



## City of Hamilton

# HAMILTON FUTURE FUND BOARD OF GOVERNORS

**Meeting #:** 19-001  
**Date:** May 28, 2019  
**Time:** 9:00 a.m.  
**Location:** Room 264, 2nd Floor, City Hall  
71 Main Street West

Alicia Davenport, Legislative Coordinator (905) 546-2424 ext. 2729

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## 10. DISCUSSION ITEMS

- 10.1 Deliberations on the Grant Applications received for the November 1, 2018 - January 14, 2019 Opening of the Hamilton Future Fund (distributed under separate cover)
- 10.1.a 91st Highlanders Athletic Association
  - 10.1.b Ancaster Agricultural Society
  - 10.1.c Ancaster Soccer Club
  - 10.1.d Ancaster Tennis Club
  - 10.1.e Bay Area Restoration Council
  - 10.1.f Beach Canal Lighthouse Group
  - 10.1.g Beautiful Alleys
  - 10.1.h Big Brothers Big Sisters of Halton and Hamilton
  - 10.1.i Binbrook Agricultural Society
  - 10.1.j City School by Mohawk
  - 10.1.k Croatian Sports and Community Centre of Hamilton
  - 10.1.l Eva Rothwell Centre
  - 10.1.m Habitat for Humanity Hamilton
  - 10.1.n Hamilton Chamber of Commerce
  - 10.1.o Hamilton Conservation Foundation
  - 10.1.p Hamilton Jr. Bulldogs
  - 10.1.q Hamilton Malayalee Samajam
  - 10.1.r Hamilton Music Collective

- 10.1.s Hamilton Naturalists' Club
- 10.1.t Hamilton Philharmonic Orchestra
- 10.1.u Hamilton Public Library
- 10.1.v I Am Awear
- 10.1.w Living Rock
- 10.1.x March of Dimes Canada
- 10.1.y Margaret's Place Hospice
- 10.1.z Mathstronauts
- 10.1.aa North End Breezes
- 10.1.ab North Hamilton Community Health Centre
- 10.1.ac St. Matthew's House
- 10.1.ad The Apostolic Holiness Church
- 10.1.ae The Salvation Army Lawson Ministries Hamilton
- 10.1.af Wellwood
- 10.1.ag YMCA
- 10.1.ah YWCA

## **11. MOTIONS**

- 11.1 Citizen Resignation from the Hamilton Future Fund Board of Governors

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## **12. NOTICES OF MOTION**

## **13. GENERAL INFORMATION / OTHER BUSINESS**

## **14. PRIVATE AND CONFIDENTIAL**

## **15. ADJOURNMENT**



Hamilton

**HAMILTON FUTURE FUND  
BOARD OF GOVERNORS  
Minutes 18-001  
12:00 p.m.  
Wednesday, January 24, 2018  
Room 264, City Hall  
71 Main Street West**

**Present:** Mayor F. Eisenberger  
Councillors J. Partridge (Vice Chair), T. Whitehead and D. Conley  
T. Weisz (Chair)  
I. Brisbin, K. Boyer, T. Crugnale, M. Dickson J. Kirkpatrick  
A. Macaluso, S. MacDonald, M. Scime and K. Wakeman

**Absent with  
Regrets:** R. Bagdonas, J. Bozzo and S. Manchia

**THE FOLLOWING ITEMS WERE REFERRED TO THE GENERAL ISSUES  
COMMITTEE FOR CONSIDERATION:**

**1. Deliberations on the Applications Received from the 2017 Opening of the  
Hamilton Future Fund (Item 8.1)**

**(Macaluso/Partridge)**

- (a) That the application from the Cancer Assistance Program for the purchase of ride scheduling software in the amount of \$93,000, be approved;
- (b) That the application from City Kidz for the kitchen equipment project in the amount of \$102,000, be approved;
- (c) That the application from the City of Hamilton for a Feasibility Study for an Albion Falls South Access and Viewing Platform in the amount of \$42,500, be approved;
- (d) That the application from the Hamilton Air Force Association for accessibility upgrades and a walk-in cooler in the amount of \$67,000, be approved;

- (e) That the application from the Hamilton Olympic Club for the purchase of an electronic score board in the amount of \$35,000, be approved;
- (f) That the application from the Royal Botanical Gardens for the construction of a 3-Season Pavilion in the amount of \$93,000, be approved with the condition that the name and logo of the Hamilton Future Fund be prominently displayed on the pavilion;
- (g) That the application from St. Joseph's Healthcare Hamilton Foundation for the purchase of orthopaedic robotics surgery equipment in the amount of \$675,000 be approved with the condition that St. Joseph's Healthcare Hamilton representatives meet with the Chair and Vice Chair of the Hamilton Future Fund Board of Governors to discuss appropriate ways to recognize the Board;
- (h) That the application from Theatre Aquarius for accessibility upgrades in the amount of \$196,000, be approved;
- (i) That the application from the Westdale Cinema Group in the amount of \$250,000, be approved, subject to consultation with the Chair and Vice Chair of the Hamilton Future Fund Board of Directors to determine where the funds will be directed; and,
- (j) That the following applications be denied:
  - (i) Hamilton Arts Council
  - (ii) Bay Area Restoration Council
  - (iii) Barton Stone-Mount Hope United Church
  - (iv) Centre[3] for Print and Media Arts
  - (v) City of Hamilton Children's Museum
  - (vi) Community Living Hamilton
  - (vii) Empowerment Squared
  - (viii) Environment Hamilton
  - (ix) Habitat for Humanity and the Hamilton ReStore
  - (x) Hamilton Centre for Civic Inclusion
  - (xi) Hamilton Naturalists Club
  - (xii) Hamilton Philharmonic Orchestra
  - (xiii) Industry Education Council of Hamilton
  - (xiv) Interval House of Hamilton
  - (xv) Beasley Neighbourhood Association
  - (xvi) Leander Boat Club
  - (xvii) Mathstronauts
  - (xviii) Hamilton Naturalists Club
  - (xix) Rockton Agricultural Society
  - (xx) The Salvation Army
  - (xxi) Scadding Court Community Centre
  - (xxii) Social Planning and Research Council of Hamilton
  - (xxiii) St. Joseph's Villa

- (xxiv) St. Mark's Cultural Programming Space
- (xxv) Thrive Child and Youth Trauma Services
- (xxvi) Victorian Order of Nurses – Hamilton Niagara Haldimand Brant District
- (xxvii) Historic Waterdown Arts and Events
- (xxviii) Y on Wheels

**CARRIED**

**FOR INFORMATION:**

**(a) CHANGES TO THE AGENDA (Item 1)**

The Committee Clerk advised of the following change to the agenda:

**1. PRESENTATIONS (Item 7)**

Presentations from the 2017 Grant applicants are being moved up in the agenda to be considered immediately following Item 5 – Consent Items. The balance of the agenda will then proceed in numerical order.

**(Conley/Crugnale)**

That the agenda for the January 24, 2018 meeting of the Hamilton Future Fund Board of Governors be approved, as amended.

**CARRIED**

**(b) DECLARATIONS OF INTEREST (Item 2)**

Ian Brisbin declared an interest respecting the application from the Royal Botanical Gardens (RBG) (Item 8.1) as he formerly served as a Member of the Board of Directors for the RBG.

Councillor Doug Conley declared an interest respecting the application from Theatre Aquarius (Item 8.1) as he serves as a Board member with that organization.

Megan Dickson declared an interest respecting the application from Barton Stone-Mount Hope United Church (Item 8.1) as she is a member of the church.

Sergio Manchia declared an interest respecting the application from St. Joseph's Villa (Item 8.1) as they are a client of his employer.

Tom Weisz declared an interest respecting the application from the City of Hamilton for St. Mark's Cultural Programming Space (Item 8.1) as he has indirect ownership of a property abutting St. Mark's.

Sonia Macdonald declared an interest respecting the application from the Bay Area Restoration Council (BARC) as her employer is a partner in the submission from BARC.

**(c) MINUTES (Item 3)**

**(i) Approval of Minutes of November 29, 2017 (Item 3.1)**

Marie Scime was recorded as not being in attendance at the meeting, however she was present.

The declaration of interest made by Sonja Macdonald was not recorded in the minutes. The declaration was respecting the application for the Bay Area Restoration Council as her employer is a partner in the submission from BARC.

The Legislative Coordinator will make these changes to the minutes and correct them for the official record.

**(Conley/Dickson)**

That the Minutes of the November 29, 2017 meeting of the Hamilton Future Fund Board of Governors be approved, as amended.

**CARRIED**

**(d) PRESENTATIONS (Item 7)**

**(i) Presentations from 2017 Grant Applicants (Item 7.1)**

The Board used this opportunity to hear presentations from selected organizations that applied to the Hamilton Future Fund.

The organizations making a presentation were:

- (i) Cancer Assistance Program
- (ii) City of Hamilton – Hamilton Children’s Museum
- (iii) Empowerment Squared
- (iv) Hamilton Air Force Association
- (v) Industry Education Council of Hamilton
- (vi) Interval House of Hamilton
- (vii) Beasley Neighbourhood Association
- (viii) Leander Boat Club
- (ix) Rockton Agricultural Society
- (x) St. Joseph’s Healthcare Hamilton Foundation
- (xi) St. Joseph’s Villa
- (xii) St. Mark’s Cultural Programming Space
- (xiii) Theatre Aquarius
- (xiv) Victorian Order of Nurses
- (xv) Westdale Cinema Group

**(Partridge/Conley)**

That the presentations from the 2017 Grant Applicants, be received.

**CARRIED**

**(e) DELEGATIONS (Item 6)**

**(i) Shekar Chandrashekar respecting Future Fund Accounting Statements (Item 6.1)**

Mr. Shekar Chandrashekar addressed the Board respecting Future Fund Accounting Statements with the aid of handouts. A copy of the handouts have been retained for the official record and are available through the Office of the City Clerk.

**(Wakeman/Crugnale)**

That the delegation from Shekar Chandrashekar respecting Future Fund Accounting Statements, be received.

**CARRIED**

**(f) ADJOURNMENT (Item 12)**

**(Wakeman/Boyer)**

That there being no further business, the Board be adjourned at 3:42 p.m.

**CARRIED**

Respectfully submitted,

T. Weisz, Chair  
Hamilton Future Fund Board of  
Governors

Lauri Leduc  
Legislative Coordinator  
Office of the City Clerk



**Form: Request to Speak to Committee of Council**

Submitted on Monday, January 7, 2019 - 2:31 pm

==Committee Requested==

**Committee:** Advisory/Sub-Committee

**Name of Sub-Committee:** Future fund Committee

==Requestor Information==

**Name of Individual:** Shekar Chandrashekar

**Name of Organization:** Private Citizen

**Contact Number:** [REDACTED]

**Email Address:** [REDACTED]

**Mailing Address:** [REDACTED]

**Reason(s) for delegation request:** I am very concern with Future Fund "A". There are no funds yet keep approving it.

**Will you be requesting funds from the City?** No

**Will you be submitting a formal presentation?** Yes

## 7.1



**CITY OF HAMILTON**  
**CORPORATE SERVICES DEPARTMENT**  
**Financial Planning, Administration and Policy Division**

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	May 2, 2019
<b>SUBJECT/REPORT NO:</b>	Treasurer's Investment Report 2018 Fiscal Year by Aon (FCS19019) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Rosaria Morelli (905) 546-2424 Ext. 1390
<b>SUBMITTED BY:</b>	Brian McMullen Acting General Manager, Finance and Corporate Services Corporate Service Department
<b>SIGNATURE:</b>	

### RECOMMENDATION

That Report FCS19019 "Treasurer's Investment Report 2018 Fiscal Year by Aon", as provided to Council, be forwarded to the Hamilton Future Fund Board of Governors, for information.

