

## **SCHEDULES: By-law Number 2021-046**

<b>Schedule Reference:</b>	<b>ST4</b>
<b>Reserve Fund Category:</b>	<b>Stabilization</b>
<b>Reserve Fund Name:</b>	<b>Sick Leave Contingency</b>
<b>Financial Statement Location:</b>	<b>Surplus Allocation</b>

The Sick Leave Contingency Reserve Fund (the "Fund") is hereby established to receive and hold property tax and utility rate sourced contributions for funding the Township's sick leave credit liabilities which may arise from time to time. The Township has agreements with its unionized and non-unionized staff whereby staff may accumulate paid sick day credits, to be used as a form of short term disability coverage until long-term disability insurance coverage commences, or which may, subject to certain limitations and conditions, be paid in cash upon retirement from the Township.

Contributions may be established in annual budgets, or be allocations of year-end operating or capital surpluses, including but not limited to, unused budget funds established for sick leave credit costs. Fund balances will earn and retain annual interest allocations as determined annually by the Treasurer.

The target balance in this reserve fund account is set at 100% of the Township's estimated sick leave credits liability obligation as determined by periodic actuarial valuations provided for the purposes of the Township's annual financial statement audit. Allocations of balances in the Fund will be planned for specific projects and purposes as approved by Council during the annual budget process or other times throughout the year, or made as part of the year-end accounting processes as reported to Council for approval by the Treasurer.

At any time, acting in the best interests of the Township, Council may direct that some or all balances in the Fund be transferred to other reserve funds, or be used for other purposes, provided that the transfer or use these funds is appropriate in the circumstances.

The Fund is hereby established arising from the renaming of the existing Sick Leave Credits reserve account G/L # 10-03-0400-1102 and balance.