



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2016 June 8

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## 2015 RESERVE / RESERVE FUND BALANCES

### **Recommendation**

*That the Finance & Facilities Committee recommend to the Board of Health:*

- 1) *To approve a \$25,930 drawdown from the Sick Leave Reserve Fund to fund the 2015 sick leave payments to eligible staff; and further,*
- 2) *To receive the 2015 -2016 Reserve / Reserve Fund Overview ([Appendix A](#)) for information; and further,*
- 3) *That Report No. 017- 16FFC, “2015 Reserve / Reserve Fund Balances” be forwarded to the City of London and the County of Middlesex for information.*

### **Key Points**

- The purpose of the report is to request approval of drawdowns from reserve funds for sick leave payments made in 2015 which have not been previously approved and to provide a year over year account for the changes in the Reserves and Reserve Fund Balances as reported in the 2015 Financial Statements of the Middlesex-London Health Unit.
- The balance of the reserve and reserve funds increased by a net amount of \$104,070.

### **Background**

In accordance to Policy 4-015, “Reserve /Reserve Fund Policy” planned contributions and drawdowns to the reserves or reserve funds will be included in the annual operating budget approved by the Board of Health. Any unplanned drawdowns will be approved by resolution of the Board of Health. The policy also states that each year a report will be provided to the obligated municipalities outlining the transactions of the reserve and reserve funds. Attached as [Appendix A](#), is an overview of the reserve and reserve fund balances to December 31, 2015 and projections for 2016.

### **Planned Contributions**

Included in the Board approved 2015 operating budget was \$250,000 for an annual contribution to the Technology & Infrastructure Reserve Fund. A further \$250,000 contribution to the Technology & Infrastructure Reserve Fund is planned and is included in the 2016 Board approved operating budget.

### **2015 Unplanned Drawdowns**

The draft 2015 Financial Statements, as audited, also includes a total of \$145,930 in drawdowns from reserve funds for 2015. A \$25,930 drawdown is being recommended for a sick leave payout that was experienced due to an eligible staff retiring. On June 18, 2015 the Board of Health approved ([Report No. 16-15FFC](#)) a \$120,000 drawdown to partially offset a shortfall resulting from a retroactive payment to OMERS for a past service adjustment.

### **2016 Projected Drawdowns**

A total of \$56,229 in drawdowns is currently projected for the 2016 operating year and consists of payments to eligible staff that are expected to retire in 2016.

### **Conclusion**

It is recommended that the Board of Health approve \$25,930 drawdown to the Sick Leave Reserve Fund to for sick leave payments made in 2015.

Mr. John Millson, Associate Director of Finance will be in attendance at the June 8<sup>th</sup> Committee meeting to address any questions regarding the report.

This report was prepared by Mr. John Millson, Associate Director of Finance.

A handwritten signature in black ink, appearing to read 'C. Mackie', is positioned above the printed name and title.

Christopher Mackie, MD, MHSc, CCFP, FRCPC  
Medical Officer of Health