### EXECUTIVE SUMMARY

In accordance with the *Municipal Act, 2001*, the regulations thereunder and the City of Hamilton's Statement of Investment Policies and Procedures (the "SIPP"), the Treasurer of the City of Hamilton (the Acting General Manager of Finance and Corporate Services) is presenting to Council the City of Hamilton Reserve Funds Treasurer's Investment Report 2018 Fiscal Year (the "Treasurer's Report"), attached as Appendix "A" to Report FCS19019.

The Treasurer's Report is an investment report for the City of Hamilton Reserve Fund and the Hamilton Future Fund (the "Funds") for the City's fiscal year ending December 31, 2018 and is prepared by Aon on behalf of the Treasurer of the City of Hamilton.

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OUR Vision: To be the best place to raise a child and age successfully.

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**SUBJECT: Treasurer's Investment Report 2018 Fiscal Year by Aon (FCS19019)  
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All investments met the eligibility requirements as prescribed by the Ontario Regulation 438/97 (“O. Reg. 438/97”) and were made in accordance with the investment policies and goals adopted by the City of Hamilton’s SIPP (the “City’s SIPP”).

#### Investment Performance of the Funds

Report FCS19028 provides details on the investment performance of the Reserve Fund as at December 31, 2018. Report FCS19027 provides details on the investment performance of the Hamilton Future Fund as at December 31, 2018.

The market rates of return for the 12-month period ending December 31, 2018 were 1.82% for the Reserve Fund and 1.95% for the Hamilton Future Fund. The Reserve Fund outperformed the benchmark rate of return of 1.79% by 0.03%, attributed mostly to its overweight position in longer-dated bonds, which outperformed shorter-dated bonds during the year 2018. The Hamilton Future Fund outperformed the benchmark rate of return of 1.79% by 0.16%, attributed mostly to its overweight position in longer-dated bonds.

Market rate of return is based on security market value and includes net unrealized gains and losses, net realized gains and losses and income. The market rate of return is provided by RBC Investor & Treasury Services (“RBCITS”), the City’s custodian. The market rates of return for the Funds given above as well as those for each quarter-end in fiscal year 2018 and for the two, three and four-year periods ending December 31, 2018, were verified (allowing for a tracking error of plus or minus 0.10%) by Aon, thereby providing an independent third-party review of the Funds’ investment performance.

The annual rates of return on average cost for the 12-month period ending December 31, 2018 were 2.67% for the Reserve Fund and 2.63% for the Hamilton Future Fund. The rate of return on average cost uses original cost to value the securities and includes both income and net realized gains and losses but excludes net unrealized gains and losses.

#### Investment in City of Hamilton Securities

During the fiscal year 2018, the City of Hamilton (City) was invested in its own long-term securities, which had a market value of \$3.3 M or a proportion of 0.33% of the total market value of the Reserve Fund as at December 31, 2018. As at December 31, 2017, the proportion was 0.85%. The bulk of the decline, in proportion, is attributed to the maturity of the City of Hamilton bond that had a maturity date of March 31, 2018, a coupon rate of 4.95%, a par value of \$4,370,000 and a maturity value of \$4,370,000. The balance of the decline in the proportion is attributed to market fluctuation.

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**SUBJECT: Treasurer's Investment Report 2018 Fiscal Year by Aon (FCS19019)  
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Other than the maturity of this City of Hamilton security, the City had no other transactions in or disposals of its own securities during fiscal year 2018. During the fiscal year 2018, the City was not invested in its own short-term securities, as was the case during fiscal year 2017.

**Alternatives for Consideration – Not Applicable**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: Not Applicable.

Staffing: Not Applicable.

Legal: Not Applicable.

**HISTORICAL BACKGROUND**

In accordance with O. Reg. 438/97 and the City's SIPP, the Treasurer of the City shall prepare and present to Council each year, an investment report on the management of the City's Funds during the prior fiscal year.

The investment report, prepared by Aon on behalf of the Treasurer, is the Treasurer's Report and is attached as Appendix "A" to Report FCS19019.

As required by O. Reg. 438/97, the investment report includes the following information:

- a statement about the performance of the investments for the Funds;
- a description of the estimated proportion of the total investments of the City that are invested in its own long-term and short-term securities to the total investment of the municipality and a description of the change, if any, in that estimated proportion since the previous year's report;
- a statement by the Treasurer as to whether or not, in his opinion, all investments are consistent with the investment policies and goals (the City's SIPP) adopted by the City;
- a record of the date of each transaction in or disposal of its own securities, including a statement of the purchase and sale price of each security;
- such other information that Council may require or that, in the opinion of the Treasurer, should be included;
- a statement by the Treasurer as to whether any of the investments cited in O. Reg. 438/97 Section 8(2.1) fall below the standard prescribed by O. Reg. 438/97 during the period covered by the investment report; and,
- if applicable, a statement by the Treasurer with regard to O. Reg.438/97, Section 8(2.2) and Section 8(3).

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**SUBJECT: Treasurer's Investment Report 2018 Fiscal Year by Aon (FCS19019)  
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**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

In accordance with the *Municipal Act, 2001* and the City's SIPP, the Treasurer shall prepare and present to Council each year an investment report on the management of the City's Funds during the prior fiscal year.

**RELEVANT CONSULTATION**

On behalf of the Treasurer, Aon prepared the Treasurer's Report, attached as Appendix "A" to Report FCS19019.

**ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)**

Funds' Performance (Page 4 and Page 5 of the Treasurer's Report)

The market rates of return for the Reserve Fund and the Hamilton Future Fund are provided by RBCITS. Aon verified RBCITS' market rates of return for each quarter-end in fiscal year 2018 and for each of the one, two, three and four-year periods. Aon confirms that their market rate of return matches that of RBCITS for each period considered, allowing for a tracking error of plus or minus 0.10%. Table 1 presents these results for most of the periods considered and includes a comparison of the market rate of return with the benchmark rate of return for each period shown.

Table 1  
Funds' Performance (%) and Comparison with Benchmark

	Q1 2018 %	Q2 2018 %	Q3 2018 %	Q4 2018 %	1 Year %	3 Year %
Benchmark	0.17	0.37	-0.34	1.59	1.79	0.91
Reserve Fund						
RBCITS	-0.07	0.48	-0.33	1.75	1.82	1.53
Aon Hewitt	-0.07	0.48	-0.33	1.74	1.83	1.54
Difference	0.00	0.00	0.00	0.01	-0.01	-0.01
Hamilton Future Fund						
RBCITS	0.01	0.62	-0.56	1.89	1.95	1.68
Aon Hewitt	0.01	0.58	-0.57	1.88	1.90	1.69
Difference	0.00	0.04	0.01	0.01	0.05	-0.01
Reserve Fund (RBCITS) Minus Benchmark	-0.24	0.11	0.01	0.16	0.03	0.62
Hamilton Future Fund (RBCITS) Minus Benchmark	-0.16	0.25	-0.22	0.30	0.16	0.77

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The benchmark for the Funds is composed of 10% 91-day T-Bills, 62.5% FTSE Short-Term All Government Bond Index and 27.5% FTSE All Government Bond Index.

For the one-year period ending December 31, 2018, the Reserve Fund outperformed the benchmark by 0.03% and the Hamilton Future Fund outperformed the benchmark by 0.16%. The modest outperformances of the Reserve Fund and the Hamilton Future Fund are attributed to their overweight position in longer-dated bonds that outperformed shorter-dated bonds primarily in the last quarter of 2018.

During the first two quarters of 2018 mid and long-term interest rates generally increased but by the end of the second quarter reversed course and ended approximately unchanged, relative to January 1, 2018. Similarly, during the third quarter of 2018, these interest rates again increased but then during the latter part of the fourth quarter of 2018 reversed course and ended on December 31, 2018 only slightly lower relative to January 1, 2018. For instance, the yield on the Government of Canada bond with a term to maturity of 10 years was 2.05% at the beginning of the year (2018) and was 1.97% at the end of the year (2018).

#### Types of Securities (Page 6 to Page 8 of the Treasurer's Report)

The types of securities (and the entities who issue them) which municipalities are permitted to invest in are prescribed by legislation and regulations, including O. Reg. 438/97. Most of these securities and their issuers have been included by the City in its approved list of issuers, which is set out in the Sector and Issuer Limitations in the City's SIPP and is given on Page 6 of the Treasurer's Report.

#### Portfolio Securities (Page 9 to Page 12 of the Treasurer's Report)

As at December 31, 2018, the total market value (including net accruals) of the securities in the Reserve Fund was \$999,417,637 of which \$38,675,421 consists of investments in the One Investment Program. The One Investment Program is jointly operated by the Local Authority Services and CHUMS Financing Corporation (a subsidiary of the Municipal Finance Officers' Association of Ontario). As at December 31, 2018, the City held shares with a market value of \$33,637,603 in the One Investment Program Equity Portfolio and held shares with a market value of \$5,037,818 in the One Investment Program Universe Corporate Bond Portfolio.

As at December 31, 2018, the total market value (including net accruals) of the securities in the Hamilton Future Fund was \$47,159,468 of which \$1,530,164 consists of investments in the One Investment Program Equity Portfolio.

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During the fiscal year 2018, the City was invested in its own long-term securities, which had a market value of \$3.3 M or a proportion of 0.33% of the total market value of the Reserve Fund as at December 31, 2018. As at December 31, 2017, the proportion was 0.85%. The bulk of the decline in proportion is attributed to the maturity of the City of Hamilton bond that had a maturity date of March 31, 2018, a coupon rate of 4.95%, a par value of \$4,370,000 and a maturity value of \$4,370,000.

The balance of the decline in the proportion is attributed to market fluctuation. Other than the maturity of this City of Hamilton security, the City had no other transactions in or disposals of its own securities during fiscal year 2018. During fiscal year 2018, the City was not invested in its own short-term securities, as was the case during fiscal year 2017.

Restrictions (Page 13 and Page 14 of the Treasurer's Report)

Table 2, from the Treasurer's Report, shows that as at December 31, 2018, on a combined basis, the Funds were being managed in accordance with the minimum quality requirements, maximum quantity restrictions and all other imposed restrictions.

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**SUBJECT: Treasurer's Investment Report 2018 Fiscal Year by Aon (FCS19019)  
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Table 3, which is not contained in the Treasurer's Report, shows the Funds' credit exposure with respect to the approved issuers given in the City's SIPP.

