reductions have impacted the Town’s financial planning, with a 15% decrease in the Ontario Community Infrastructure Fund allocation, leading to an estimated \$13 million shortfall over the next decade.
- Additionally, the Town of Saugeen Shores and the Town of Kincardine have been provided \$450,000 in funding by Bruce Power to support emergency room availability and healthcare staffing, given the strong expected growth in the area.
- For 2025–26, the Ontario Ministry of Health issued a targeted Call for Proposals to establish or expand primary care teams in communities with the greatest unmet need—including the N0H postal code region, which encompasses Saugeen Shores. In response, the Town actively supported local health system partners in advancing a collaborative proposal aimed at improving access to care for underserved residents in the region.

Town's Goals and Objective for this Review

Rationale

- Although healthcare is under Provincial jurisdiction, municipalities are increasingly involved due to their proximity to residents and understanding of local needs.
- The Town is responding to growing expectations to play a supportive role in healthcare delivery, especially in areas where Provincial systems may not fully address community-specific challenges.

Focus Areas

- **Operational Efficiency:** Streamlining internal processes related to healthcare support.
- **Financial Management:** Ensuring responsible and strategic use of municipal funds.
- **Resource Planning:** Aligning staffing, infrastructure, and partnerships to meet healthcare goals.
- **Physician Recruitment & Retention:** Addressing the shortage of family doctors and creating incentives and support systems to attract and retain medical professionals.
- **Infrastructure Support:** Providing and maintaining healthcare facilities such as clinics and medical offices.

Town's Goals and Objective for this Review

Goals and Outcomes

- Clarify the Town's roles and responsibilities in healthcare.
- Improve resource allocation to maximize impact.
- Prepare for future healthcare demands through proactive planning.
- Strengthen the sustainability of local healthcare infrastructure.

Limitations of Municipal Role

- Core healthcare delivery (e.g., hospitals, specialist services, public health programs) remains the responsibility of the Province.

→ Section 3

Infrastructure

Medical Clinics

The table below provides a summary of the two Town-owned medical clinic facilities. The difference in operating models of the two clinics accounts for the difference in the presented financial positions, with an operating surplus for Port Elgin as reported*, lower projected capital requirements, and a better facility condition index.

Category	Sub-category	Port Elgin Medical Clinic	Southampton Medical Clinic
Property Profile	Address	786 Goderich St	36 Grey St N
	Building Age	17 years (2008 Construction)	23 years (2002 Construction)
	Gross Floor Area	11,997 sq. ft.	11,599 sq. ft.
Financial Performance	2024 Operating Revenue	\$130,981	\$361,533
	2024 Operating Expense (as reported)	\$88,077	\$406,463
	2024 Operating Net (as reported)	Surplus of \$42,904	Deficit of \$44,930
Leasing and Capital Requirements	Gross Lease Rate (est.)	\$10.92/sq. ft.	\$8.30/sq. ft.
	10-Year Capital Plan (Town)	\$350,000 (2025–2033)	\$95,000 (2025–2033)
	Building Condition Assessment (BCA) Capital Investment Estimate	\$762,805 (2025–2032)	~\$1.2 million (2025–2032)
Asset Condition	Facility Condition Index (FCI)**	2.2% (Good)	18.7% (Fair)
	Current Replacement Value (CRV)**	\$5.5 million (~\$458/sq. ft.)	\$2.6 million (~\$225/sq. ft.)
	Estimate Net Book Value 12/24	\$1,096,931	\$474,661

The Southampton Medical Clinic was funded through community fundraising, whereas the Port Elgin clinic was built using debt financing.

*Reported figures do not reconcile with accounting figures. Financial performance figures were acquired from working financial reporting documents by Town staff.

The **Facility Condition Index (FCI) is a metric that compares the cost of needed repairs to the current replacement value of a facility. It is used to assess the overall condition of a building or asset, with a higher FCI indicating poorer condition. **Current Replacement Value (CRV)** refers to the estimated cost to replace an existing facility or asset with a new one of similar size, capacity, and function, using current construction materials and standards. It reflects how much it would cost to rebuild the asset today from the ground up.

Medical Clinics

Side-by-side analysis reveals disparities in cost efficiency, capital requirements, and facility condition between the two sites.

Port Elgin Medical Clinic	Southampton Medical Clinic
<p>Findings:</p> <ul style="list-style-type: none"> • Operating Net Position: The Town’s financials reflect that this facility has a planned revenue base of \$130,981 and an expense base of \$88,077, for an overall surplus of \$42,904. • Capital Plan (2025-2033): The 10-year capital plan for the 2025 to 2033 period reflects \$350,000 of planned expenses. • Building Condition Assessment (BCA): The 2023 BCA report identifies \$762,805 in proposed capital investments between 2025 and 2032. • Facility Condition and Value: As of 2023, the Facility Condition Index (FCI) score was 2.2% reflecting an overall “good” rating and Current Replacement Value was set at \$5.5 million. The facility has had upgrades noted in the last few years, which improves its relative position. 	<p>Findings:</p> <ul style="list-style-type: none"> • Operating Net Position: The Town’s 2024 financial report provides a different scenario, as compared to the Port Elgin clinic. This clinic appears to be reflecting “doctor” expenses, including wages and operating costs. As reported, a total revenue of \$361,533 is budgeted with \$406,463 in expenses, for an overall deficit of \$44,930. • Capital Plan (2025-2033): The 10-year capital plan for the 2025 to 2033 period reflects \$95,000 of planned expenses. • Building Condition Assessment (BCA): The 2023 BCA report identifies \$1.2 million in proposed capital investments between 2025 and 2032. • Facility Condition and Value: As of 2023, the Facility Condition Index (FCI) score was 18.7% reflecting an overall “fair” rating and Current Replacement Value was set at \$2.6 million. No upgrades were made to this building as per what the BCA recommends.
Analysis	
<ul style="list-style-type: none"> • The clinic's total revenue is based on a gross lease rate of \$10.92/sq. ft., which is significantly below market comparators. • After accounting for expenses, the net return is \$3.58/sq. ft. • Using the Current Replacement Value (CRV) as a proxy for asset value, the estimated value is approximately \$458/sq. ft., which aligns with comparable market rates. • Based on this valuation, the Return on Investment (ROI) is less than 1%. • Further analysis is recommended to: <ul style="list-style-type: none"> • Reconcile the gap between the Town’s capital plan and the BCA estimate • Clarify whether capital costs are recovered through operations or carried centrally at the corporate level 	<ul style="list-style-type: none"> • The operation reflects a gross lease rate of \$8.30/sq. ft., which is well below market comparators and also lower than Port Elgin. • When using the full budget, the implied lease valuation rises to \$31.17/sq. ft. • The net return is \$0.52/sq. ft., while the full budget scenario results in a net loss of \$3.87/sq. ft. • Based on the Current Replacement Value (CRV), the building is valued at approximately \$225/sq. ft., which is significantly below market benchmarks. • At this valuation, the estimated Return on Investment (ROI) is -1.7%. • Further analysis is recommended to: <ul style="list-style-type: none"> • Reconcile discrepancies between the capital plan and the BCA • Clarify whether capital costs are recovered through operational budgets or handled corporately

Medical Clinics

Key Takeaways

- **Port Elgin Medical Clinic** demonstrates a more favourable financial and physical position, with a net operating surplus, modest capital requirements, and a Facility Condition Index (FCI) of 2.2%, rated as “Good.” Its asset value per square foot aligns with market comparators, although the return on investment remains below 1%.
- **Southampton Medical Clinic** presents several challenges, including a net operating deficit, significantly higher capital investment needs, and an FCI of 18.7%, rated as “Fair,” indicating near-term infrastructure concerns and a less efficient cost structure. ROI is negative (-1.7%) and the asset value per square foot is below market benchmarks.
- **Return on investment and lease revenue at both clinics fall well below market rates**, which, while aligned with the Town’s community service objectives, raises concerns about long-term financial sustainability and may warrant a review of lease structures and pricing strategies.
- **Notable discrepancies exist between the Town’s capital plans and the Building Condition Assessment (BCA) estimates at both sites, as they are underspending.** This misalignment suggests the need to strengthen capital forecasting and infrastructure planning to ensure funding reflects actual asset renewal and maintenance needs.
- **Cost recovery mechanisms remain unclear**, particularly whether capital expenditures are recovered through lease rates or absorbed corporately. Clarifying this framework is essential to support sustainable asset management moving forward.

