

June 17, 2016

Attention: Chair and Members, London City Council and Middlesex County Council

At its June 16<sup>th</sup> 2016 meeting, the Middlesex-London Board of Health reviewed [Report No. 017-16FFC Reserve/Reserve Fund Balance](#) and passed the following motion:

It was moved by Ms. Fulton, seconded by Mr. Peer, *that the Board of Health:*

- 1) *Approve a \$25,930 drawdown from the Sick Leave Reserve Fund to fund the 2015 sick leave payments to eligible staff; and further,*
- 2) *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. As recommended by the Finance and Facilities Committee.*

Carried

This report and its appendix are attached for your information.

Yours sincerely,



Mr. Jesse Helmer  
Chair, Middlesex-London Board of Health

cc:

Ms. Cathy Saunders, City Clerk, City of London  
Ms. Kathy Bunting, County Clerk, Middlesex County



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 of the Medical Officer of Health.

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

**Middlesex-London Health Unit  
2015 - 2016 Reserve / Reserve Fund Overview**

| Reserve / Reserve Fund   | Balance<br>31-Dec-14 | 2015                       |                        | Projected<br>Balance<br>31-Dec-15 | 2016 Projected             |                    | Projected<br>Balance<br>31-Dec-16 |
|--|----------------------|----------------------------|------------------------|-----------------------------------|----------------------------|--------------------|-----------------------------------|
|  |                      | Contributions <sup>2</sup> | Drawdowns <sup>3</sup> |                                   | Contributions <sup>2</sup> | Drawdowns          |                                   |
| Reserves set aside by the Board:<br>Funding stabilization reserve <sup>1</sup> | \$ 818,258           | \$ -                       | \$ -                   | \$ 818,258                        | \$ -                       | \$ -               | \$ 818,258                        |
| Reserve funds set aside by the Board:  |                      |                            |                        |                                   |                            |                    |                                   |
| Accumulated sick leave   | 283,876              | -                          | (145,930)              | 137,946                           | -                          | (56,229)           | 81,717                            |
| Employment Costs   | 176,077              | -                          | -                      | 176,077                           | -                          | -                  | 176,077                           |
| Technology and Infrastructure  | 250,000              | 250,000                    | -                      | 500,000                           | 250,000                    | -                  | 750,000                           |
| Environmental - septic tank  | 6,044                | -                          | -                      | 6,044                             | -                          | -                  | 6,044                             |
| Dental Treatment   | 128,360              | -                          | -                      | 128,360                           | -                          | -                  | 128,360                           |
| <b>Total reserve funds</b>   | <b>\$ 844,357</b>    | <b>\$ 250,000</b>          | <b>\$ (145,930)</b>    | <b>\$ 948,427</b>                 | <b>\$ 250,000</b>          | <b>\$ (56,229)</b> | <b>\$ 1,142,198</b>               |
| <b>Total reserves and reserve funds</b>  | <b>\$ 1,662,615</b>  | <b>\$ 250,000</b>          | <b>\$ (145,930)</b>    | <b>\$ 1,766,685</b>               | <b>\$ 250,000</b>          | <b>\$ (56,229)</b> | <b>\$ 1,960,456</b>               |

Notes:

(1) 2015 limit as per policy = \$3,620,538

(2) Board of Health approved contributions

(3) June 18, 2015 - Board of Health approved a \$120,000 drawdown (Report No.16-15FFC)