Table 3  
Credit Exposure<sup>1</sup> (%) – As at December 31, 2018

Issuer of Sector	Reserve Fund	Hamilton Future Fund <sup>2</sup>	The Funds <sup>3</sup>	Maximum Limit %
Cash or STIF	0.0%	1.2%	0.0%	
Canada				
Direct	1.0%	0.0%	1.0%	100%
Guarantee	7.3%	0.0%	7.0%	25%
Provinces				
Ontario	8.9%	21.5%	9.5%	50%
Other	39.5%	45.1%	39.8%	100%
Municipalities				
Hamilton	0.3%	0.0%	0.3%	25%
Other	14.8%	15.2%	14.7%	30%
Banks and Credit Union				50%
Schedule I	20.6%	13.8%	20.3%	50%
Credit Union	4.1%	0.0%	3.9%	8%
Asset Backed Securities	0.0%	0.0%	0.0%	25%
Corp. Bonds	0.0%	0.0%	0.0%	15%
Commercial Paper and Asset Backed Commercial Paper (ABCP)	0.0%	0.0%	0.0%	20%
One Investment Program				10%
Equity Portfolio	3.0%	3.2%	3.0%	
Universe Corporate Bond Portfolio	0.5%	0.0%	0.5%	
Total	100.0%	100.0%	100.0%	

Notes to Table 3:

<sup>1</sup> Credit Exposure refers to the par value of holdings in individual issuers or sectors as a percentage of the total par value of holdings in the fund.

<sup>2</sup> For the Hamilton Future Fund, Credit Exposure does not reflect the shares of the Hamilton Utilities Corporation, which are held in the Hamilton Future Fund custodial account with RBCITS.

<sup>3</sup> "The Funds" equal the Reserve Fund and the Hamilton Future Fund.

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Activity and Transactions (Page 15 of the Treasurer's Report)

During the fiscal year 2018, the total dollar amount of cash inflows for the Reserve Fund were \$305.7 M, consisting of \$114.6 M in bond sales and maturities, \$16.0 M in investment income and \$175.1 M in contributions or transfers. Cash outflows were also \$305.7 M and consisted of \$205.9 M in purchases and \$99.8 M in distributions.

During the fiscal year 2018, the total dollar amount of cash inflows for the Hamilton Future Fund were \$36.1 M, consisting of \$25.6 M in bond sales and maturities, \$1.2 M in investment income and \$9.3 M in contributions or transfers. Cash outflows were also \$36.1 M and consisted of \$27.3 M in purchases and \$8.8 M in distributions.

Certificate by Chief Investments Officer (CIO) (Page 16 of the Treasurer's Report)

The CIO has certified on page 16 of the Treasurer's Report that the Funds were managed in compliance with the *Municipal Act, 2001*, and in accordance with the terms, conditions and guidelines stipulated in the City's SIPP.

## **ALTERNATIVES FOR CONSIDERATION**

### **ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

#### **Our People and Performance**

Hamiltonians have a high level of trust and confidence in their City government.

## **APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" – City of Hamilton – Reserve Funds Treasurer's Investment Report 2018 Fiscal Year

RM/dt

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# City of Hamilton—Reserve Funds Treasurer's Investment Report 2018 Fiscal Year

May 2019

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## Introduction

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As the acting Investment Consultant, Aon is engaged to prepare, on behalf of the Treasurer of the City of Hamilton ("City"), an investment report, referred to as the Treasurer's Report ("the report"), relating to the activities of the City of Hamilton Reserve Fund and the Hamilton Future Fund ("the Funds") during the prior fiscal year. The report will be presented to City Council in the second quarter of every calendar year.

The report is part of a broader governance oversight of the Funds, which includes financial audits, used to evaluate and monitor the various responsibilities that have been delegated by the Treasurer of the City of Hamilton ("City Treasurer") and City Council. More specifically, the overall objective of the report is to ensure that the Funds are managed in accordance with existing legislation that was in effect in 2018 and the guidelines set out in the Statement of Investment Policies and Procedures for the City of Hamilton Reserve/Revenue Funds and Trust Accounts ("SIP&P") as well as to provide an independent third party review of the Funds' performance.

The report has been written in accordance with Section 1.11 of the SIP&P. As stipulated in Section 1.11 of the SIP&P, the report must contain the following items:

- A statement about the performance of the portfolio of investments of the City during the period covered by the report;
- A listing of the types of securities in which the portfolio invested during the period covered by the report;
- A listing of the securities and their credit ratings held by the portfolio as at the date of the report;
- A description of the estimated proportion of the total investments of a municipality that are invested in its own long-term and short-term securities to the total investment of the municipality and a description of the change, if any, in that estimated proportion since the previous year's report;
- A record of the date of each transaction in or disposal of its own securities, including a statement of the purchase and sale of each security;
- A statement by the Chief Investments Officer ("CIO") as to whether or not, in his or her opinion, the management of the Funds was made in accordance with all the terms, conditions and guidelines stipulated in the SIP&P in effect during 2018; and
- Such other information that the council may require or that, in the opinion of the City Treasurer, should be included.

This report addresses only the activities of the City of Hamilton Reserve Fund and the Hamilton Future Fund. The Trust Accounts are not covered by this report.

## Reserve Fund Performance and Future Fund Performance

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The returns of the Funds are determined by RBC Investor & Treasury Services (“RBC”), the City’s custodian, on a daily basis for the City of Hamilton Reserve Fund and on a monthly basis for the Hamilton Future Fund. Aon verifies RBC’s return figures, on a monthly basis only, through a separate calculation using RBC’s monthly custodian statement as its data source. A tracking error of +/- 0.10% per period between the two calculations is deemed acceptable whilst discrepancies outside the tolerance range must be identified and corrected by mutual agreement.

The return calculation adopted by Aon uses a monthly time-weighted methodology which includes realized and unrealized gains and losses and income from all sources and includes accruals. The return calculations are based on the Dietz method, whereby cash flows are assumed to occur at the mid-point of each month. Settlement date accounting is used. In cases where large cash flows occur away from mid-month, the Modified Dietz method is used, which day-weights cash flows. Monthly returns are geometrically linked to develop returns for longer periods. Returns for periods less than one year are not annualized. Returns for periods greater than one year are annualized. All return inputs, including market and book values, income from interest, dividends and realized capital gains/losses, accruals and external cash flows are taken from the custodian statements. Investment management fees are not included in return calculations but transaction costs are considered.

Aon’s return calculations are made in accordance with CFA Institute performance methodology standards. While the CFA Institute requires minimum quarterly valuations, Aon exceeds that standard by using monthly valuations.

The Funds’ performance objective, as outlined in Section 4.10 of the SIP&P, is to outperform a benchmark portfolio constructed from a blend of returns composed of 62.5% of the FTSE Canada All Government Short Term Bond Index, 27.5% of the FTSE Canada All Government Bond Index and 10.0% of FTSE TMX Canada 91-Day Treasury-Bill Index.

Benchmark	%
FTSE Canada All-Government Short Term Bond Index	62.5
FTSE Canada All-Government Bond Index	27.5
FTSE Canada 91-Day Treasury Bill Index	<u>10.0</u>
	100.0

The performance returns of the Funds over each of the quarters of 2018, and over the one-, two-, three- and four-year periods ending December 31, 2018 are as follows:

**City of Hamilton Reserve Fund—Performance %**

	<b>Q1 2018</b>	<b>Q2 2018</b>	<b>Q3 2018</b>	<b>Q4 2018</b>	<b>One Year</b>	<b>Two Years (annualized)</b>	<b>Three Years (annualized)</b>	<b>Four Years (annualized)</b>
RBC	-0.07	0.48	-0.33	1.75	1.82	1.55	1.53	2.04
Aon	<u>-0.07</u>	<u>0.48</u>	<u>-0.33</u>	<u>1.74</u>	<u>1.83</u>	<u>1.58</u>	<u>1.54</u>	<u>2.04</u>
Difference	0.00	0.00	0.00	0.01	-0.01	-0.03	-0.01	0.00
Benchmark	0.17	0.37	-0.34	1.59	1.79	1.11	0.91	1.36
Value Added*	-0.24	0.11	0.01	0.16	0.03	0.44	0.62	0.68

*\*Based on returns calculated by RBC*

The returns calculated by RBC, compared to the returns calculated by Aon, as shown above are within the tracking error tolerance range over all periods.

Over a one-year period, the City of Hamilton Reserve Fund's return of 1.82% outperformed the benchmark return of 1.79% by 3 basis points.

**Hamilton Future Fund—Performance %**

	<b>Q1 2018</b>	<b>Q2 2018</b>	<b>Q3 2018</b>	<b>Q4 2018</b>	<b>One Year</b>	<b>Two Years (annualized)</b>	<b>Three Years (annualized)</b>	<b>Four Years (annualized)</b>
RBC	0.01	0.62	-0.56	1.89	1.95	1.72	1.68	1.91
Aon	<u>0.01</u>	<u>0.58</u>	<u>-0.57</u>	<u>1.88</u>	<u>1.90</u>	<u>1.70</u>	<u>1.69</u>	<u>1.93</u>
Difference	0.00	0.04	0.01	0.01	0.05	0.02	-0.01	-0.02
Benchmark	0.17	0.37	-0.34	1.59	1.79	1.11	0.91	1.36
Value Added*	-0.16	0.25	-0.22	0.30	0.16	0.61	0.77	0.55

*\*Based on returns calculated by RBC*

The returns calculated by RBC, compared to the returns calculated by Aon, as shown above are within the tracking error tolerance range over all periods.

Over a one-year period, the Hamilton Future Fund's return of 1.95% outperformed the benchmark return of 1.79% by 16 basis points.

## Types of Securities

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The City is only allowed to invest in securities permitted under Municipal Act, 2001 Ontario Regulation 438/97 that was in effect during 2018. As per Section 4.02 of the SIP&P, an Approved List of Investments ("Approved List") has been established by the City Treasurer and the CIO. All investments on the Approved List meet the eligibility requirements as prescribed by Ontario Regulation 438/97. The Approved List is as follows:

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### **Bonds, Debentures, Promissory Notes, Other Evidence of Indebtedness Issued by or Guaranteed by**

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Government of Canada  
Canadian Provincial Government  
Government of Canada Agency  
Canadian Provincial Agency  
Country other than Canada  
Canadian Municipality, including the City of Hamilton  
School Board in Canada  
Municipal Finance Authority of British Columbia  
Canadian Corporation  
Banks in Canada  
Ontario Strategic Infrastructure Financing Authority (OSIFA)  
International Bank for Reconstruction and Development  
Inter-American Development Bank  
Supranational Financial Institution  
Supranational Governmental Organization

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### **Deposit Receipts, Deposit Notes, Certificate of Deposits, Acceptances Issued by or Guaranteed by**

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Banks in Canada  
Credit Union with Guarantee

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### **Asset Backed Securities (ABS)**

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Asset Backed Securities  
Asset Backed Commercial Paper (ABCP)

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### **Negotiable Promissory Notes or Commercial Paper (other than ABS)**

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### **Forward Rate Agreements**

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### **ONE Funds (One Investment Program)\***

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### **Shares Issued by a Corporation Incorporated Under the Laws of Canada or a Province in Canada (subject to footnotes in Approved List), Securities of a Corporation & Shares of A Corporation (subject to footnotes in Approved List)**

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\*The One Investment Program, designed specifically for the municipal and broader Ontario public sector, is jointly operated by LAS and CHUMS Financing Corp. (a subsidiary of the Municipal Finance Officers' Association of Ontario).