Town-owned Condominium

The Town owns a single condominium in Saugeen Shores - **Unit 24 in Bruce Condominium Corporation #8** - which was purchased from Ontario Power Generation Inc. in 2000 and is currently leased to a third party (physicians and locum)* under a net lease agreement.

Attribute	Unit 24 (Bruce Condominium Corporation #8)
Type	Condominium unit
Year Constructed	1991
Year Purchased by the Town	2000 (from Ontario Power Generation Inc., per By-law 23-2000)
Book Value at Purchase	\$156,750
Estimated Net Book Value (Dec 2024)	\$87,806
Current Replacement Value (CRV)*	\$538,700
Facility Condition Index (FCI)*	10.5% – Fair
2023 BCA 10-Year Capital Forecast	\$236,115
2024 Capital Budget	Not available / not applicable

Key Findings:

- This condo is for the specific use of providing accommodations for residents, locums and transitioning medical professionals to Saugeen Shores. When it is not used for this purpose, the space is used for visiting physicians, not related to primary care.
- The condo has aged infrastructure (constructed in 1991), and its FCI of 10.5% suggests moderate capital investment needs.
- Its replacement value per square foot is notably lower than the standalone clinics, though its compact size and condo nature may contribute to this.
- A 10-year capital need of \$236,115 has been forecasted, but there’s no capital budget currently allocated, indicating a potential funding or planning gap.
- Because it is part of a condominium corporation, certain repair and maintenance responsibilities may fall to the condo board/common reserve fund, depending on what’s covered by common elements.
- There is no debt outstanding for this unit. In 2023, the Town received approximately \$11K positive cashflow, following three years of annual cashflow in the range of \$11K-\$17.5K.

* A locum doctor is a temporary doctor hired to cover when a regular doctor is on leave, sick, or when there is a staffing shortage. The **Facility Condition Index (FCI)** is a metric that compares the cost of needed repairs to the current replacement value of a facility. It is used to assess the overall condition of a building or asset, with a higher FCI indicating poorer condition. **Current Replacement Value (CRV)** refers to the estimated cost to replace an existing facility or asset with a new one of similar size, capacity, and function, using current construction materials and standards. It reflects how much it would cost to rebuild the asset today from the ground up.

Two Town-Owned Medical Clinics

The Town owns two (2) medical clinics – one in Port Elgin (786 Goderich Street) and one in Southampton (36 Grey Street North). Market comparators suggest that lease rates and property values in the area are significantly higher than those currently associated with the Town-owned clinics. These findings **highlight the potential undervaluation of current lease rates.**

Market Place Comparators	
<ul style="list-style-type: none"> Town-Owned Clinics: <ul style="list-style-type: none"> The Port Elgin Clinic, located at 786 Goderich Street, has a gross floor area of 11,997 sq. ft. with an estimated gross lease rate of \$10.92 per sq. ft. The Southampton Clinic, located at 36 Grey Street North, has a gross floor area of 11,599 sq. ft. with an estimated gross lease rate of \$8.30 per sq. ft., not including special overhead consideration made by Council. A review of publicly available real estate listings was conducted to identify market comparators for the two Town-owned clinics. While the intent was to find comparable medical or commercial space, direct comparators were limited. Notably, the Town’s clinic facilities are leased under Net Lease arrangements, where tenants are responsible for costs such as maintenance, landscaping/snow removal, and property taxes. By contrast, the majority of listings identified were Gross Leases, where the property owner bears those costs. 	
Port Elgin Example – 1020 Goderich Street	Expanded Search – Walkerton Example
<ul style="list-style-type: none"> This 3-storey mixed-use commercial/residential building offers both lease and ownership options: <ul style="list-style-type: none"> Rental Listings (as of June 18 via Realtor.ca): <ul style="list-style-type: none"> 4 available units ranging from 150 to 875 sq. ft. Asking lease rates between \$47 and \$62 per sq. ft. (Gross Lease basis) Ownership Listings: <ul style="list-style-type: none"> 4 available units ranging from 370 to 675 sq. ft. Asking sale prices ranged from \$140,000 to \$290,000 This translates to \$297 to \$500 per sq. ft., with a median valuation of approximately \$423 per sq. ft. 	<ul style="list-style-type: none"> To supplement the analysis, a broader geographic scan identified a potential comparator at 11 Durham Street West in Walkerton, a converted residential building (65 years old) now used as office space: <ul style="list-style-type: none"> Offering: 1,472 sq. ft. commercial office Lease Type: Gross Lease Asking Rate: \$24.50 per sq. ft.

*A **net lease arrangement** is a type of commercial lease where the tenant pays not only the base rent but also some or all of the property-related expenses. These can include property taxes, building insurance, maintenance costs. A **gross lease** is a type of commercial lease where the landlord covers most or all of the property-related expenses, and the tenant pays a single, all-inclusive rent amount.

Infrastructure – Summary of Findings

The Town’s healthcare facilities are aging and under increasing financial pressure, with Southampton requiring the most reinvestment. Gaps between book value and replacement cost, along with inconsistent budgeting, especially for the condo, underscore the need for clearer capital planning and accountability.

Category	Findings
Facility Age and Acquisition	<ul style="list-style-type: none"> All three facilities have been in service for over 15 years. The Condo, constructed in 1991 and acquired in 2000, is now over 30 years old and will require further investment. Asset age directly informs the need for lifecycle planning and proactive maintenance.
Facility Condition Index (FCI)	<ul style="list-style-type: none"> Southampton Clinic (18.7%) is in fair condition with near-term capital needs. Port Elgin (2.2%) reflects a relatively stronger condition and lower risk, in part due to recent upgrades. Condo (10.5%) suggests moderate condition with likely mid-term renewal. These indicators show Southampton requires the most urgent reinvestment.
Capital Replacement Value (CRV) and Asset Depreciation	<ul style="list-style-type: none"> A significant gap exists between book value and CRV across all sites, highlighting rising asset renewal costs. Book value reflects accounting history, while CRV reflects replacement risk. Ignoring this gap may result in underfunding, poor planning, or misjudged asset health. For example, Port Elgin’s CRV (\$5.5M) far exceeds its book value (\$1.69M). Net book values have depreciated significantly (e.g., Condo dropped from \$156K to \$88K), which reflects aging, not current market value or required reinvestment.
BCA Forecast vs Budgeted Capital	<ul style="list-style-type: none"> Southampton has the highest 10-year BCA forecast (\$1.39M), with \$984K already budgeted for 2024. Port Elgin is forecasted at \$875K by the BCA, with \$197K budgeted. The Condo requires \$236K over 10 years according to the BCA but has no capital funding planned for 2024, indicating possible oversight or deferred maintenance. This gap suggests funding is aligned to condition in some cases (e.g., Southampton), but not consistently.
Other Key Takeaways	<ul style="list-style-type: none"> The Town’s healthcare facilities are aging and will require increasing capital to remain functional and meet community needs. Investment priorities appear aligned to facility condition, especially for Southampton. Rising CRVs underscore growing replacement cost pressure. Fragmented accountability makes it difficult to understand the full program cost, limiting the Town’s ability to evaluate impacts or make informed decisions. A fragmented accountability structure complicates understanding of the full program cost, limiting the ability to fully evaluate financial impacts and inform strategic decision-making. Major capital maintenance costs appear to be managed corporately and as a result have the impact of undervaluing the reported cost of managing the healthcare administration service. This means that responsibilities for managing different parts of the program are spread across multiple departments or people, making it hard to get a clear picture of the total costs, so it's difficult to evaluate the program's value or make informed financial decisions.

