

DRAFT: September 8, 2014
Memorandum of Agreement

Between

Middlesex-London Health Unit
(Hereinafter Referred to as the “Health Unit”)

And

The Corporation of the City of London

It is recognized that the maintenance of a reserve and reserve funds is an acceptable business practice, and will help protect the Health Unit and its funders from future funding liabilities. In order for the Health Unit to address one-time or short-term expenditures, either planned or unplanned, which arise, it is necessary to maintain reserves and/or reserve funds.

In accordance to Health Unit Policy #4-015 any reserve and/or reserve funds will be established by resolution of the Board of Health which will provide the purpose or use, maximum contributions, and expected timelines for contributions and withdrawals. As of the date of this agreement, the following reserve and reserve funds are currently being maintained:

- Funding Stabilization Reserve
- Sick Leave Reserve Fund
- Dental Treatment Reserve Fund
- Environmental Reserve Fund
- Technology & Infrastructure Reserve Fund
- Wage Stability Reserve Fund

It is understood that the Health Unit will attempt to offset any unexpected expenditures within their annual operating budget for all Health Unit programs, where possible without jeopardizing programs.

It is further understood that the Health Unit will, where possible, leverage the use of reserve and reserve funds by requesting funding grants from provincial funders or other sources.

Any planned contributions and drawdowns to the reserve or reserve funds will be included in the annual operating budget approved by the Board of Health. Any audited unexpended municipal funds are eligible for transfer to a reserve or reserve fund by resolution of the Board of Health subject to consultation with municipal councils.

Any contributions to reserve or reserve funds that include funding from municipal sources will be made using the same municipal apportionment used for funding public health programs. The current apportionment used is the percentage of population method.

It is agreed that the reserve which is presented in the audited financial statements will be capped at 10% of the Health Unit's total gross revenues found on the statement of operations of the audited financial statements. It is further agreed that annual contributions will be capped to 2% of the Health Unit's total gross revenues found on the statement of operations of the audited financial statements.

It is agreed that in the case of reserve funds, there is no cap on annual contributions; however, the maximum contributions shall equal the estimated amount of the commitment or requirement specified.

Any excess unexpended municipal funds above the amount transferred annually to a reserve and/or reserve funds will be returned to the obligated municipality at their respective rate following the approval of the annual financial statements.

In accordance to Health Unit Policy #4-015 any withdrawal from a reserve or reserve fund will be made by a Board of Health resolution.

The Health Unit will provide an annual report to the obligated municipalities outlining the transactions of the reserve and reserve funds during the previous year. Where possible, planned or future contributions and drawdowns will be described in the annual report.

In the event that municipal funding obligations terminate under the Health Protection & Promotion Act, the Health Unit will return all remaining municipal reserves / reserve funds at their respective rate.

IN WITNESS THEREOF, the parties have executed this Agreement, dated
at, _____, Ontario this ____ day of _____, 2014.

The Corporation of the City of London:

1) _____
Signature

Name, Title

2) _____
Signature

Name, Title

Middlesex-London Health Unit:

1) _____
Signature

Mr. Marcel Meyer, Chair – Board of Health

Name, Title

2) _____
Signature

Dr. Christopher Mackie, Secretary-Treasurer

Name, Title