We have reviewed the custodian statements as well as the transactions that have occurred to determine the types of securities that were held by the Funds during the 2018 period. We can confirm that the types of securities that were held in the City of Hamilton Reserve Fund and the Hamilton Future Fund during 2018 are as listed as follows:

The types of securities held by the City of Hamilton Reserve Fund were as follows:

**City of Hamilton Reserve Fund—Types of Securities**

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**Bonds, Debentures, Promissory Notes, Other Evidence of  
Indebtedness Issued by or Guaranteed by**

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Government of Canada  
Canadian Provincial Government  
Government of Canada Agency  
Canadian Provincial Agency  
Canadian Municipality, including the City of Hamilton  
Banks in Canada  
Municipal Finance Authority of British Columbia

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**Deposit receipts, Deposit Notes, Certificate of Deposits,  
Acceptances Issued by or Guaranteed by**

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Banks in Canada  
Credit Union with Guarantee

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**One Investment Program**

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Equity Portfolio  
Universe Corporate Bond Portfolio

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The types of securities held by the Hamilton Future Fund were as follows:

**Hamilton Future Fund—Types of Securities**

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**Bonds, Debentures, Promissory Notes, Other Evidence of  
Indebtedness Issued by or Guaranteed by**

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Government of Canada  
Canadian Provincial Government  
Canadian Provincial Agency  
Canadian Municipality  
Banks in Canada

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**Deposit Receipts, Deposit Notes, Certificate of Deposits,  
Acceptances Issued by or Guaranteed by**

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Banks in Canada

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**One Investment Program**

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Equity Portfolio

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In addition to the above list of securities, the Hamilton Future Fund has some monies invested in a private placement of 2,000 common shares of the Hamilton Utilities Corporation. As well, as at December 31, 2018, approximately 1.3% of funds were invested in a Short-Term Investment Fund ("STIF") of RBC. All securities were expressed or payable in Canadian dollars. The types of securities held by the City of Hamilton Reserve Fund and the Hamilton Future Fund during 2018 were all part of the Approved List.

## Portfolio Securities as at December 31, 2018

### City of Hamilton Reserve Fund

Below are The City of Hamilton Reserve Fund securities and credit ratings as at December 31, 2018. As shown in the list below, the City of Hamilton Reserve Fund also held equity and fixed income investments through the One Investment Program (ONE Funds). The City's Reserve Fund investment in the One Investment Program Equity Portfolio had a market value of \$33,637,602.86 and book value of \$29,176,614.45; the City's investment in the One Investment Program Universe Corporate Bond Portfolio had a market value of \$5,037,817.73 and book value of \$5,278,283.41.

As at December 31, 2018, City of Hamilton Reserve Fund held a market value of \$3.3 million or 0.33% of the Fund in City of Hamilton securities. Over the last year, the market value of City of Hamilton securities decreased by \$4.5 million from \$7.8 million as at December 31, 2017. The decrease was primarily due to the maturity of the City of Hamilton security (City of Hamilton 4.95% 31Mar2018) on March 31, 2018 with par value of \$4,370,000. The security was originally purchased on March 18, 2004 at a cost of \$4,361,260. The remainder of the decrease in value of the City of Hamilton securities was due to market fluctuation. Other than this referenced City of Hamilton security, there were no other transactions in City of Hamilton securities over the last year.

Date	Issuer Name	Annual Coupon Rate	Maturity Date	Market Price	S&P Rating	Portfolio Market Value (\$)	Market Value (%)
<b>Federal and Federal Guarantee Bonds</b>							
31-Dec-18	Government of Canada	2.750	1-Jun-22	102.88	AAA	10,288,425.80	1.03%
31-Dec-18	Canada Housing Trust	2.650	15-Mar-22	101.63	AAA	22,357,720.00	2.24%
31-Dec-18	Canada Housing Trust	2.550	15-Mar-25	101.03	AAA	10,102,584.80	1.01%
31-Dec-18	Canada Housing Trust	1.900	15-Sep-26	96.20	AAA	14,430,068.40	1.44%
31-Dec-18	Canada Housing Trust	2.350	15-Jun-27	99.10	AAA	4,955,210.50	0.50%
31-Dec-18	Canada Housing Trust	2.350	15-Jun-23	100.33	AAA	20,065,647.20	2.01%
<b>Provincial and Provincial Guarantee Bonds</b>							
31-Dec-18	Province of Alberta	2.900	20-Sep-29	99.08	A+	14,366,158.91	1.44%
31-Dec-18	Province of Alberta	2.350	1-Jun-25	98.07	A+	7,354,916.55	0.74%
31-Dec-18	Province of Alberta	2.200	1-Jun-26	96.22	A+	5,772,966.96	0.58%
31-Dec-18	Province of Alberta	2.550	1-Jun-27	97.82	A+	7,825,789.04	0.78%
31-Dec-18	Province of Alberta	2.550	15-Dec-22	100.50	A+	20,100,490.00	2.01%
31-Dec-18	Province of Alberta	2.650	1-Sep-23	100.69	A+	6,041,536.38	0.60%
31-Dec-18	Province of British Columbia	2.700	18-Dec-22	101.44	AAA	8,114,822.40	0.81%
31-Dec-18	Province of British Columbia	2.700	18-Dec-20	101.20	AAA	4,048,000.00	0.41%
31-Dec-18	Province of British Columbia	2.300	18-Jun-26	97.88	AAA	9,788,032.80	0.98%
31-Dec-18	Province of British Columbia	2.700	18-Jun-27	98.97	AAA	7,917,379.20	0.79%
31-Dec-18	Province of British Columbia	3.250	18-Dec-21	103.02	AAA	22,663,344.88	2.27%
31-Dec-18	Province of British Columbia	3.700	18-Dec-20	103.13	AAA	10,313,234.20	1.03%
31-Dec-18	Province of British Columbia	2.250	1-Mar-19	100.09	AAA	4,003,796.04	0.40%
31-Dec-18	Province of Manitoba	2.550	2-Jun-23	100.32	A+	16,553,320.08	1.66%
31-Dec-18	Province of Manitoba	2.450	2-Jun-25	98.71	A+	11,351,274.07	1.14%
31-Dec-18	Province of Manitoba	2.550	2-Jun-26	98.52	A+	14,285,304.45	1.43%
31-Dec-18	Province of Manitoba	2.600	2-Jun-27	98.15	A+	2,944,624.56	0.29%
31-Dec-18	Province of Manitoba	3.850	1-Dec-21	104.46	A+	20,891,937.60	2.09%
31-Dec-18	Province of New Brunswick	2.600	14-Aug-26	98.54	A+	4,927,107.45	0.49%
31-Dec-18	Province of New Brunswick	2.350	14-Aug-27	95.83	A+	6,228,701.96	0.62%
31-Dec-18	Province of New Brunswick	3.350	3-Dec-21	103.03	A+	5,151,313.75	0.52%
31-Dec-18	Province of New Brunswick	2.850	2-Jun-23	101.47	A+	13,368,668.81	1.34%

31-Dec-18	Province of Newfoundland	2.300	2-Jun-25	97.37	A	4,868,329.90	0.49%
31-Dec-18	Province of Newfoundland	3.300	17-Oct-46	96.63	A	2,898,883.98	0.29%
31-Dec-18	Province of Newfoundland	3.000	2-Jun-26	100.99	A	15,148,987.80	1.52%
31-Dec-18	Province of Newfoundland	1.950	2-Jun-22	98.52	A	2,955,693.57	0.30%
31-Dec-18	Province of Newfoundland	2.850	2-Jun-28	98.95	A	3,958,020.04	0.40%
31-Dec-18	Province of Nova Scotia	2.150	1-Jun-25	97.11	AA-	2,913,332.61	0.29%
31-Dec-18	Province of Nova Scotia	2.100	1-Jun-27	94.89	AA-	6,642,354.74	0.66%
31-Dec-18	Province of Ontario	3.150	2-Jun-22	102.67	A+	43,120,538.58	4.31%
31-Dec-18	Province of Ontario	2.850	2-Jun-23	101.64	A+	10,164,141.90	1.02%
31-Dec-18	Province of Ontario	2.600	2-Jun-27	98.64	A+	20,714,177.19	2.07%
31-Dec-18	Province of Ontario	2.900	2-Jun-28	100.66	A+	15,098,406.30	1.51%
31-Dec-18	Province of Ontario	2.100	8-Sep-19	100.12	A+	15,017,593.20	1.50%
31-Dec-18	Province of Price Edward Island	3.700	2-Sep-20	102.55	A	4,461,075.08	0.45%
31-Dec-18	Province of Quebec	2.600	6-Jul-25	100.27	AA-	2,165,891.94	0.22%
31-Dec-18	Province of Quebec	3.500	1-Dec-22	104.28	AA-	13,556,337.08	1.36%
31-Dec-18	Province of Quebec	3.000	1-Sep-23	102.46	AA-	2,049,260.00	0.21%
31-Dec-18	Province of Quebec	3.750	1-Sep-24	106.43	AA-	5,321,379.50	0.53%
31-Dec-18	Province of Quebec	2.500	1-Sep-26	98.80	AA-	19,759,151.00	1.98%
31-Dec-18	Province of Quebec	2.750	1-Sep-27	100.15	AA	10,014,603.70	1.00%
31-Dec-18	Province of Saskatchewan	3.200	3-Jun-24	103.24	AA	14,453,191.06	1.45%
31-Dec-18	Province of Saskatchewan	2.650	2-Jun-27	98.79	AA	15,806,151.84	1.58%
31-Dec-18	Province of Saskatchewan	1.950	1-Mar-19	100.05	AA	2,001,013.54	0.20%
31-Dec-18	Financement Quebec	2.450	1-Dec-19	100.44	AA-	5,022,107.85	0.50%
31-Dec-18	New Brunswick Municipal Finance Corp	2.900	14-Jun-21	100.99	A+	3,411,475.98	0.34%
31-Dec-18	New Brunswick Municipal Finance Corp	3.050	20-Nov-20	101.19	A+	3,350,301.57	0.34%
31-Dec-18	New Brunswick Municipal Finance Corp	3.300	15-May-23	102.21	A+	3,534,248.90	0.35%
31-Dec-18	New Brunswick Municipal Finance Corp	2.950	8-Dec-23	100.64	A+	4,638,635.87	0.46%
31-Dec-18	New Brunswick Municipal Finance Corp	3.800	20-Nov-19	100.49	A+	3,235,617.00	0.32%