→ Section 4

Financials

A. Operational Costs

A Note on the Compilation of Financial Data

Reported costs are understating the true financial burden due to excluded items, audit timing, and fragmented accountability. This is based on the following:

- **Medical clinic full cost reporting is unclear.** Reported facility costs omit key financial components needed for a thorough analysis, including:
 - Building amortization
 - Net reserve contribution activity
 - Financial costs – for Port Elgin
- **Recruitment costs exclude the foregone interest income on loans.**
- **Amortization and reserve transfer values for 2024 have been based on 2023 data, pending final closure of 2024 year end.**
- **The net impact is that the true net costs are significantly higher than initially reported.**
 - Full costs are incorporated into provincial FIR reporting
 - Broader issue reflects fractured accountability structure

Operational Costs (2020-2024)

The operational costs for the Town's healthcare program from 2020 to 2024 cover medical clinics, recruitment, condos, and Port Elgin debt repayment. **Total Operating Cost has averaged approximately \$330,000 from 2020 to 2022. In 2023, extraordinary recoveries were realized due to canceled physician agreements.**

Figure 1: Components of Total Operating Costs (\$000's)*

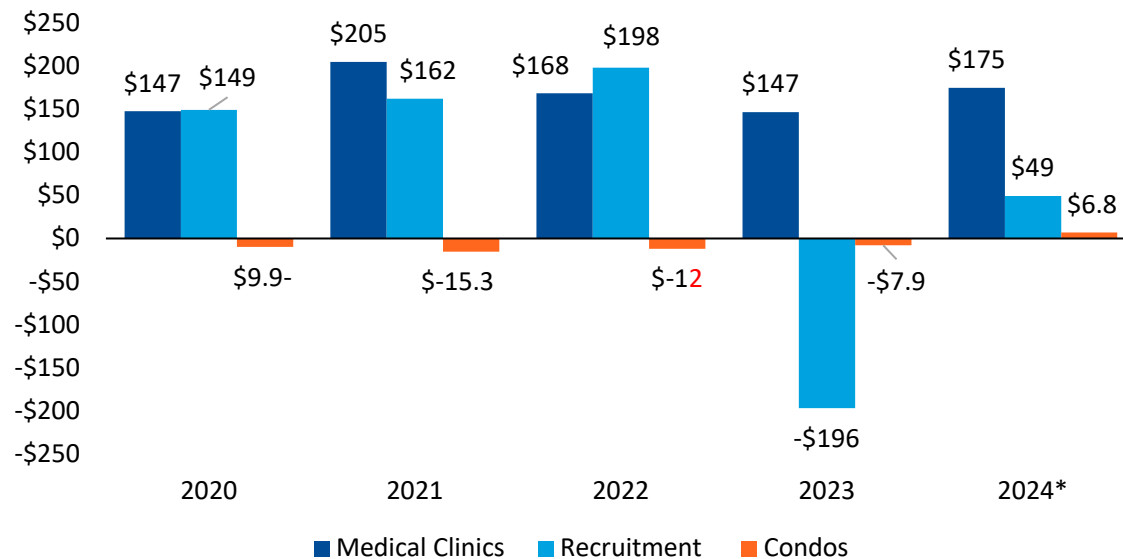
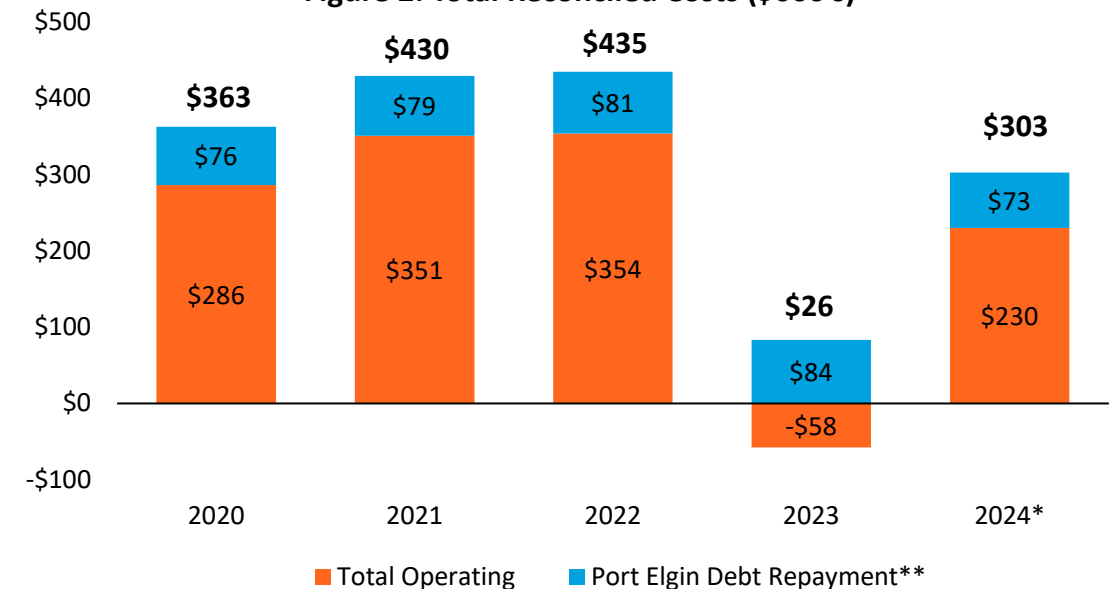


Figure 2: Total Reconciled Costs (\$000's)



Note: 2024 year-end process is not finalized yet 2023 values for amortization and reserve contributions have been factored in. * Total Operating costs shown in Figure 2 (orange colour), are broken down in Figure 1. Total Operating Costs for Condos include all three condos: the two (2) leased condos and one (1) Town-owned condo.

**The Port Elgin Medical Clinic was constructed using debt financing and as such debt repayment to this has averaged approximately \$78,000 per year in principal payments from 2020-2024. This loan is set to mature in 2029.

Operational Costs – Summary of Findings

Due to fragmented accountability across clinic operations, recruitment, and condo support, the true cost of the healthcare program is difficult to assess, limiting strategic oversight and planning. The following observations were made with the limited data and information available (**note – 2024 data is incomplete as at the development of this report**):

Category	Findings
Cost Levels and Stability	<ul style="list-style-type: none"> • Total reconciled costs remained relatively stable from 2020 to 2022, ranging from \$357K to \$436K annually. • A sharp drop in 2023 (\$25K net) and partial rebound in 2024 (\$172K projected) suggests volatility due to cost recovery, unfinalized accounts, or year-specific changes in operations or accounting treatment. • Total reconciled costs were stable overall, despite the cancelled physician agreements in 2023.
Medical Clinics	<ul style="list-style-type: none"> • Medical clinic costs have been consistently between \$147K–\$205K per year (except 2024’s partial figure). • Southampton financials are distorted by inclusion of different costs that relate to further support approved by Council. • Medical clinic costs remained relatively stable across years.
Recruitment	<ul style="list-style-type: none"> • Costs are relatively stable at around \$150K-\$200K per year for earlier years with a noted drop off in 2023-24. Net 2024 costs further reduced by subsidies provide by Bruce Power , as part of 3 year joint pilot with Kincardine. • Variance in 2023 was due to the recovery of incentives from cancelled agreements.
Condo Program Costs	<ul style="list-style-type: none"> • Net revenues for condos appear to be in the range of \$ 8 to \$15 K, until 2024 when trend showed a shift into a net cost.

B. Contractual Terms

Contractual Terms, Provisions and Responsibilities

To further our understanding of the Town's involvement in healthcare administration, a review of the lease agreements for medical facilities, physician incentive agreements was conducted. This review was conducted based on limited data and documentation provided and reflects only the information available at the time of analysis. Based on the available data and documents the following sources were used to conduct our analysis:

- **Two (2) Lease Agreements for Medical Clinics at the Port Elgin Medical Clinic:** The Town acts as the landlord for medical office spaces at 786 Goderich Street, Port Elgin, leasing to physicians for family medical practices.
- **Two (2) Physician Incentive Agreements:** The Town provides financial incentives to attract and retain family physicians, including subsidies and loans, as seen in agreements with physicians.
- **One (1) Staff Report regarding a Memorandum of Understanding (MOU) between the Society of United Professionals and the Town.** The Society of United Professionals has entered into an agreement with the Town to provide two (2) condo units on located at 190 Morpeth Street in Southampton, for the specific use of providing accommodations for residents, locums and transitioning medical professionals to Saugeen Shores.
- **One (1) Lease Agreement between the Town and four (4) doctors' professional corporations for the Southampton Medical Clinic:** This agreement is to manage and share costs for operating the Saugeen Shores Medical Building at 36 Grey Street, Southampton.

