



Memorandum

Date: February 21, 2017

To: Mayor Letham and Members of Council

From: Rod Sutherland, Director of Human Services

Re: Kawartha Lakes Health Care Initiative: Return of Service Incentive Repayment

Background

The City maintains a Doctor Recruitment Reserve to fund incentives negotiated by the Kawartha Lakes Health Care Initiative (KLHCI) to bring family physicians to Kawartha Lakes.

In 2014 KLHCI entered into an agreement with a medical student under their Tuition Support and Residency Support program. The incentives provided totalled \$30,000 and were issued to KLHCI from the Doctor Recruitment Reserve through Council resolution.

In January 2017, due to a change in the student's circumstances they worked with the KLHCI to withdraw from the Return of Service Agreement as they will not be able to fulfill their obligations at this time. Consistent with the terms of the agreement, the full value of the incentive provided to the student was returned to KLCHI, plus interest. The total repaid to KLHCI was \$34,973.27.

In the development of the City's 2017 Operating Budget, the City allocated \$100,000 to the Doctor Recruitment Reserve, leaving the balance in the reserve at \$103,000 as of January 1st, a reduction from the previous maintained balance of \$150,000. The reduction was made in part to reduce overall 2017 budget pressures and also recognizing the level of incentives historically drawn from the reserve.

As the cancellation of this Return of Service Agreement was the first occurrence of its kind, the KLHCI retained legal services to create and execute the repayment agreement at a cost of approximately \$900.

It is recommended that the total repaid incentive, approximately \$34,000, be retained by the KLHCI for the sole purpose of supporting continued doctor recruitment incentives consistent with the existing process. These funds will be allocated to the next Return of Service Agreements prior to any further reserve funds being requested from Council. The KLHCI is anticipating further agreements to be executed in 2017. Council will be advised of all agreements negotiated for doctor recruitment that include these funds.

Recommendation

Resolved that the memorandum "Kawartha Lakes Health Care Initiative: Return of Service Incentive Repayment" from Rod Sutherland, Director of Human Services, be received.