**Municipal Bonds**

31-Dec-18	City of Hamilton	5.050	19-Jun-21	106.52	AA+	3,257,351.02	0.33%
31-Dec-18	City of London	2.100	16-Mar-24	96.96	Aaa*	969,630.00	0.10%
31-Dec-18	City of London	2.35	9-May-19	100.15	Aaa*	1,001,480.00	0.10%
31-Dec-18	City of Montreal	3.000	1-Sep-27	99.85	AA-	3,993,867.92	0.40%
31-Dec-18	City of Montreal	3.000	1-Sep-25	100.75	AA-	6,044,782.20	0.60%
31-Dec-18	City of Montreal	3.150	1-Dec-36	96.04	AA-	3,841,646.04	0.38%
31-Dec-18	City of Montreal	3.500	1-Sep-23	103.72	AA-	7,986,195.91	0.80%
31-Dec-18	City of Montreal	2.750	1-Sep-26	98.55	AA-	3,941,941.96	0.39%
31-Dec-18	City of Ottawa	3.050	23-Apr-46	92.79	AA	3,247,599.92	0.32%
31-Dec-18	City of Ottawa	2.000	23-Apr-23	97.61	AA	5,038,628.20	0.50%
31-Dec-18	City of Ottawa	3.05	19-Oct-19	100.79	AA	2,519,750.00	0.25%
31-Dec-18	City of Peterborough	4.45	5-Mar-19	100.44	AA	2,295,966.96	0.23%
31-Dec-18	City of Saskatoon	4.55	27-Jun-19	101.16	AAA	1,042,928.67	0.10%
31-Dec-18	City of Toronto	3.500	6-Dec-21	103.19	AA	5,159,494.40	0.52%
31-Dec-18	City of Toronto	3.400	21-May-24	103.34	AA	13,433,970.94	1.34%
31-Dec-18	City of Toronto	3.500	2-Jun-36	100.92	AA	3,027,540.84	0.30%
31-Dec-18	City of Toronto	2.400	7-Jun-27	95.40	AA	9,539,900.00	0.95%
31-Dec-18	City of Vancouver	3.450	2-Dec-21	103.16	AAA	8,252,445.92	0.83%
31-Dec-18	City of Vancouver	3.750	24-Oct-23	105.21	AAA	4,208,393.68	0.42%
31-Dec-18	City of Vancouver	2.850	3-Nov-27	99.30	AAA	3,971,913.16	0.40%
31-Dec-18	City of Winnipeg	4.100	1-Jun-45	109.30	AA	3,497,686.02	0.35%
31-Dec-18	Municipal Finance Authority of BC	4.150	1-Jun-21	104.46	AAA	14,624,076.60	1.46%
31-Dec-18	Municipal Finance Authority of BC	3.050	23-Oct-28	100.90	AAA	9,636,123.52	0.96%
31-Dec-18	Niagara Regional Municipality	3.000	3-Jul-25	100.83	AA	3,024,750.00	0.30%
31-Dec-18	Quebec City	3.150	8-Dec-25	100.84	AA-	2,521,016.13	0.25%
31-Dec-18	Regional Municipality of Peel	3.500	1-Dec-21	103.22	AAA	12,386,698.08	1.24%
31-Dec-18	Regional Municipality of Peel	2.300	2-Nov-26	95.67	AAA	5,261,903.35	0.53%
31-Dec-18	Regional Municipality of Halton	3.300	2-Jun-23	102.82	AAA	6,528,816.00	0.65%



## Hamilton Future Fund

Below are the Hamilton Future Fund securities and credit ratings as at December 31, 2018. As shown in the list below, the Hamilton Future Fund also held equity investments through the One Investment Program (ONE Funds). The Hamilton Future Fund investment in the One Investment Program Equity Portfolio had a market value of \$1,530,164.44 and book value of \$1,500,000.00. In addition to the securities below, 2,000 common shares of Hamilton Utilities Corporation were also held in the portfolio as at December 31, 2018. These shares are not listed in the total portfolio shown below.

Date	Issuer Name	Annual Coupon Rate	Maturity Date	Market Price	S&P Rating	Portfolio Market Value (\$)	Portfolio Market Value (%)
<b>Provincial and Provincial Guarantee Bonds</b>							
31-Dec-18	Province of Alberta	2.350	1-Jun-25	98.07	A+	1,961,311.08	4.16%
31-Dec-18	Province of Alberta	2.200	1-Jun-26	96.22	A+	1,924,322.32	4.08%
31-Dec-18	Province of British Columbia	2.700	18-Dec-22	101.44	AAA	4,361,717.04	9.25%
31-Dec-18	Province of Manitoba	2.600	2-Jun-27	98.15	A+	1,963,083.04	4.16%
31-Dec-18	Province of Manitoba	3.000	2-Jun-28	100.81	A+	1,008,107.02	2.14%
31-Dec-18	Province of Newfoundland	3.300	17-Oct-46	96.63	A	966,294.66	2.05%
31-Dec-18	Province of Newfoundland	3.000	2-Jun-26	100.99	A	2,019,865.04	4.28%
31-Dec-18	Province of Nova Scotia	2.150	1-Jun-25	97.11	AA-	1,942,221.74	4.12%
31-Dec-18	Province of Ontario	3.150	2-Jun-22	102.67	A+	2,053,358.98	4.35%
31-Dec-18	Province of Ontario	2.850	2-Jun-23	101.64	A+	4,065,656.76	8.62%
31-Dec-18	Province of Ontario	2.600	2-Jun-27	98.64	A+	1,972,778.78	4.18%
31-Dec-18	Province of Ontario	2.650	5-Feb-25	100.462	A+	2,109,708.66	4.47%
31-Dec-18	Province of Quebec	2.450	1-Dec-19	100.40	AA-	502,210.79	1.06%
31-Dec-18	Province of Quebec	2.750	1-Sep-27	100.15	AA-	2,503,650.93	5.31%
31-Dec-18	New Brunswick Municipal Financial Corp	3.100	30-Nov-22	101.47	A+	2,029,460.00	4.30%
<b>Municipal Bonds</b>							
31-Dec-18	City of London	2.550	7-Mar-25	98.42	Aaa*	295,263.00	0.63%
31-Dec-18	City of Montreal	3.000	1-Sep-25	100.75	AA-	2,090,487.18	4.43%
31-Dec-18	City of Montreal	3.000	1-Sep-27	99.85	AA-	998,466.98	2.12%
31-Dec-18	City of Montreal	3.150	1-Dec-36	96.04	AA-	960,411.51	2.04%
31-Dec-18	City of Toronto	2.400	24-Jun-26	96.50	AA	1,737,053.06	3.68%
31-Dec-18	City of Toronto	2.400	7-Jun-27	95.40	AA	953,990.00	2.02%
<b>Corporate Bonds</b>							
31-Dec-18	Bank of Nova Scotia	2.270	13-Jan-20	99.84	A+	499,178.65	1.06%
31-Dec-18	Bank of Nova Scotia	2.090	9-Sep-20	99.14	A+	2,478,551.05	5.26%
31-Dec-18	Canadian Imperial Bank	2.040	21-Mar-22	97.62	A+	2,928,475.38	6.21%
31-Dec-18	Canadian Imperial Bank	3.300	26-May-25	101.40	A+	507,018.71	1.08%
<b>Cash and Cash Equivalents</b>							
31-Dec-18	CLASSIFIED STIF I			10.00		612,361.23	1.30%
31-Dec-18	Cash					-	0.00%
<b>One Investment Program (ONE Funds)</b>							
31-Dec-18	Equity Portfolio					1,530,164.44	3.24%
					Net Accruals	184,300.27	0.39%
<b>Total Fund</b>						<b>47,159,468.30</b>	<b>100.00%</b>

\*Ratings issued by Moody's

<b>Restrictions</b>		
<b>Constraints</b>		Policy Complied with Yes/No
The City shall not invest more than 25% of the portfolio in short-term debt issued or guaranteed by the City.		Yes
Total Investment in 'A' or equivalent rated debt on purchase most not exceed 35% of the market value of the City's bond portfolio.		Yes
The City shall not invest in a security that is expressed or payable in any currency other than Canadian dollars.		Yes
The City shall not invest in a security issued or guaranteed by a school board or similar entity unless the money raised by issuing the security is to be used for school purposes.		Yes
<hr/>		
<b>Permitted ranges</b>	<b>(%)</b>	
Federal issues	0-100	Yes
Provincial holdings in aggregate	0-100	Yes
Single province exposure	0-50	Yes
Individual non-federal/non provincial holdings *	0-10	Yes
Non-federal/non provincial holdings in aggregate	0-50	Yes
Municipal issues *		
- individual muni issue rated "AAA"	0-10	Yes
- individual muni issue rated "AA"	0-10	Yes
- individual muni issue rated "A"	0-5	Yes
Municipal holdings in aggregate	0-30	Yes
Banks and Credit Unions in aggregate	0-50	Yes
Short-term securities	0-50	Yes
Portfolio duration	1-6 Years	Yes

\* Except for City of Hamilton issues which have a limit of 25%

As at December 31, 2018 on a combined basis, the Funds were being managed in a manner that is consistent with the minimum quality requirements, maximum quantity restrictions and all other restrictions imposed on the Funds. Securities lending is allowed, and as such, monies were loaned during the year for the purpose of generating revenues for the Funds. In managing the securities lending program, RBC complied with the constraints described in the legal letter dated July 1, 2018 (the lending program prior to July 1, 2018, was managed under the constraints outlined in the legal letter dated January 6, 2003). The ratings were assumed to be the same for all issues of an issuer. Throughout the year, reports are provided by RBC to the CIO on a weekly basis, showing the securities that the City invested in for the Reserve Fund together with each security's market value. An analysis of the reports indicates whether the securities in the Funds are consistent with the terms, conditions and guidelines stipulated in the SIP&P. Securities that are not consistent with the terms, conditions and guidelines stipulated in the SIP&P are reviewed and action is taken to remedy the situation as soon as possible.



## Activity and Transactions

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Activity every month consists of:

- 1) Inflows: Proceeds from bond maturities and sales, contributions/transfers and investment income;  
and
- 2) Outflows: Funds for bond purchases, distributions and other required outflows.

For the City of Hamilton Reserve Fund, cash inflows were \$305.7 million, consisting of \$114.6 million in sales and maturities, \$16.0 million in investment income and \$175.1 million contributions/transfers. Cash outflows were also \$305.7 million and consisted of \$205.9 million in purchases and \$99.8 million in distributions.

For the Hamilton Future Fund, cash inflows were \$36.1 million, consisting of \$25.6 million in sales and maturities, \$1.2 million in investment income and \$9.3 million contributions/transfers. Cash outflows were also \$36.1 million and consisted of \$27.3 million in purchases and \$8.8 million in distributions.

The records of each activity are summarized in the custodial statements of RBC on a monthly basis. The statement for all purchases, sales and maturities of securities (i.e. the RBC Audit Continuity Report) is provided to the City and filed/archived for review. Due to the number of transactions, it has been deemed preferable not to include the records and transaction statements in this report. We have reviewed a sample of the transactions in the RBC Audit Continuity Report against the activities recorded in the custodial statements to authenticate the nature of the transactions and the existence of their records.

Aon confirms that the date and the name of issue/issuer of each transaction have been recorded. The statements for these purchases and sales have been filed and kept in safekeeping at the following address:

City of Hamilton, City Hall  
71 Main Street West, 1<sup>st</sup> Floor  
Hamilton, Ontario  
L8P 4Y5

## Certificate by Chief Investments Officer

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This Certificate by Chief Investments Officer applies to the City of Hamilton Reserve Fund and Hamilton Future Fund ("the Funds").

The undersigned hereby confirms that throughout the reporting period of 2018.

1. The management of the Funds was in accordance with all the terms, conditions and guidelines stipulated in the SIP&P in effect during 2018.
2. The Funds were managed in compliance with the Municipal Act, 2001 Ontario Regulation 438/97 that was in effect in 2018.
3. The Chief Investments Officer, who manages the Funds, complied at all times and in all respects with the Code of Ethics and Standard of Professional Conduct as promulgated by the CFA Institute.
4. The Chief Investments Officer managed the Funds' assets with the care, diligence and skill that an investment manager of ordinary prudence would use in dealing with the assets of these types of Funds.

Certified by,



Gerald T. Boychuk  
Chief Investments Officer  
City of Hamilton



# INFORMATION REPORT

<b>TO:</b>	Chair and Members Hamilton Future Fund Board of Governors
<b>COMMITTEE DATE:</b>	May 28, 2019
<b>SUBJECT/REPORT NO:</b>	Hamilton Future Fund Reserve Status and Project Funding as of December 31, 2018 (FCS19044) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Marcin Zukowski (905) 546-2424 Ext. 2162
<b>SUBMITTED BY:</b>	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
<b>SIGNATURE:</b>	

## Council Direction:

In 2002, Council approved the recommendations in Report FCS02107 “Creation of a Permanent Hamilton Future Fund – Final Report” and directed staff to provide Council and the Trustee Panel with regular reports on the status of the Hamilton Future Fund (HFF) reserves and projects funded from the HFF.