Port Elgin - Medical Facility Lease Agreements

The Town of Saugeen Shores owns and leases medical office space at 786 Goderich Street, Port Elgin, to physicians for family medical practices. The two lease agreements analyzed are for the years 2020 and 2014. Both agreements assign responsibilities to the Town (Landlord) and the physician (Tenant). The table below categorizes their respective responsibilities outlined in the agreements:

Category	Town (Landlord) Responsibilities	Physician (Tenant) Responsibilities
Premises and Access	<ul style="list-style-type: none"> Provides office space, examination rooms, washrooms, records, and waiting room space, and shared use of 2,344 sq. ft of common areas. 	<ul style="list-style-type: none"> Uses premises solely for medical offices, treatment, or consultation rooms.
Rent and Costs	<ul style="list-style-type: none"> Covers utilities (sewage, gas, electricity, water, heat), snow removal, lawn care, exterior maintenance, HVAC/building systems maintenance, interior cleaning of common areas. Annually reconcile actual costs, recovering shortfalls or reducing obligations for surpluses. 	<ul style="list-style-type: none"> Pays base rent (\$1,287.72 plus HST per month) – 2020 lease. Pays base rent (\$1,185 plus HST per month) – 2014 lease. Both rent amounts are subject to annual CPI increases. In addition to the base rent amounts, tenants are to cover business taxes, licenses, interior cleaning of assigned offices, office equipment, waiting room chairs and artwork, staff room equipment, garbage disposal, physician support staff. Any overdue rent or expenses paid by Landlord are subject to interest at prime rate plus 2% per annum.
Term and Termination	<ul style="list-style-type: none"> Allows lease term of 10 years (2020 lease) and 5 years (2014 lease), with the ability to review term for 5-year extension by mutual consent. May terminate with 6 months' notice. 	<ul style="list-style-type: none"> May terminate with 3 months' written notice.

Port Elgin - Medical Facility Lease Agreements (Continued)

The table below continues to outline the respective responsibilities outlined in the agreements:

Category	Town (Landlord) Responsibilities	Physician (Tenant) Responsibilities
Assignment and Subletting	<ul style="list-style-type: none"> Approve any or deny assignment or subletting requests except for sharing with licensed physicians serving the Town. 	<ul style="list-style-type: none"> Obtain Landlord’s consent for assignment or subletting, except when sharing with licensed physicians serving the Town.
Use and Compliance	<ul style="list-style-type: none"> Ensures premises are suitable for medical use. 	<ul style="list-style-type: none"> Use premises only for permitted medical purposes. Avoid nuisance, damage, injury and annoyance to neighbours, insurance voiding, or by-law and statute breaches. Operate as an independent contractor, not the Landlord’s employee. Indemnify Landlord for claims from medical practice operators.
Repairs and Maintenance	<ul style="list-style-type: none"> Maintain building systems and common areas. 	<ul style="list-style-type: none"> Keep premises (including alterations) in good condition, except for reasonable wear and tear or fire damage. Surrender premises in good repair at lease end. Notify Landlord immediately of substantial damage.
Alterations and Additions	<ul style="list-style-type: none"> Approve plans for alterations and additions and signage. 	<ul style="list-style-type: none"> Make alterations and additions at own expense with Landlord’s approval, complying with building codes. Obtain approval for signage. Remove trade fixtures at lease end, repairing any damage.
Insurance	<ul style="list-style-type: none"> Named as additional insured on Tenant’s liability insurance. 	<ul style="list-style-type: none"> Carry third-party liability insurance (\$5 million) – per 2020 lease, and \$2 million – per 2014 lease. Indemnify Landlord against claims.

Based on the input gathered from the Town and Physicians, the lease agreements for the medical facility leases are described to have standard terms but may be outdated as many are not renewed and reexamined once in place. A set term should be defined and reviews and renewal with updated terms should take place within that cycle.

Physician Incentive Agreements

The Town of Saugeen Shores provides financial incentives to physicians. Two (2) available agreements for the year 2020 were analyzed. The table below categorizes their respective responsibilities outlined in the agreements:

Category	Town (Landlord) Responsibilities	Physician (Tenant) Responsibilities
Practice Commitment	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Practice family medicine full-time (average 4 days per week) at Port Elgin Medical Clinic, including Emergency Department coverage, for 10 years.
Patient Roster	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Roster at least 1,000 patients within the first 24 months of practice.
Rent Subsidy	<ul style="list-style-type: none"> Pay rent of \$1,287.72 plus HST per month for office space at 786 Goderich Street for a total of 6 months. 	<ul style="list-style-type: none"> Pay rent for office space with annual adjustments based on CPI.
Interest-Free Loan	<ul style="list-style-type: none"> Provided a \$200,000 interest-free loan for the physician to purchase a dwelling, secured by a promissory note. Monitor compliance with practice and roster requirements to ensure the loan remains interest-free. 	<ul style="list-style-type: none"> Repay the \$200,000 loan in equal monthly installments over 10 years. Pay interest at the Town's bank prime rate plus 2% per annum if practice hours or 1,000 patients roster requirements are not met.
Office Subsidies	<ul style="list-style-type: none"> Provide financial support for office setup and operations - \$94,000 in total (\$52,000 in 2021 and \$42,000 in 2025-26). 	<ul style="list-style-type: none"> N/A

Based on the input gathered from the Physicians, these incentives are generally attractive to get the attention of potential candidates to the Town but describe that the benefits are short-term, given the challenges that they faced over the long-term to practice in the Town (i.e. limited collaboration, facility deficiencies with limited upkeep, etc.)

Physician Incentive Agreements (Continued)

The table below continues to outline the respective responsibilities outlined in the agreements:

Category	Town (Landlord) Responsibilities	Physician (Tenant) Responsibilities
Incentive Funds	<ul style="list-style-type: none"> • Provide \$100,000 in five annual installments of \$20,000 • Pay premiums for a life insurance policy naming the Town as beneficiary to secure the incentive funds. 	<ul style="list-style-type: none"> • Provide a \$100,000 promissory note and a life insurance policy naming the Town as beneficiary to secure the incentive funds.
Moving Costs	<ul style="list-style-type: none"> • Reimburse the physician’s moving costs upon submission of receipts, to facilitate relocation to the Town (up to \$5,000 if claimed). 	<ul style="list-style-type: none"> • Submit receipts to claim reimbursement for moving costs incurred.
Property Tax Subsidy	<ul style="list-style-type: none"> • Pay property taxes for one year on a personal dwelling purchased by the physician within the agreement term, to support residency in the Town. 	<ul style="list-style-type: none"> • Purchase a personal dwelling within the agreement term to qualify for the one-year property tax subsidy.
Termination and Repayment	<ul style="list-style-type: none"> • Enforce repayment of subsidies (rent, office, moving, property taxes) and loan if the physician departs before July 31, 2031: <ul style="list-style-type: none"> • 100% repayment if less than 1 year served; • 80% for 1–3 years; 60% for 3–5 years; • 40% for 5–7 years; 20% for 7–9 years; • 0% after 9 years. • Collect the full outstanding loan balance within 30 days of departure. 	<ul style="list-style-type: none"> • Repay subsidies (rent, office, moving, property taxes) according to the schedule and the full outstanding loan balance within 30 days if departing before July 31, 2031. • Up to \$104,000 + HST (subsidies) + remaining loan balance (up to \$200,000)
Exit Strategy	<ul style="list-style-type: none"> • Meet with the physician to pre-determine an exit strategy to ensure continuity of patient care in the event of departure. 	<ul style="list-style-type: none"> • Comply with Ontario government requirements for patient care continuity and meet with the Town to establish an exit strategy.

Condominium Lease Agreement

According to the MOU, two (2) condo units were provided by the Society of United Professionals as a donation to the Town, whereby Town Council passed a By-law to authorize the lease agreement for condominium unit 5 and 6 at 190 Morpeth Street in Southampton. This is leased to the Town for \$1 per year. The Town then uses it as transitional housing for medical professionals (locums, residents, and incoming physicians) – subject to leases.

Category	Society of United Professionals (Landlord) Responsibilities	Town (Tenant) Responsibilities
Lease Terms	<ul style="list-style-type: none"> Lease Unit 5 and Unit 6 to the Town for transitional housing. Renew lease (initial term 2009–2014, expired October 2019, renewed April 24, 2023). 	<ul style="list-style-type: none"> Use Unit 5 and Unit 6 for locums, medical residents, and incoming physicians. Pay annual rent in the amount of \$1 per year.
Operational Costs	<ul style="list-style-type: none"> Pay property taxes for Unit 5. 	<ul style="list-style-type: none"> The Town covers the following on behalf of the tenant: <ul style="list-style-type: none"> Utilities (electricity, heat, water, sewer), internet, contents insurance, condo fees, common element fees, and repairs, expensed through Community Services Facilities budget In addition, the Town covers garbage bag tags, household cleaning and hygiene products, and Eastlink basic cable TV for each unit.
Invoice Payments	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Issues invoices for accommodations to the tenant (locum, medical resident, or incoming physicians) and the tenant pays the Town within 30 days of receiving the invoice. There is a 1.25% monthly finance charge for late payments.

