

**Report to the Board of Health
January 25, 2024
Borrowing Authorization**

SUBJECT

To authorize the Corporation to borrow money from RBC Royal Bank.

BACKGROUND

The Board of Health By-law #1 Section 10.2.3 provides the authority for the Corporation to borrow money:

“From time to time the Board may authorize any officer or employee of the Corporation or any other person to make arrangements with reference to the money so borrowed or to be borrowed and as to the terms and conditions of the loan thereof, and as to the security to be given therefore, with power to vary or modify such arrangements, terms and conditions and to give such additional security as the Board may authorize, and generally to manage, transact and settle the borrowing of money by the Corporation.”

Both the bank and the auditor require proof annually that the Board has authorized the borrowing limit of the Corporation.

Each year the Board of Health approves a borrowing limit at its annual meeting.

At the Finance, Property and Risk Management Committee Meeting held on March 16, 2021 the recommendation was made to increase the borrowing limit from \$350,000 as an overdraft to \$1,000,000. This would allow for a small cushion should the funds from the ministry not be received in time for payroll and other expenses. There is no added cost to increase the overdraft or monitor it. The Board of Health passed this motion.

COMMENTS

The authority to borrow the funds from the RBC Royal Bank ensures that the payroll requirements and accounts payable can be met if the provincial public health programs grant is not received in a timely way. There is no perceived need to increase the overdraft beyond the existing amount.

RECOMMENDATION

- That the Medical Officer of Health or Director of Finance and Administration together with the Chair are hereby authorized and empowered to borrow from RBC Royal Bank on behalf of the Corporation of the Leeds, Grenville and Lanark District Health Unit from time to time as may be required by way of overdraft not exceeding in all at any one time the sum of one million dollars (\$1,000,000).

Submitted by:

Linna Li, Medical Officer of Health/CEO
January 25, 2024