## Information:

### Hamilton Future Fund Reserves

The funds received from Hamilton Utilities Corp. (HUC), in 2002, were segregated into two reserve accounts:

Account 112246	Hamilton Future Fund A	\$100,000,000
Account 112247	Hamilton Future Fund B	\$ 37,430,705

### Fund A

Fund A was established as a permanent fund to be protected and invested, initially for five years, thus providing investment income as a permanent source of funding. Table 1 of Report FCS19044 summarizes the activity in Fund A from the date it was established in 2002 to December 31, 2018.

Fund A earned \$1,086,336 in investment income in 2018 and approximately \$46,152,065 in investment income since inception in 2002 through to December 31, 2018. In addition, Fund A has earned interest of \$26,612,097 on loans to the City to fund capital projects as well as a loan to Good Shepherd, for a total of \$72,764,162 in investment income since 2002.

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**Table 1**

**HAMILTON FUTURE FUND A  
as of December 31, 2018**

<b>Beginning Balance</b>		<u>\$ 100,000,000</u>
<b>Additions:</b>		
Investment Income		46,152,065
Loan Repayments - City of Hamilton	- Principal	57,698,179
	- Interest	26,326,933
Loan Repayments - Good Shepherd	- Principal	2,280,000
	- Interest	285,164
<b>Less:</b>		
Transfers to Operating (2003 - 2008)		-13,845,000
Loans to Fund Capital Projects - COH		-97,969,761
Poverty Reduction Investment (\$20M over 5 yrs committed)		-8,000,000
<u>Pan Am Games</u>	<u>Approved</u>	
Ivor Wynne / Brian Timmis Stadiums	45,000,000	-44,994,672
Velodrome (not being built in Hamilton, \$5 Million in funding redirected back to HFF)		-247,224
West Harbour Initiatives (Loan)	<u>10,000,000</u>	<u>-10,000,000</u>
Total	55,000,000	-55,241,896
McMaster Health Campus (Loan)	10,000,000	-10,000,000
Forgivable Loan to Dr. Bob Kemp Hospice		-1,500,000
Good Shepherd Loan (Extended for additional 5 Yrs.)		<u>-3,000,000</u>
<b>Ending Balance - Cash &amp; Investments</b>		<u><b>\$ 43,185,684</b></u>
<b>Fund Assets</b>		
Cash & Investments		\$ 43,185,685
COH Loan Receivable (April 1, 2005 - \$15,236,000 @ 4.0%)		2,724,388
COH Loan Receivable (February 1, 2006 - \$15,000,000 @ 3.86%)		3,176,948
COH Loan Receivable (December 31, 2006 - \$14,323,000 @ 3.89%)		3,561,806
COH Loan Receivable (December 31, 2007 - \$11,504,953 @ 4.08%)		3,777,279
COH Loan Receivable (July 17, 2008 - \$2,500,000 @ 4.02%)		1,003,533
COH Loan Receivable (December 31, 2008, - \$4,035,000 @ 3.69%)		1,596,961
COH Loan Receivable (June 30, 2009 - \$2,150,000 @ 3.32%)		988,895
COH Loan Receivable (December 31, 2009 - \$5,400,000 @ 3.30%)		2,481,789
COH Loan Receivable (December 31, 2010 - \$4,000,000 @ 3.04%)		2,092,119
COH Loan Receivable (December 31, 2011 - \$3,182,498 @ 2.10%)		1,820,753
COH Loan Receivable (December 31, 2012 - \$3,118,151 @ 2.20%)		1,992,092
COH Loan Receivable (December 31, 2013 - \$3,672,439 @ 2.48%)		2,595,686
COH Loan Receivable (December 31, 2014 - \$5,395,617 @ 1.82%)		4,096,964
COH Loan Receivable (December 31, 2015 - \$2,369,681 @ 1.56%)		1,938,873
COH Loan Receivable (December 31, 2016 - \$2,833,036 @ 1.75%)		2,382,380
COH Loan Receivable (December 31, 2017 - \$2,773,758 @ 1.75%)		3,022,345
Good Shepherd Loan Receivable (Nov. 30, 2012 - \$3,000,000 @ various) *		720,000
* loan terms revised in 2017		
<b>Total Assets</b>		<u><b>\$ 83,158,493</b></u>

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### **Transfers to Operating Budget**

As part of the 2003 Budget, Council approved using \$4 M in interest revenues to reduce property taxes and directed staff to develop a strategy to eliminate reliance on this funding in future operating budgets. A total of \$13,845,000 has been transferred to operating in years 2003 through 2008 as indicated by year as follows:

Transfers to Operating	
2003	\$ 4,000,000
2004	3,285,000
2005	1,640,000
2006	1,640,000
2007	1,640,000
2008	<u>1,640,000</u>
	<u>\$13,845,000</u>

On April 23, 2008, Report 08-17, Council approved an amendment to the 2008 Tax Supported Budget as follows: “That the interest from the Hamilton Future Fund not be used to lower the tax levy in 2009 and forward.” Therefore, there have been no Transfers to Operating from the HFF since 2008.

### **Loans to Fund Capital**

The City’s Capital Financing Plan incorporates borrowing \$100 M from the HFF to finance capital projects as authorized by By-law No. 05-093. The loans are being repaid with interest to Fund A over a 15-year period from the date of the loans.

The full amount of \$100 M in loans has been approved and committed to fund projects approved in the 2004 through 2018 Capital Budgets, of which \$98 M has been borrowed as of December 31, 2018. Therefore, there is an additional \$2 M committed as loans from Fund A to fund projects as expenditures occur.

A total of \$57 M in loan principal has been repaid to Fund A, leaving an outstanding loan balance of \$39 M as of December 31, 2018. The outstanding loans from the HFF are shown as Fund Assets (loans receivable) in Table 1 of Report FCS19044 to reflect a total asset value of the fund of \$83,158,493.

### **Poverty Reduction Investment**

On September 27, 2017, Council approved Poverty Reduction Investment Plan, Report CES16043(a), which provides funding towards construction of new affordable rental housing. The \$20 M in funding is to be allocated from the HFF reserve over a five-year period at \$4 M per year starting in 2017 and ending 2021.

### **Other Loans**

On March 23, 2011, Council Report FCS10092(a), approved that the loan to the **Dr. Bob Kemp Hospice** in the amount of \$1.5 M has been converted to a Forgivable Loan, interest free, for a term of 20 years. The loan will be forgiven, in full, at the end of the term (2031), subject to the terms of the Forgivable Loan Agreement.

A loan to the **Good Shepherd Centre** in the amount of \$5 M was approved by Council on October 10, 2012, Report FCS12035, of which \$3 M was borrowed from the HFF. The Loan Agreement provides for the loan to be repaid over five years at an interest rate of 2.28%.

In 2017, the **Good Shepherd Centre** requested that the terms of the remaining total principal in the amount of \$1.5 M, of which \$900 K represents HFF's portion, be paid back in equal annual instalments of \$300 K, HFF's portion \$180 K, plus an interest rate of 2.65% over five year period (2018-2022). The outstanding principal attributed to HFF is \$720 K as of December 31, 2018.

The request has been approved by the HFF Board of Governors at their November 29, 2017 meeting and later approved by Council, Report HFF 18-002 on January 24, 2018.

### **Pan Am Stadium**

On April 2, 2009, the HFF Board of Governors approved Report CM09006 using \$60 M of HFF monies in the form of a loan to fund the City's financial requirement for participation in the 2015 Pan Am Games. At the April 14, 2009 Committee of the Whole (COW), Report CM09006, the following resolution was approved and subsequently approved by Council:

“That \$60 M dollars in the form of a grant be approved from the Hamilton Future Fund to fund the City's financial requirement for participation in the Pan Am Games.”

On January 31, 2011, Council approved Report CM09006(I) that the \$60 M in funding for the Pan Am Games be allocated as follows:

Pan Am Stadium Project at Ivor Wynne	\$45 M
Velodrome	\$ 5 M
West Harbour Land Acquisitions	<u>\$10 M</u>
Total	\$60 M

Council further approved “that any net revenues from the sale of the West Harbour lands up to \$10 M be returned to the Hamilton Future Fund”.

On July 12, 2012, through Report HFF 12-001, Council approved the Future Fund grant of \$5 M allocated to the Velodrome be returned to the HFF as the Velodrome was no longer being built in Hamilton. A total of \$247,224 had been spent on the Velodrome project which had been funded from Fund A.

### **McMaster Health Campus**

The recommendations contained in the August 2, 2011 report of the HFF Board of Governors to contribute \$10 M towards construction of new Hamilton Health Campus were approved by Council on August 11, 2011 in Report CM11008(b) / PED11134(a) / FCS11063(a) / BOH11026(a) as follows:

- 1) That the \$10 M contribution to McMaster Health Campus be funded as a loan from the Hamilton Future Fund A (Account 112246);
- 2) That the Future Fund Board of Governors is in support of the McMaster Health Campus Proposal as it coincides with the Board's Guiding Principles and will create a meaningful legacy for the City of Hamilton;
- 3) That all monies from the sale or lease of West Harbour lands be returned to the Future Fund (re: McMaster Health Campus).

#### **Fund A: Forecast**

Table 2 provides a 10-year forecast for Fund A.

It should be noted that the repayment to the Hamilton Future Fund reserve of \$10 M for the purchase of the West Harbour lands and the \$10 M loan to fund the McMaster Health Campus are not reflected in Table 2 of Report FCS19044. The loans are to be repaid from the net proceeds of the sale of West Harbour lands which cannot be determined or forecasted at the current time.

**Table 2**

**HAMILTON FUTURE FUND A (\$000's) - 10-YEAR FORECAST**

	Actual		Projected								
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Opening Asset Value	37,241	43,185	49,404	55,289	60,561	65,830	71,072	76,471	82,032	87,760	93,660
Revenues	3%										
Investment Income	1,086	1,296	1,482	1,659	1,817	1,975	2,132	2,294	2,461	2,633	2,810
Loan Repayment (P&I) - City of Hamilton (COH)	8,634	8,724	8,209	7,424	3,267	3,267	3,267	3,267	3,267	3,267	3,267
Loan Repayment (P&I) - Good Shepherd	224	199	194	190	185						
Expenditures											
Poverty Reduction (\$20 M) <sup>(1)</sup>	-4,000	-4,000	-4,000	-4,000							
West Harbour Lands (Loan) <sup>(2)</sup>											
McMaster Health Campus (Loan) <sup>(2)</sup>											
Balance (Cash and Investments)	43,185	49,404	55,289	60,562	65,830	71,072	76,471	82,032	87,760	93,660	99,737
Outstanding Loans Receivable											
COH - to Fund Capital	39,253	33,962	26,830	20,147	15,937	12,648	9,859	7,651	5,738	4,043	2,567
Good Shepherd	720	540	350	180							
Total Asset Value	83,158	83,906	82,469	80,889	81,767	83,720	86,330	89,683	93,498	97,703	102,304

<sup>(1)</sup> Recommendation to extend payback term on City loans from 2031 to 2036 existing (Report BOH16034 / CES16043 and Report CES16043(a) approved by Council on Sept. 27, 2017). The purpose of the loan repayment extension was to accommodate funding for the Poverty Reduction Investment Plan in the amount of \$20 M.