Southampton – Medical Facility Lease Agreement

The following table shows the details of the lease agreement between the Town and a group of doctors that took place on October 1, 2023 with a termination date of December 31, 2015.

Category	Town (Landlord) Responsibilities	Physician (Tenant) Responsibilities
Operating Costs	<ul style="list-style-type: none"> The Town agrees to continue to have full responsibility for the day-to-day operation of the Saugeen Shores Medical Building. The Town agrees to incur costs related to the operation and management of the Saugeen Shores Medical Building, the access areas and parking associated with the Clinic including the following items: <ul style="list-style-type: none"> All costs related to the provision of utilities & HVAC systems; All costs related to maintaining the computer system and hardware except for the server, scanners and other computer related equipment owned by the physicians; All costs related to the maintenance of the medical building and parking area. 	<ul style="list-style-type: none"> The Doctors agree these Operating Costs will be shared among the individual Doctors such that: <ul style="list-style-type: none"> The Doctors agree they will be individually responsible for 1/7th of the Operating Costs The portion of the shared amount attributable to each Doctor will be billed on an equal monthly basis. In each subsequent year of this Agreement, the equal monthly billing amount will be adjusted once annually based on a 1/7th share of the total operating budget for the Clinic approved by Council, plus HST (excluding any capital reserve fund contributions).
Staffing and Payroll	<ul style="list-style-type: none"> The Town agrees to provide payroll services to the Doctors for the duration of this Agreement in relation to the staff employed by the Doctors, which includes but is not limited to payroll processing/deposits and statutory remittances. The Town will as directed adjust the rates included [in the pay grid] on their collective behalf. 	<ul style="list-style-type: none"> The Doctors will jointly establish an independent pay/benefit grid for the staff. The Doctors agree these staffing costs will be shared among the individual Doctors. The Doctor shall employ and retain any staff he/she feels is appropriate in order to maintain the needs of his/her individual practice. Doctor agrees he/she will be responsible for directly compensating all additional staff, directly hired by him/her.
Practice Costs	<ul style="list-style-type: none"> The Town agrees to provide procurement and accounts payable services related to the provision of routine medical supplies and other consumable products associated with the medical practice (e.g. paper exam gowns, disposable drape sheets, test strips, gauze). 	<ul style="list-style-type: none"> The Doctors agree these Practice Costs will be shared among the individual Doctors. The amount to be recouped will be billed by the Town based on a 100% recovery of the cost of services incurred in providing such services to each Doctor; with HST payable on such recoveries.

Southampton – Medical Facility Lease Agreement

The table below continues to outline the respective responsibilities outlined in the agreements:

Category	Town (Landlord) Responsibilities	Physician (Tenant) Responsibilities
Repairs & Maintenance	<ul style="list-style-type: none"> All costs related to the maintenance of the medical building and parking area are the responsibility of the Town 	<ul style="list-style-type: none"> The Doctors agree to pay all other costs they individually incur for hardware and software maintenance agreements respecting the EMR system together with any other costs they individually deem necessary to operate their family medical practice in the Medical Building.
Space Allocation	<ul style="list-style-type: none"> The premises shall consist of the building known as the Saugeen Shores Medical Building consisting of approximately 5,500 square feet on the main level, plus applicable storage space downstairs as required. If any Doctor wishes the use of additional office space in the basement, they are required to make the request in writing to the Town. A reasonable fee will be agreed upon between the Doctor and the Town and collected as an additional service. 	<ul style="list-style-type: none"> Each Doctor agrees that their shared use of all space in the premises will be cooperatively undertaken with the Doctors who currently have or who will establish a practice at the Medical Building. Additional office space may not be used for storage purposes, nor be sublet.
Invoice Payments	<ul style="list-style-type: none"> Billing to each Doctor for additional services will be rendered monthly and recovered by the Town based on actual additional costs incurred with a 5% administrative markup. Any balance due shall be paid to the Town within 30 days of receipt of invoice. Balances that remain outstanding beyond 30 days will be subject to overdue interest at the rate of 1.25% per month. 	<ul style="list-style-type: none"> The Doctors agree they will be individually responsible for 1/7th of the Operating Costs. The Doctors agree they will be collectively responsible for all of the ‘Practice Costs’ incurred by the Town. The Doctors agree they will be collectively responsible for all of the staff costs incurred by the Town. The Doctors agree to pay all other costs they individually incur.

Southampton – Medical Facility Lease Agreement

The table below continues to outline the respective responsibilities outlined in the agreements:

Category	Town (Landlord) Responsibilities	Physician (Tenant) Responsibilities
Nurse Practitioner	<ul style="list-style-type: none"> The Doctors agree the Town shall apply the full amount of the operating grant received for the Nurse Practitioner against his/her expenses incurred. 	<ul style="list-style-type: none"> The Doctors agree to pay all other costs they individually incur for... any Nurse Practitioner costs as enumerated. If a Doctor elects to [utilize a Nurse Practitioner], the additional net expenses incurred by the Town including supplies, office overhead and reception services will be billed directly to the Doctor(s) utilizing the service.
Insurance & Indemnification	<ul style="list-style-type: none"> The Town agrees to indemnify and save harmless the Doctors from any claims, demands, damages or actions arising from the provision of services by employees, or agents of the Town. The Town will maintain insurance for the Medical Building itself and its contents except as outlined above. 	<ul style="list-style-type: none"> Each Doctor agrees to indemnify the Town for any claim that may arise from the operation of his/her medical practice outside of the terms of this Agreement. Each Doctor shall maintain a professional liability insurance policy or membership in the Canadian Medical Protection Association. The Town agrees the Doctors are not liable for any non-medical related injury that may occur within the building or on the property surrounding the building.
Medical Records	<ul style="list-style-type: none"> The Town agrees that each Doctor shall retain the rights to his/her patient files and records and this right continues after the Doctor is no longer a party to this Agreement or the Agreement is terminated. The Town agrees that the maintenance, retention and release of medical records is strictly within the control of the Doctors and is outside the scope of the management services provided by the Town. 	<ul style="list-style-type: none"> Arrangements for removal of all medical records under the control of the Doctor shall be made and completed within 30 days of the final day of practice in the Medical Building.

Southampton – Medical Facility Lease Agreement

The table below continues to outline the respective responsibilities outlined in the agreements:

Category	Town (Landlord) Responsibilities	Physician (Tenant) Responsibilities
Legal Compliance	<ul style="list-style-type: none"> The parties agree that this Agreement shall be construed to be in accordance with the laws of Ontario. 	<ul style="list-style-type: none"> The Doctor agrees with the Town that the doctor and its employees and representatives shall at all times comply with any and all applicable federal, provincial and municipal laws, ordinances, statutes, rules, regulations and order.
Exit Strategy	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> The Doctors shall use best efforts to provide a minimum of sixty days' notice in writing to the Town CAO specifying the final day of practice in the Medical Building. The Doctor agrees to be responsible for all costs incurred pursuant to this Agreement up to the final date of practice. Arrangements for removal of all medical records shall be made and completed within 30 days of the final day of practice in the Medical Building.

Facility Costs, Responsibilities, and Contractual Terms

This table summarizes how the Town is often responsible for **substantial recurring and up-front costs** while having **limited mechanisms for cost recovery** or financial control over long-term capital needs.

