



## MEMO TO COUNCIL 2025-016

**TO:** Mayor Gerrits and Members of Council

**FROM:** Sabrina VanGerven, Treasurer

**DATE:** June 4, 2025

**SUBJECT:** Response to Grand Valley Report 2025-079 Medical Dental Centre Board Dissolution

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### Recommendation

That Council receives this report;  
And That Council select a preferred option;  
And That staff be directed to communicate Council's position to the Town of Grand Valley and, if applicable, initiate the necessary steps to negotiate a Dissolution Agreement.

### Background

The Township of East Garafraxa formally withdrew from the Board. Amaranth passed a resolution declining to withdraw without compensation for its proportional share of the Board's assets.

Grand Valley has now proposed to dissolve the Board effective December 31, 2024 and to assume full responsibility for the facility. Their report, attached as Appendix 1, outlines plans for using the remaining Board funds to complete capital repairs and finalize the Board's operations.

Amaranth's financial contributions and involvement in the Centre includes:

- **\$14,645** Contributed for capital renovations (2003)
- **\$29,858** Levy approved for capital renovations, with **\$9,953** still outstanding (2024)
- **\$209,385** (30% of 2023 Accumulated surplus) Historical interest consolidated and recognized in financial statements as shown in Appendix 2.

### Analysis

#### *Key Issues*

1. Capital Asset Ownership Unresolved

While Grand Valley holds legal title, the structure of cost-sharing, shared governance, and capital funding implies a broader financial interest by all three municipalities. The 2015 agreement is silent on capital ownership, but explicit on proportional financial responsibility and surplus sharing.

2. Asset Transfers

In 2020, the Board acquired land adjacent to the building and transferred title solely to the Town of Grand Valley, without financial recognition or compensation to Amaranth or East Garafraxa. Similarly, in 2003 and 2024, the Board issued capital levy to all three municipalities to fund upgraded renovations to the facility. The contributions were made with the understanding that the participating municipalities held a financial interest in the capital asset. These decisions were consistent with long-standing intent of shared ownership and investment but occurred in the absence of a formal mechanism within the agreement to acknowledge or reconcile capital contributions among the parties.

3. Incomplete Reconciliation of 2024 Levy

Amaranth has paid the majority of its 2024 levy in good faith to support capital renovations. No final reconciliation has been shared, and Grand Valley's dissolution plan offers no guarantee the funds will remain to be returned.

4. Potential Financial Write-off

If Amaranth agrees to withdraw without compensation or a binding Dissolution Agreement, it will need to write off its recognized financial interest in the Board.

*Options for Council Consideration*

1. Support Dissolution with Conditions
2. Decline Dissolution without Capital Compensation
3. Accept Financial Loss and Prioritize Future Safeguards

**Conclusion**

The purpose of this report is to inform Council of the Town of Grand Valley's proposal to dissolve the Grand Valley Medical Dental Centre and to outline key issues and options for the Township of Amaranth's response, including consideration of financial interests and long-term implications.

**Strategic Pillar: Manage an Efficient and Effective Township**

Goal #5 Inter-governmental advocacy for Township needs

Respectfully by,  
Sabrina VanGerven, Treasurer

Attachments	
Appendix 1	Grand Valley Staff Report 2025-079
Appendix 2	Page 25 of the 2023 Financial Statements