<sup>(2)</sup> The \$10 M for purchase of the West Harbour Lands and \$10 M for the McMaster Health Campus are to be repaid to the Hamilton Future Fund with the net proceeds from the sale of the West Harbour Lands. (Approvals: West Harbour - Jan. 31, 2011 Council; McMaster Health - Aug. 11, 2011 Council)

The Fund A forecast in the Table 2 includes amendments to the repayment terms approved by Council at its meeting on September 27, 2017 in Report CES16043(a):

“That \$20 M be allocated to increase affordable housing and improve the state of good repair with funds derived by extending the payback term for existing City loans from the Future Fund from 2031 to 2036.”

The approved disbursement of the \$20 M loan is \$4 M annually over five years, 2017-2021, as it was previously presented to the Board.

**Fund B**

Fund B was established to provide funding for the various initiatives that provide permanent legacy for current and future generations of Hamiltonians to enjoy economic prosperity and improved quality of life (refer to Appendix “A” to Report FCS19044) as recommended by the Community Trustee Panel (now the HFF Board of Governors) and approved by Council. Table 3 of Report FCS19044 provides a summary of the transactions from the date the fund was established in 2002 to December 31, 2018. Investment income for Fund B in 2018 was \$101,171 and has earned a total of \$9,188,571 in investment income from 2002 to December 31, 2018.

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The total approved funding from Fund B is \$ 43,390,431, as shown in Appendix “A” to Report FCS19044, has been allocated to fund the various initiatives to date. As of December 31, 2018, the uncommitted balance in Fund B is \$3,228,845 (Table 3 of Report FCS19044).

**Hamilton Realty Capital Corporation (HRCC)**

On March 9, 2016 Council approved the recommendations in Report PED16061 effectively dissolving the HRCC. Council further approved cancelling capital contribution commitment from Fund B to HRCC in the amount of \$1.85 M.

**Table 3**

**Hamilton Future Fund B  
As of December 31, 2018**

Initial Investment		\$ 37,430,705
Revenues		
Total Investment Income		9,188,571
Funds returned		3,983,664
Project Funding & Other Expenses		
Prior year grants (Appendix "A" To Report FCS19044)	-	45,813,295
2017/2018 grants (Table 4)	-	1,553,500
Total grants	-\$	47,366,795
Other Expenses (Appendix "A" To Report FCS19044)	-	7,300
Total Expenditures / Project Funding to date	-\$	47,374,095
Fund Balance		\$ 3,228,845
Committed		\$ -
Uncommitted Balance		\$ 3,228,845

Recipients of the Hamilton Future Fund 2017 Application In-Take in the amount of \$1,553,500 are shown in Table 4 and in the Appendix “A” to Report FCS19044. The approval of the grants was ratified by Council on March 28, 2018, Report HFF 18-001.

**Table 4**

**Hamilton Future Fund B  
2017/2018 Application In-Take**

<u>Applicant</u>	<u>Amount</u>	<u>Project Scope</u>
Cancer Assistance	93,000	Scheduling software
City Kidz	102,000	Kitchen equipment project
City of Hamilton	42,500	Albion Falls South Access and Viewing Platform
Hamilton Air Force Association	67,000	Replace walk-in cooler lounge & install wheelchair lift
Hamilton Olympic Club	35,000	Purchase of an electronic score board
Royal Botanical Gardens	93,000	3 Season Pavilion
Theatre Aquarius	196,000	Audience Accessibility
Westdale Cinema Group	250,000	Restoration of the Westdale Theatre
St. Joseph's Healthcare Hamilton Foundation	675,000	Purchase of orthopaedic robotics surgery equipment
	<u>\$ 1,553,500</u>	

**Project Funding Status (Appendix “A” to Report FCS19044)**

Appendix “A” to Report FCS19044 provides project funding from Fund B to the approved projects, as well as, the status of the projects and other project details. Total funding has been approved from Fund B of which \$ 43,390,431 has been used to fund the various projects and initiatives, to date, leaving an unexpended balance of \$3,228,845 as of December 31, 2018.

**Appendices and Schedules Attached**

Appendix “A” – Hamilton Future Fund Projects / Grants – Fund B: Funding Analysis as of December 31, 2018

MZ/dt

**HAMILTON FUTURE FUND PROJECTS / GRANTS  
FUND B: FUNDING ANALYSIS  
AS OF DECEMBER 31, 2018**

PROJECT / INITIATIVE	2018 APPROVED (*)	APPROVED FUNDING (\$)	FUNDING / PAYMENTS TO DATE (\$)	VARIANCE (\$)	REPORTS	DESCRIPTION / STATUS
<b>ECONOMIC DEVELOPMENT</b>						
Urban Development Bank		2,300,000	446,855	1,853,145	PED16061 & PED15097	Hamilton Realty Capital Corp. (HRCC) established in July 2006 with approval of the Unanimous Stakeholders' Agreement which governs the terms of operation and management of the HRCC. A matching commitment of \$2 M from FH Investco, a private development company has been secured. Several development opportunities have been evaluated. The HRCC has purchased 134 Cannon St. E. (former Cannon Knitting Mills) and is exploring development opportunities for the site. Unspent funds of \$1.85M re-directed back to Fund B per PED 16061 & PED15097.
King William - James to Catherine		2,051,000	2,047,168	3,832	FCS02107, FCS09083(b)	Streetscaping project. Remaining section (James to Hughson) completed in 2011 with the completion of the Lister Block development. Project under budget \$3,832 with funds redirected back to Fund B per closing report FCS09083(b).
Hughson St. - Hunter to Rebecca		2,213,000	2,213,000	-	FCS02107	Streetscaping project is complete.
Business Tax Reduction		7,000,000	5,188,740	1,811,260	HFF 10-002; FCS02107	Funding to reduce business property tax (clawbacks) with matching funds from the Province. \$1 M committed to Rent Supplement Program in 2008 as per below. No funding from HFF required in 2008 or 2009. Unspent balance of \$1,811,260 redirected back to Fund B per HFF Board Report 10-002 (October 27, 2010).
Rent Supplement Program		1,000,000	1,000,000	-	ECS08007(a)	Funding for the Rent Supplement Program administered by Hamilton Housing, approved by the HFF Board June 5, 2008. Funding is applied to rents to lower rent for those on the waiting list for affordable housing.
Airport Looping - Trunk Watermain		5,000,000	5,000,000	-	FCS02107	Watermain looping project provided increased water pressure and expanded service to the Airport area's existing & future businesses.
Municipal Wireless Wi-Fi Project		500,000	500,000	-	HFF 06-003	Wireless internet Access infrastructure in Downtown Hamilton & other "hot spots". Pilot Jan - Dec. 2008. Over 50 wireless access points operational.
Mustard Seed Co-operative Grocery Inc.		25,000	25,000	-	HFF 13-003	Funding approved during 2013 application process for equipment costs during startup.
Centre 3 for Print & Media Art		40,000	40,000	-	GIC 14-015	Funding approved during 2014 application process for the purchase of digital equipment.
<b>Subtotal</b>		<b>20,129,000</b>	<b>16,460,763</b>	<b>3,668,237</b>		
<b>SOCIAL</b>						
Career Development Resource Centre		2,400,000	2,294,627	105,373	FCS02107; FCS11073(b) HCS03016	181 Main St. W. renovated for Career Development Centre, official opening March 30, 2005. Fed's partially funded the renovation. Funds were used to reconfigure and renovate the CDC to support a new service delivery model to improve client self-service areas, moving the reception area to greet patrons at the elevator and reconfiguring workstations to support desk-side interviewing. Project complete with unspent funds of \$105,373 redirected back to Fund B per closing report FCS11073(b)

**HAMILTON FUTURE FUND PROJECTS / GRANTS  
 FUND B: FUNDING ANALYSIS  
 AS OF DECEMBER 31, 2018**

PROJECT / INITIATIVE	2018 APPROVED (*)	APPROVED FUNDING (\$)	FUNDING / PAYMENTS TO DATE (\$)	VARIANCE (\$)	REPORTS	DESCRIPTION / STATUS
Hamilton Affordable Housing Partnership Initiative (HAHPI)		1,500,000	1,500,000	-	FCS02107	Two initiatives have been funded in tandem with the Federal-Provincial Community Rental Housing Program > \$130K for the St. Elizabeth Home Society (307 John Street South) > \$550K for T. Valeri Construction Limited (450 Cumberland Avenue) > Remaining funds utilized in 2014 to fund Affordable Rental Housing projects.
City Housing Contribution		1,400,000	1,400,000	-	FCS02107	34 unit infill project at 557 Queenston Rd. Other contributors included Federal, Provincial & Hamilton Housing. Completed Apr. 2005 with May 1, 2005 occupancy.
Hamilton Housing Innovation Fund (HHIF)		100,000	100,000	-	PD02001	Home Ownership Affordability Partnership project among the City, Threshold School of Building, the Realtors Assoc. of Hamilton-Burlington and Hamilton-Halton Home Builders Assoc. "Hamilton HomeStart" program providing downpayment assistance to existing CityHousing Hamilton tenants to purchase 1st home.
<b>Opportunity Fund</b>						
Housing Emergency Loan Fund		75,000	75,000	-	FCS02107	Rent bank
Greater Hamilton Food Share		100,000	100,000	-	FCS02107	Funds used for building renovations
Bridges Program		125,000	125,000	-	FCS02107	Subsidized recreation
Accreditation for Immigrants		135,000	135,000	-	FCS02107	Skills validation / certification for immigrants on Ontario Works
Road to Independence		65,000	65,000	-	FCS02107	Assistance with public transit costs for 3 months upon leaving Ontario Works due to employment.
<b>Total Opportunity Fund</b>		<b>500,000</b>	<b>500,000</b>	<b>-</b>		
Parent & Child - Homemaking Service - 2003 - 2005		709,648	709,648	-	HCS03012(b)	Program funding for years 2003 through 2005.
Industry Education Council of Hamilton		70,000	70,000	-	FCS02107	Develop & implement a marketing plan to promote Hamilton as leading centre for educational opportunity, research & discovery.
Mohawk College (STARRT Institute)		1,500,000	1,500,000	-	HFF 06-003	Contribution to Mohawk College to fund the transformation of the Stoney Creek Campus as the Skilled Trades & Apprenticeship Research, Resources and Training (STARRT) Institute.
Physician Recruitment Program		50,000	50,000	-	MAY03007	Contribution to fund program to recruit doctors to Hamilton. Several other contributors provided funding to the program as well.
St. Joseph's Villa		400,000	400,000	-	HFF 13-003	Funding approved during 2013 application process for renovations to provide a new 12 bed resident home area at St. Joseph's Villa.
Neighbour to Neighbour		100,000	100,000	-	HFF 16-001	Funding for Community Food Centre was approved during 2016 application process
YMCA on Wheels		125,000	125,000	-	HFF 16-001	Funding for "Y on Wheels" program was approved during 2016 application process
Cancer Assistance	*	93,000	93,000	-	HFF 18-001	Scheduling software
CityKidz	*	102,000	102,000	-	HFF 18-001	Kitchen equipment project
<b>Subtotal</b>		<b>9,049,648</b>	<b>8,944,275</b>	<b>105,373</b>		
<b>COMMUNITY</b>						
Art Gallery (Transitional Assistance) (AGH)		1,500,000	1,500,000	-	FCS02107	Funding to the AGH for the building renovation / re-cladding project
Waterfront Trail Extension -Phase 1		800,000	800,000	-	PW03168; FCS02107	Waterfront trail at Pier 8 around Discovery Center.
Dieppe Memorial Park		350,000	350,000	-	FCS02107	Memorial Park honouring the veterans of the Battle of Dieppe along the Hamilton Beach Trail
Scenic Waterfall Program		500,000	500,000	-	FCS02107	Albion Falls viewing platform (lookout)