Facility / Agreement	Town’s Contractual Obligations & Financial Commitments
Port Elgin - Medical Clinic – Lease Agreement (2020)	<ul style="list-style-type: none"> The Town serves as landlord and is contractually responsible for all operating costs, including water, sewage, electricity, gas, heating, HVAC systems, building repairs, property taxes, snow removal, landscaping, and interior cleaning of shared/common areas. Rent was waived for the first 6 months as part of a physician recruitment package. Rent payments of \$1,287.72 per month plus HST began thereafter and are subject to annual CPI-based increases. The lease does not allow rent adjustments for capital upgrades, which must be funded by the Town outside of the lease agreement.
Port Elgin - Medical Clinic – Lease Agreement (2014)	<ul style="list-style-type: none"> The Town holds full responsibility for building-level operations, including utilities, property taxes, HVAC and exterior maintenance, snow removal, and common-area cleaning. The monthly base rent is \$1,185 plus HST, indexed annually to CPI. As with the 2020 lease, there is no provision to recover capital investments, limiting long-term financial flexibility. The Town remains responsible for covering all associated building costs not offset by lease revenue.
Physician Incentive Agreement (2020)	<ul style="list-style-type: none"> The Town committed to a comprehensive financial incentive package to support physician attraction and retention. This includes: <ul style="list-style-type: none"> 6-month rent subsidy totaling \$7,726.32 \$200,000 interest-free home loan (secured by promissory note and life insurance) \$100,000 in direct incentive payments over 5 years (\$20,000 per year) \$94,000 in clinic setup subsidies, provided in two instalments across multiple years Up to \$5,000 for moving expenses 1-year municipal property tax subsidy on a purchased home (amount not specified) Repayment terms are structured through a clawback provision, but the Town remains exposed to financial risk if a physician leaves early.
Condominium Lease – 190 Morpeth Street	<ul style="list-style-type: none"> The Town leases transitional housing units for \$1 per year and uses it to support locum physicians and medical residents. While the rent is nominal, the Town is fully responsible for all operational costs, including utilities, internet, insurance, condo and common element fees, and unit-level repairs. A sample invoice shows a payment of \$1,514.28 due for Q2 2025, with a 1.25% monthly finance charge applied to overdue amounts. These costs are funded through the Community Services Facilities budget. The lease structure does not include mechanisms for subletting, cost-sharing, or flexible use.
Southampton – Medical Clinic Lease Agreement (2013)*	<ul style="list-style-type: none"> The Town is responsible for the day-to-day operation of the Saugeen Shores Medical Building and covers all associated operating costs, including utilities, HVAC systems, building and parking maintenance, and shared computer hardware (excluding EMR-related equipment owned by the Doctors). The Town provides procurement, payroll, and administrative services, including purchasing medical supplies, processing payroll for clinic staff, and administering accounts payable, with costs fully recoverable from the Doctors as defined in the agreement. The Town applies any operating grants (e.g., for a Nurse Practitioner) and eligible third-party revenues toward reducing net operating costs, and maintains insurance coverage for the Medical Building and its contents (excluding items specifically excluded in the agreement).

*Note: The reviewed agreement did not specify any dollar amounts related to costs.

Implications of Facility and Incentive Agreements

This table summarizes the implications for the Town based on a review of the facility and incentive agreements:

Theme	Implications for the Town
Financial Exposure	<ul style="list-style-type: none"> The Town assumes nearly all base building and operating costs across both medical clinics, regardless of whether rent is collected. The value of lease revenue is limited (e.g., \$1,185–\$1,287/month) compared to the cost of utilities, maintenance, and taxes. Additionally, the Town provides significant upfront and multi-year incentive payments without full cost recovery.
Capital Cost Risk	<ul style="list-style-type: none"> None of the current lease agreements include clauses to adjust rent in response to major capital investments or lifecycle upgrades. This means all long-term improvements (e.g., HVAC, roof, structural) are paid through corporate reserves or the Town’s operating budget, with no ability to recoup costs from tenants.
Incentive Accountability	<ul style="list-style-type: none"> Although the incentive agreement includes repayment clauses (sliding scale), the Town remains financially exposed if a physician exits early or fails to meet service obligations. There is no direct link between incentive payments and measurable outcomes (e.g., patient load, hours worked, community integration).
Lack of Flexibility in Housing Asset Use	<ul style="list-style-type: none"> The condo lease at 190 Morpeth Street is low-cost (\$1 per year) but fully funded by the Town in terms of operating and maintenance expenses. Its use is currently restricted to transitional housing, with no flexibility to reallocate or recover costs. There is no mechanism to measure its direct contribution to long-term physician recruitment.
Operational Inconsistency Across Facilities	<ul style="list-style-type: none"> Clinic leases are not standardized. One facility (Port Elgin) is managed like a landlord arrangement, while the other (Southampton) involves direct Town exposure to operating costs like staff wages. This inconsistency creates confusion around roles, budgeting, and accountability, and complicates strategic planning. Through stakeholder engagement interviews it was learned that the Town’s account’s payable clerk bears this responsibility.
Sustainability Concerns	<ul style="list-style-type: none"> Without a structured framework for evaluating return on investment (ROI), cost-effectiveness, or performance outcomes, the Town may face increasing financial strain from ongoing commitments. Current practices do not ensure long-term sustainability or optimal use of municipal funds.
Outdated and Inactive Physician Lease Agreements	<ul style="list-style-type: none"> A review of documentation indicates that very few physicians currently maintain active lease agreements with the Town. Many existing agreements have lapsed or are no longer reflective of current operational and financial arrangements.



→ Section 5

Administrative Process Review and Stakeholder Engagement Findings

Review of Town Healthcare Administration Processes

The Town stepped in to address gaps in the healthcare system, with a focus to bring primary care physicians to the community but have also supported areas in the broader health system.

In-scope Focus				Out-of-scope	
A. Primary Care Physicians				B. Broader Health System	
1. Recruitment	2. Service Supports	3. Infrastructure Supports	4. Retention	5. Resident/ Locum Infrastructure Supports	6. Partnerships and Collaboration
1.1 Candidate Lead Generation 1.2 Candidate Interest Support 1.3 Negotiation & Offer are	2.1 Onboarding 2.2 Concierge supports 2.3 Financial management	3.1 Transitional Accommodations 3.2 Medical Clinics	4.1 Networking and Recognition Events 4.2 Feedback Discussions & Monitoring	5.1 Accommodations	6.1 Meetings 6.2 Initiatives

This section focuses on an overview of the processes and functions that the Town deploys for Primary Care Physicians (in-scope for this review) followed by a summary of strengths, challenges and implications gathered from stakeholders.

Insights on the processes and functions that the Town deploys to support the broader health care system were gathered through this review, but these areas are not the focus of the review scope.

Estimated Resource Allocation

The following table summarizes the workload information provided by Town personnel to estimate the allocation of resources across the key administrative processes.

Area	Administrative Process	Resource Allocation (hours)*			Total**	FTE Representation***
		Manager of Strategic Initiatives	Customer Service Coordinator, Comms	Chief Financial Officer (CFO)/ Treasurer		
Primary Care Physicians	1. Recruitment	100.8	-	21.0	121.8	0.07
	2. Service Supports	-	95.5	-	95.5	0.05
	3. Infrastructure Supports	-	52.0	2.0	54.0	0.03
	4. Retention	152.3	-	10.0	162.3	0.09
Broader Health System	5. Resident/ Locum Infrastructure Supports	-	32.3	-	32.3	0.02
	6. Partnerships and Collaboration	151.0	9.0	-	160.0	0.09
TOTAL		404.1	188.8	33.0	625.9	0.36
Percentage of Time*		23%	11%	2%		

* Resource allocation is based on the mid-range of estimated workload distribution across tasks provided by the 3 positions noted in the table; in some cases, task names may have covered multiple administrative processes examined in this table but were attributed to the one most closely aligned.

** Total resource allocation is likely underestimated as other Town personnel indicated notable workload across these administrative processes, in particular the AP/AR Coordinate and the Manager of Facilities, Community Services, but did not provide estimated workload distribution.

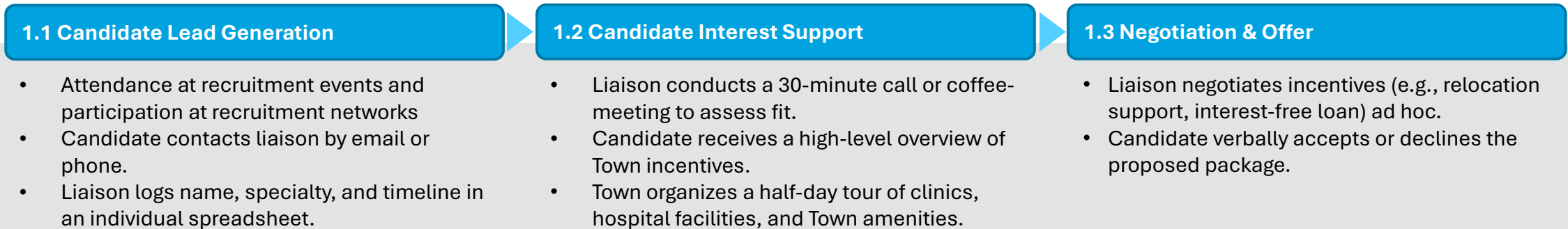
*** FTE is based on 1757 hours (i.e. 7 hours/day *52 weeks – 7 *9 statutory holidays).

A. Primary Care Physicians

1. Primary Care Physician Recruitment

The Town deploys a recruitment process for primary care physicians as described below.

