



TO: Chair and Members of the Finance & Facilities Committee

FROM: Laura Di Cesare, Acting Chief Executive Officer

DATE: 2017 June 8

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## 2016 RESERVE / RESERVE FUND BALANCES

### **Recommendation**

*That the Finance & Facilities Committee recommends that the Board of Health:*

- 1) *Approve a \$55,914 drawdown from the Sick Leave Reserve Fund to fund the 2016 sick leave payments to eligible staff;*
- 2) *Receive the 2016–17 Reserve / Reserve Fund Overview ([Appendix A](#)) for information; and*
- 3) *Forward Report No. 024–17FFC re: 2016 Reserve / Reserve Fund Balances to the City of London and the County of Middlesex for information.*

### **Key Points**

- The 2016 Draft Financial Statements, as audited, require a total of \$55,914 in drawdowns from reserve funds for 2016 for sick leave benefits paid out due to an eligible staff member retiring.
- As reported in the Middlesex-London Health Unit’s 2016 Financial Statements, attached as [Appendix A](#), the balance of the reserve and reserve funds increased by a net amount of \$194,086.
- Due to the anticipated retirement of a staff member in 2017, a drawdown of the Sick Leave Reserve Fund in the amount of \$52,209 is projected.
- A planned \$250,000 contribution to the Technology and Infrastructure Reserve Fund is included in the Board-approved operating budget for 2017.

### **Background**

In accordance with Policy 4-150, “Reserves and Reserve Funds,” 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. An overview of the reserve and reserve fund balances to December 31, 2016, with projections for 2017, is attached as [Appendix A](#).

### **Planned Contributions**

Included in the Board-approved operating budget for 2016 was \$250,000, representing the annual contribution to the Technology and Infrastructure Reserve Fund. A further \$250,000 contribution to the Fund is planned, and is included in the Board-approved operating budget for 2017.

### **2016 Reserve Fund Drawdowns**

The 2016 Draft Financial Statements, as audited, include a total of \$55,914 in drawdowns from reserve funds for 2016. This drawdown is being recommended to cover sick leave benefits paid out on the retirement of an eligible staff member.

### **2017 Projected Drawdowns**

A total of \$52,209 in drawdowns is currently projected for the 2017 operating year, and consists of payments to eligible staff members who are expected to retire.

### **Conclusion**

It is recommended that the Board of Health approve the \$55,914 drawdown to the Sick Leave Reserve Fund to cover sick leave payments made in 2016.

This report was prepared by the Finance Team, Corporate Services Division.



Laura Di Cesare, CHRE  
Acting Chief Executive Officer