**HAMILTON FUTURE FUND PROJECTS / GRANTS  
 FUND B: FUNDING ANALYSIS  
 AS OF DECEMBER 31, 2018**

PROJECT / INITIATIVE	2018 APPROVED (*)	APPROVED FUNDING (\$)	FUNDING / PAYMENTS TO DATE (\$)	VARIANCE (\$)	REPORTS	DESCRIPTION / STATUS
Heritage Curatorial Centre		300,000	300,000	-	PED13026	Originally \$1.5M approved for Heritage Curatorial Centre. \$400,000 was transferred to Renovation of Burlington Street Artifact Storage Facility for a Curatorial Centre. Remaining funds (approx. \$800,000) approved for repairs of historic stone walls at Auchmar. Approved at HFF meeting January 29, 2013 re: Report PED 13026.
Repair Stone Walls at Auchmar		800,000	789,946	10,054	PED13026	\$800,000 approved by HFF Board (PED13026), reallocated from Heritage Curatorial Centre project above. Unspent \$10,054 returned to the fund.
Upgrade Artifact Storage Facility as Curatorial Centre		400,000	400,000	-	PED13026	\$400,000 approved by HFF Board (PED13026), reallocated from Heritage Curatorial Centre project above.
Hlth & Biotechnology Incubator		5,000,000	5,000,000	-	ECO02004 ECO05006	Contribution to McMaster for development of a Health & Biotechnology Incubator Facility located at the old Camco site.
Giants' Rib Discovery Centre		300,000	100,000	200,000	HFF 10-002	The project is to build one of Ontario's top environmental learning centres that will inform, educate & entertain visitors about the Niagara Escarpment. \$300K approved in 2002 and additional \$50K advanced in 2004 for operational funding for staff. The project has been put on hold due to lack of funding commitment from senior levels of Government. Unspent balance of \$200,000 redirected back to Fund B per HFF Board report 10-002 (October 27, 2010).
YWCA Ottawa St. / MacNab / W. Mtn.		810,000	810,000	-	FCS02107	Contribution to YMCA's Building Campaign for renovations / improvements to Ottawa St., MacNab St & West Mountain YWCAs
Skateboard Park		500,000	500,000	-	FCS02107	Construction of the Skateboard Park tied to construction of the South Mountain Complex (SMC) including a YMCA & Library. Construction of the skate park was completed in the Spring of 2009.
Powerline Trail - Conservation Foundation		300,000	300,000	-	FCS02107	Funding to Hamilton Conservation Authority to build a trail / boardwalk (Powerline Rd., Stoney Creek).
Hamilton Naturalists' Club		10,000	10,000	-	HFF 06-003	Book on birds of Hamilton and surrounding areas.
Hamilton Philharmonic Orchestra		100,000	100,000	-	HFF 06-003	Funding for Education Outreach Program
City of Hamilton - Cultural Planning Project		100,000	100,000	-	PED12117; CS10057; FCS02107	Phase 1 report presented to COW on June 18/2010 (CS10057) and approved by Council on June 23/10. Phase 2 included establishing a project steering team and initiating community consultation, resulting in the Culture Policy approved by Council June, 2012 (PED12117). Phase 3 entailed the development of the Cultural Plan which was presented to Council in October 2013 (PED12117(a)). The Cultural Plan 2013 establishes the strategic framework for cultural development, including Goals, Recommendations and Actions.
Robert Land Community Association		200,000	200,000	-	HFF 06-003	Purchase and redevelopment of the Old Robert Land School on Wentworth St. N.
Rockton Agricultural Society		230,000	230,000	-	HFF 06-003	Relocation and restructuring of 2 show rings and construction of a new permanent grandstand.
Workers Arts & Heritage Centre		450,000	450,000	-	HFF 06-003	Stabilize, rehabilitate and make improvements to the Customs House building.
Battlefield Monument		117,000	117,000	-	HFF 12-001	The restoration of the Observation Deck was completed in 2012. The exterior masonry conservation was completed in 2013. Interior masonry conservation i.e. removal of parging, repair and re-parging, and window conservation.

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Hamilton Museum of Steam & Technology (HMST)		58,903	58,903	-	FCS02107	Multi-phased project - Primarily to remove groundwater that collects in the sump well, create a site development plan and stabilize stone features of the 1859 historic structure. Stone stairs reconstructed, stone work & conservation of iron material within well completed. Project complete. Unused funding (\$107,764) reappropriated to the Gore Park Fountain project.
Nash Jackson House		333,330	333,330	-	HFF 15-001	Funding several construction deficiencies.
Trees Across Hamilton		60,000	60,000	-	HFF 15-001	Tree planting program.
Ham. Cenotaph Restoration/MacDonald Statue		120,000	120,000	-	HFF 06-001	Restoration of the Hamilton Cenotaph & MacDonald Statues in Gore Park - Project completed
AGH Operating Grant - 2005 & 2006		520,000	520,000	-	FCS02107	Grant to the Art Gallery of Hamilton for operating funds during recladding / renovation project
Gore Park Fountain Stabilization		203,788	203,788	-	HFF 06-001	Fountain stabilization project.
Stoney Creek Cenotaph Restoration		103,728	103,728	-	HFF 06-001	The restoration of the monument and the "surround" has been completed. Unused funding (\$6,272) reappropriated to the Gore Park Fountain Restoration project)
Hamilton Artists Inc.		750,000	750,000	-	FCS07034	Funding for a building purchase/renovation in Downtown Hamilton. The property at 155 - 161 James St. N. was purchased and renovated.
Village Theatre Waterdown Inc.		41,574	41,574	-	HFF 13-003	Funding approved during 2013 application process for technical equipment renewal project.
Waterdown Memorial Hall		600,000	600,000	-	HFF 13-003	Funding approved during 2013 application process for building renovations (City project).
Hamilton Naturalists' Club		24,110	24,110	-	HFF 13-003	Funding approved during 2013 application process for the Land's Inlet Nature Project.
Bay Area Restoration Council		40,000	40,000	-	HFF 13-003	Funding approved during 2013 application process for the Hamilton Harbour Interactive Explorer Map project.
Salvation Army - Lawson Ministries		200,000	200,000	-	HFF 13-003	Funding approved during 2013 application process accessibility upgrades at 33 King St. East. Funding was conditional on the project's financial details being provided to the HFF Board. The conditions were met in June 2015 and the funds were advanced.
Hamilton Naturalists' Club		80,000	80,000	-	GIC 14-015	Funding approved during 2014 application process for the Pollinators Paradise Project.
Hamilton Victory Gardens		70,000	70,000	-	GIC 14-015	Funding approved during 2014 application process for the development of two (2) garden sites.
Hamilton Public Library		149,679	149,679	-	GIC 14-015	Funding approved during 2014 application process for the "Love Your City, Share Your Stories" project.
Art Gallery of Hamilton (AGH)		107,000	107,000	-	HFF 16-001	Funding to expand capacity of the Art Gallery of Hamilton's Film Program was approved during 2016 application process
Green Venture		33,000	33,000	-	HFF 16-001	Funding for development of urban neighbourhood alleyways was approved during 2016 application process
Living Rock Ministries		36,940	36,940	-	HFF 16-001	Funding for Harvest Sandwich Shop was approved during 2016 application process
Steward Cootes		48,221	48,221	-	HFF 16-001	Funding of Cootes and Red Hill Watersheds clean-up initiative was approved during 2016 application process
The Bridge		58,530	58,530	-	HFF 16-001	Funding for The Bridge House Transformation Project was approved during 2016 application process
Industry Education		86,000	86,000	-	HFF 16-001	Funding for Code Club expansion was approved during 2016 application process
Hamilton Victoria Curling Club		109,719	109,719	-	HFF 16-001	Funding for Victoria Curling Club was approved during 2016 application process

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PROJECT / INITIATIVE	2018 APPROVED (*)	APPROVED FUNDING (\$)	FUNDING / PAYMENTS TO DATE (\$)	VARIANCE (\$)	REPORTS	DESCRIPTION / STATUS
Rygiel		150,000	150,000	-	HFF 16-001	Funding for Rygiel Resource Centre was approved during 2016 application process
Troy / Lynden Women's Institute		78,125	78,125	-	HFF 16-001	Funding for preservation of Troy Schoolhouse was approved during 2016 application process
PW LAS	*	42,500	42,500	-	HFF 18-001	Albion Falls South Access and Viewing Platform
Olympic Club	*	35,000	35,000	-	HFF 18-001	Purchase of an electronic score board
AirForce	*	67,000	67,000	-	HFF 18-001	Replace walk-in cooler lounge & install wheelchair lift
Royal Botanical	*	93,000	93,000	-	HFF 18-001	3 Season Pavilion
Theatre Aquarius	*	196,000	196,000	-	HFF 18-001	Audience Accessibility
Westdale	*	250,000	250,000	-	HFF 18-001	Restoration of the Westdale Theatre
St Joseph	*	675,000	675,000	-	HFF 18-001	Purchase of orthopaedic robotics surgery equipment
<b>Subtotal</b>		<b>18,188,147</b>	<b>17,978,093</b>	<b>210,054</b>		
<b>Total - HFF Funded Projects</b>		<b>47,366,795</b>	<b>43,383,131</b>	<b>3,983,664</b>		
Newspaper Ads - Spec, Brabant		7,300	7,300	-	Various, GIC 18-002	Newspaper advertisements for HFF Board members.
<b>Total - HFF Funded Projects &amp; Admin</b>		<b>47,374,095</b>	<b>43,390,431</b>	<b>3,983,664</b>		



# HAMILTON FUTURE FUND BOARD OF GOVERNORS MEETING

Tuesday, May 28, 2019



1. Understanding your role
2. Non-verbal communication
3. Who are the media and communicating your point of view
4. Newsworthy stories
5. Meeting needs of the media
6. Communication tips

# YOUR ROLE

- Communicating your point of view as a **resident**
- Sharing feedback on the needs and aspirations of residents
- Promoting good citizenship and active engagement in your City



# Who are the media?

## Communicating your point of view with key messages and elevator speech

### What?

### So What?

### Now What?



# Non-verbal communication

# A NEWSWORTHY STORY

- Relevant
- Timely
- Impactful
- Topical



# Meeting the needs of the media



# SOCIAL MEDIA





Hamilton

THANK YOU



# 11.1

# CITY OF HAMILTON

## MOTION

Hamilton Future Fund Board of Governors: May 28, 2019

**MOVED BY** .....

**SECONDED BY** .....

### **Citizen Resignation from the Hamilton Future Fund Board of Governors**

- (a) That the resignation of Marie Scime from the Hamilton Future Fund Board of Governors, be received; and,
- (b) That the Selection Committee be requested to fill the citizen appointee vacancy on the Hamilton Future Fund Board of Governors.