Objective	<ul style="list-style-type: none">To develop a pipeline of interested physician candidates to practice family medicine in Saugeen Shores
Accountability	<ul style="list-style-type: none">Manager of Strategy Initiatives is responsible for this function, but it is not articulated in the job descriptions
Roles and Resourcing	<ul style="list-style-type: none">Manager of Strategic Initiatives (6% of time) and CFO (1% of time)



1. Primary Care Physician Recruitment

Proactive outreach and personalized incentives drive physician recruitment, but *ad hoc*, non-standardized processes may contribute to confusion, inequity, and hampering of scalability.

Strengths	Challenges
<ul style="list-style-type: none"> • Town staff attend 1–3 provincial recruitment fairs and sit on OHT/regional wellness committees through funding provided by Bruce Power enabling up to 5 events, keeping Saugeen Shores visible to final-year residents. • Monthly screening of Practice Ready Ontario candidates and direct email outreach engages internationally trained physicians who are license-ready. • Local doctors host informal coffee chats and quarterly journal clubs, giving prospects authentic insights into call schedules and community life. • Custom welcome guides (schools, daycare, housing, recreation) plus on-demand tours of clinics, schools, beaches, and nearby Towns present Saugeen Shores in a personalized way. • Relocation grants, interest-free loans, training reimbursements, and rent subsidies are negotiated in real time, allowing packages to be tailored to individual needs. 	<ul style="list-style-type: none"> • Cold-email blasts to medical-school alumni and sporadic tours generate low engagement without follow-up frameworks or branded marketing collateral. • Physician ambassador participation fluctuates due to lack of honoraria and formal training, making peer referrals unpredictable. • Partner-employment and school-enrollment referrals depend on the liaison’s personal network, with no service-level agreements or outcome tracking. • Absence of standardized, branded offer materials leads to repeated clarification requests, conflicting verbal promises, and no central repository of past deals. • Incentive packages are crafted by a single liaison with little early input from Finance, Legal, Facilities, or Clinic Admin, resulting in uneven deal structures and equity concerns. • Offers are extended informally during site visits with no defined deadlines or contract-turnaround targets and rarely include built-in renewals or retention bonuses, risking long-term retention.

Implications

- Inconsistent outreach and undocumented offers create candidate confusion, lost opportunities, and may compromise Saugeen Shores’ appeal.
- Highly customized, undocumented incentive packages may create demands for retroactive incentives and undermine equity with existing physicians.
- Reliance on one liaison and manual processes strains administrative capacity, leading to backlogs and limiting scalability.
- Lack of structured follow-up and renewal incentives heightens retention risk and perpetuates the costly recruitment cycle.
- Word-of-mouth about ad hoc experiences can risk the Town’s reputation and hinder collaboration in regional recruitment alliances.
- Limited marketing funding threatens the sustainability of physician recruitment efforts. Without dedicated budget beyond incentives, visibility, outreach, and long-term candidate engagement are at risk.

2. Primary Care Physician Service Supports

The Town deploys the following service supports for primary care physicians.

Objective	To reduce non-clinical barriers that facilitate the integration of physicians to practice in the community.
Accountability	Manager of Strategic Initiatives and Director of Finance
Roles and Resourcing	Customer Service Coordinator, Communications (5% of time) and Accounts Payable / Receivable Coordinator

2.1 Onboarding

- Welcome package delivered as a digital binder and gift basket, with a Town “survival guide,” key contacts, housing checklist, and first-month events calendar
- IT setup within 48 hours including EMR access (with test chart and training), corporate email on clinic devices, photo ID badge, and encoded entry card for clinic/ED/after-hours
- Joint facilities walkthrough, staff meet-and-greet, and mentoring pairing

2.2 Concierge Supports

- Arranges and prepares Town-owned condos for move-in, including lease setup and utility activation
- Schedules on-demand orientation tours of clinics, schools, parks, recreation facilities, and community amenities
- Connects spouses/partners with local job contacts and helps new physicians navigate school or daycare enrollment
- Serves as the single point of contact for community resources, event invites, and compliance paperwork

2.3 Financial Management Supports

- Disburse and record all recruitment incentives and reimbursements—relocation grants, interest-free loans, training/course fees, and moving-expense claims—in the accounting system.
- Consolidate facility overhead (rent, utilities, maintenance) into a single monthly invoice per physician (this support is provided for the physicians at Southampton), manage AR/AP processes, allocate shared costs, and follow up on overdue or NSF payments.
- Track interest-free loan balances and repayment schedules, generate periodic statements, and coordinate pay-back terms.
- Produce regular financial reports (monthly/quarterly) detailing charges, credits, outstanding balances, and incentive-fund usage to support budgeting and forecasting (this support is provided for the physicians at Southampton).

1. Primary Care Physician Support Services

The Town concierge-style onboarding delivers tailored support, but its customization create challenges for scalability, continuity, and equity

Strengths	Challenges
<ul style="list-style-type: none"> • Holistic, one-stop onboarding – combines professional (EMR, badge, mentoring) and personal (housing, schools, spouse jobs) supports into a seamless package. • Speed & responsiveness by setting up IT accounts, EMR access, badges and access cards within 48 hours, minimizing downtime. • Consistent single point of contact through a dedicated liaison manages community resources, compliance, event invites, condo bookings and follow-up. • Personalized orientation with a digital binder, gift basket and on-demand tours tailor Saugeen Shores’ amenities, clinics and neighbourhoods to each physician’s needs. • Structured team integration through facilities walkthrough, staff introductions and mentor pairing accelerate clinical comfort and peer support. • Streamlined financial management – incentives, rent/utilities, loan-tracking and claims are consolidated into single invoices, periodic statements, and regular reports, simplifying budgeting and transparency. 	<ul style="list-style-type: none"> • Non-standardized, high touch, high-cost concierge-style services and personalized tours demand significant staff time and may not scale as recruitment volumes grow. • Single-person dependency with critical knowledge and coordination rest on one or two coordinators, creating continuity risk if they are unavailable. • Cross-department coordination for onboarding touches IT, Facilities, Finance, Legal and HR; inconsistent hand-offs can cause delays or miscommunications. • Complex billing workflows that combines incentives, rent, utilities and NSF follow-up into one invoice requires detailed allocations and risks errors or overdue accounts. • Inconsistent feedback loops with no formal mechanism captures new physicians’ input on housing quality, IT readiness or orientation effectiveness, hindering continuous improvement. • Tailored incentives and services may lead to perceived unfairness among physicians if packages vary too widely.

Implications

- High-touch concierge services, like personalized tours and relocation support, are non-standardized and require intensive staff time that are costly, making them difficult to scale as recruitment grows and becomes more complex.
- IT activation in 48 hours cuts downtime—but hinges on flawless handoffs across departments, where any slip causes delays.
- Facilities tours and mentor pairings fast-track integration but lack structured feedback to evolve the program.
- Unified invoicing and reporting enhance cost visibility but complex allocations can trigger billing errors and fairness concerns.
- The strengths of the support services provided to physician drive smoother onboarding and facilitate retention but need improved process standardization, cross-functional coordination, and scalability planning.

3. Primary Care Physician Infrastructure Supports

The Town deploys the following infrastructure supports for primary care physicians.

Objective	To reduce operational barriers, accelerating physicians’ practice startup
Accountability	Manager of Strategic Initiatives and Director of Finance
Roles and Resourcing	Customer Service Coordinator, Communications (3% of time) and Facilities Supervisor, Community Services

3.1 Transitional Accommodations

- Newly recruited physicians are offered transitional accommodation at a municipally owned condo unit for a short-term period, which may vary in length.
- This unit provide a ready-made housing solution that eases relocation stress and allows incoming physicians to focus on settling into the community and their practice.
- Concierge manages condo bookings based on arrival dates and availability, prepares leases, and activates utilities.
- Physicians receive a welcome basket and digital binder with maps, housing checklists, and key contacts.

3.2 Medical Clinics

- Turnkey clinic environments managed by the Town, from standardized 5-year leases.
- Equipment and IT provisioning, including medical devices (EKGs, vital-sign monitors), high-speed networks, dual-monitor EMR workstations, VoIP phones, secure messaging, and telehealth suites.
- Proactive and on-demand facility operations: preventive maintenance (HVAC, fire-safety, WHMIS audits), digital service-request portal with SLAs, daily janitorial and infection-control deep-cleans, plus snow-clearing and emergency repairs.
- Built-in accessibility, safety, and compliance features: ADA-compliant entrances and washrooms, dedicated parking, AEDs, clear evacuation routes, encrypted EMR backups, and locked records storage under municipal IT and Privacy-Office protocols.

3. Primary Care Physician Infrastructure Supports

Turnkey clinics facilitate physician onboarding to practice in the Town, but long-term success depends on predictable funding and scalable operations.

Strengths	Challenges
<ul style="list-style-type: none"> • Turnkey clinic environments with standardized leases and rapid fit-outs enable physicians to begin practice immediately and lay the groundwork for longer-term community commitment. • Comprehensive medical and IT infrastructure—including exam equipment, high-speed networks, dual-monitor EMR workstations, telehealth suites, and secure messaging—streamlines workflows and reduces setup burdens. • Purpose-built facilities incorporate accessibility and safety features (ADA-compliant entrances, on-site Automated External Defibrillators (AEDs), clear evacuation routes, WHMIS and infection-control stations, encrypted Electronic Medical Record backups) to ensure compliance and security. 	<ul style="list-style-type: none"> • Sustaining capital and operating budgets is critical; funding constraints could delay maintenance, technology upgrades, or space expansions. • Ongoing IT expertise and investment are required to reduce the risk of network outages or software failures jeopardize clinical continuity. • Rigorous preventive-maintenance programs and cross-departmental SLAs demand tight coordination to avoid safety or compliance lapses. • Cybersecurity and data-privacy risks in networked EMR and regional-system interfaces require robust monitoring and incident-response capabilities. • Scaling clinic space, specialized equipment, and support staff to meet evolving physician needs introduces planning and administrative complexity.
Implications	
<ul style="list-style-type: none"> • The turnkey model supports rapid time-to-practice, enhances physician satisfaction, and contributes to retention. • Reliable, modern infrastructure underpins high-quality patient experience and operational efficiency but depends on disciplined financial planning and reserve funding. • Formal feedback mechanisms and performance metrics are essential for continuous improvement of facilities, technology, and support services. • Phased expansion strategies—modular clinic designs, scalable IT platforms, flexible staffing—are needed to accommodate future growth without service degradation. • Robust risk-management frameworks for IT resilience, cybersecurity, and regulatory compliance must be prioritized to safeguard patient data and ensure uninterrupted care delivery. 	

4. Primary Care Physician Retention

The Town deploys the following retention functions for primary care physicians.

Objective	To foster long-term physician commitment by addressing their clinical, operational, and personal needs
Accountability	Manager of Strategy Initiatives is responsible for this function, but it is not articulated in the job descriptions
Roles and Resourcing	Manager of Strategic Initiatives (9% of time)

4.1 Networking and Recognition Events

- Hosts regular professional and social gatherings—monthly journal clubs, case rounds, social mixers and networking luncheons—so physicians can share knowledge, build camaraderie and stay informed about best practices.
- Pairs new recruits with established local physicians as mentors for clinical guidance, peer support and career advice.
- Maintains a single physician-communications channel—email bulletins, secure messaging groups and digital binders—sharing event invites, professional-development opportunities and community updates.
- Offers stipends or honoraria for participation in Town-hosted educational sessions and community health initiatives, recognizing contributions and incentivizing ongoing engagement.

4.2 Feedback Discussions & Monitoring

- Feedback is gathered informally by the Manager of Strategic Initiatives and at Town-hosted professional and social events, where physicians share challenges and suggestions with municipal staff and peers.
- At present, there is no formal survey process or standing physician advisory committee; feedback relies on these operational and social interaction mechanisms
- Current monitoring informally includes event attendance, outreach response rates, clinic tour participation, retention outcomes, informal liaison feedback, and utilization of incentives like grants and stipends— offering some anecdotal insight into physician engagement and program impact.

4. Primary Care Physician Retention

Networking and mentorship facilitate physician integration, but informal feedback limits consistent improvement.

Strengths	Challenges
<ul style="list-style-type: none"> • Networking and recognition events (journal clubs, case rounds, social mixers) foster peer collaboration, knowledge sharing, and a sense of professional community. • Formal mentorship pairings and orientation meet-and-greets accelerate relationship-building and clinical integration. • Communication channels (email bulletins, secure messaging, digital binders) keep physicians informed of events, development opportunities, and community news. 	<ul style="list-style-type: none"> • Lack of post-agreement retention strategies leads to physicians revisiting for additional financial support, exposing gaps in long-term commitment planning and sustainability. • Dependence on informal forums and <i>ad hoc</i> conversations can lead to inconsistent participation and uneven representation of physician voices. • Physicians' clinical schedules and workload pressures may limit attendance at events and responsiveness to outreach. • Feedback gathered through social settings or operational interactions risks being anecdotal, unstructured, and difficult to aggregate. • Absence of a formal survey process or advisory committee makes it challenging to track trends, prioritize issues, and close the feedback loop formally. • Without clear KPIs (e.g., conversion rates, satisfaction scores), it is difficult to link specific supports to recruitment success or retention longevity.
Implications	
<ul style="list-style-type: none"> • Without structured retention strategies post-agreement, physicians may seek additional financial support, jeopardizing program sustainability and undermining long-term workforce stability. • Strong engagement through events and liaison check-ins supports physician satisfaction and retention but may mask unvoiced concerns without systematic feedback tools. • Without standardized feedback mechanisms, the Town may struggle to measure program effectiveness, demonstrate impact, or justify resource allocation. • To translate insights into continuous improvement, there is a need for formalized processes—such as periodic surveys or a physician advisory group—to ensure equitable representation, data-driven decision-making, and transparent follow-up. • A dashboard documenting recruitment activities, incentives offered, and retention rates could enable trend analysis and forecasting. 	

B. Broader Health System Supports (out-of-scope)

5. Resident/ Locum Infrastructure Supports

The Town deploys the following infrastructure for medical residents and locum physicians.

5.1 Transitional Accommodations

- Resident and locum physicians are offered transitional accommodation municipally leased condo units, essentially donated by the Society of United Professionals.
- Concierge manages condo bookings based on arrival dates and availability, prepares leases, and activates utilities.
- Physicians receive a welcome basket and digital binder with maps, housing checklists, and key contacts.
- In circumstances, Town-provided condos are at capacity and a last-minute housing request is received, support is provided to actively source and coordinate third-party rental options in the local area to ensure the incoming physician secures suitable short-term accommodations.

6. Partnerships and Collaboration

The Town is involved in the following partnerships and collaborations with the broader health system.

6.1 Meetings and 6.2 Initiatives

- Serving on Ontario Health Team steering and regional wellness committees to align municipal planning with system-wide priorities.
- Co-leading joint planning tables with hospitals, public health units, and community-care organizations to forecast needs and co-invest in services.
- Participating in proposals initiatives to support the VON.
- Exploring options to sustain laboratory services in the community and implementing feasible mechanisms to maintain services.
- The partnership between Saugeen Shores and Kincardine, funded by Bruce Power, recognizes recruitment gaps and supports a more comprehensive regional strategy, though limited resources continue to challenge full program execution.

→ Section 6

Next Steps

Next Steps

Next Steps	Completion Target
1 [Town of Saugeen Shores] Review of Current State Report	July 5 – 10
2 [Optimus] Conduct Resource Needs Assessment	July 8
3 [Optimus] Develop Recommendations	July 22

→ Section 7

Appendix

Summary of Infrastructure

The table below presents a summary of key infrastructure and capital planning indicators for three Town-owned healthcare-related properties: the Southampton Clinic, Port Elgin Clinic, and a residential Condo unit.

	Southampton	Port Elgin	Unit 24 (Bruce Condominium Corporation #8)
	Clinic	Clinic ^{*3}	Condo
Year Constructed	2002	2008	1991
Year Purchased	2002	2008	2000
Book Value *1	\$1,071,542	\$1,685,709	\$156,750
Estimate Net Book Value 12/24	\$474,661	\$1,096,931	\$87,806
Current Replacement Value *2	\$2,600,000	\$5,500,000	\$538,700
Facility Condition Index *2	18.7%	2.2%	10.5%
2023 BCA 10-Year Capital Expenditure Forecast	\$1,389,589	\$875,066	\$236,115
2024 10-Year Capital Budget	\$983,667	\$197,333	n/a

Notes: *1 Includes land improvements, excluding furniture/IT
 *2 From 2023 BCA report
 *3 Includes upgrades in 2017 and 2020