



Hamilton

**HAMILTON FUTURE FUND  
BOARD OF GOVERNORS  
REPORT 11-002**

**August 2, 2011**

**2:30 p.m.**

**Room 264, City Hall**

**71 Main Street West**

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- Present:** Mayor, R. Bratina  
Councillors, B. McHattie, J. Partridge, L. Ferguson,  
T. Weisz, C. McLaughlin, G. Hoath, T. Crugnale, M. Kirk,  
J. Kirkpatrick, M. Dickson, J. Saunders, R. Bagdonas,  
G. Robinson
- Absent with  
Regrets:** V. Raso, J. Ruetz, K. Dickson
- Also Present:** R. Rossini, General Manager, Finance and Corporate  
Services  
C. Elliot, Senior Financial Analyst, Finance and Corporate  
Services  
A. Grozelle, Office of the City Clerk

**THE HAMILTON FUTURE FUND BOARD OF GOVERNERS PRESENTS REPORT  
11-002 AND RESPECTFULLY RECOMMENDS:**

- 1. Appointment of a Chair and Vice-Chair (Item A)**
  - (a) That Tom Weisz be appointed Chair of the Hamilton Future Fund Board of Governors for the 2010-2014 term;
  - (b) That Chris McLaughlin be appointed Vice-Chair of the Hamilton Future Fund Board of Governors for the 2010-2014 term.
  
- 2. Resignation of Kieran Dickson from Hamilton Future Fund Board of Governors (Item 5.2)**
  - (a) That the resignation of Kieran Dickson be received;
  - (b) That the membership of the Hamilton Future Fund Board of Governors be reduced from 17 to 16 members for the remainder of the 2010-2014 term.

- 3. McMaster Health Campus Proposal McMaster University (CM11008(a)/PED11034/FCS11063/BOH11026) (Council referral of sub-section (c) (Item 8.1))**
- (a) That the \$10 million contribution to McMaster University be funded as a loan from the Hamilton Future Fund A (Account 112246);
  - (b) 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;
  - (c) That all monies from the sale or lease of West Harbour lands be returned to the Future Fund.

**FOR THE INFORMATION OF COMMITTEE:**

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

The Clerk advised that there were no changes to the agenda.

The agenda was approved as presented.

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

Chair Weisz indicated that he was involved as a Board member for McMaster University, although clarified that he was not reimbursed for this volunteer work and accordingly would not be declaring a conflict with Item 8.1 respecting the McMaster Health Campus proposal.

Councillor McHattie declared a conflict on the Item 8.1 respecting the McMaster Health Campus proposal as his wife is an employee of McMaster Health Sciences.

**(c) CONSENT ITEMS (Item 5)**

**(i) Hamilton Future Fund Board of Governors Background Information (Item 5.2)**

On a Motion the Hamilton Future Fund Board of Governors Background Information was received for information purposes.

**(ii) Treasurer's Investment Report 2010 Fiscal Year by AON Hewitt (FCS11039) (City Wide) (Item 5.3)**

Rob Rossini, General Manager Finance and Corporate Services provided an update of the Future Funds position. Highlights included but were not limited to the following:

- Discussed the investment portfolio
- Indicated that around 40% Ontario of the investments are in government bonds and around 34% in banks
- Discussed how there is an investment group in house that looks after not just the Future Fund investments but all of the City's investments.
- Described how the in house investment program works and the approved investment policies
- Indicated that under the Municipal Act municipalities can't invest in securities
- The One fund designed for municipalities is the only security the City of Hamilton can invest in
- Described how they are very restricted and conservative in what the City is able to invest in

Committee members asked several questions of clarification. Highlights included but were not limited to the following:

- Councillor Ferguson asked about the Funds current financial position
- Staff indicated that in 2011 there is around \$44.8 million in the fund however that amount will go down because of the Pan Am Games commitments
- Staff indicated that the low point of the fund is expected to be in 2014 when the projected value would be \$20.2 million.
- Staff indicated that because of the money lent out after 2014 there would be annual repayments to the Fund of around \$9 million, predicting an \$83 million balance by 2020.

Chair Weisz provided further background for the new Committee members describing how the Future Fund was created through to the recent Pan Am Stadium grant.

On a Motion Report FCS11039, respecting Treasurer's Investment Report 2010 Fiscal Year by AON Hewitt, was received for information purposes only.

**(d) DISCUSSION ITEMS (Item 8)**

**(i) McMaster Health Campus Proposal McMaster University (CM11008(a)/ PED11034/FCS11063/BOH11026) (Item 8.1)**

Rob Rossini, General Manager Financial and Corporate Services, provided an overview. Highlights included but were not limited to the following:

- Discussed the background of how the McMaster Proposal came forward
- Discussed the partnering with Public Health to consolidate services
- Indicated around 4000 students would use the building every year although not all would be there at once
- Indicated that somewhere around 80 family doctors will use the centre for training
- Discussed the important redevelopment aspect for the downtown
- Described how this project makes good use of a location that will soon be vacant
- Indicated that McMaster is proposing that this is a two phase process where the parking lot behind the centre could be developed later on
- Discussed the consolidation of the Health Services in the building
- Described this as a beach head development for the downtown area as it will be McMasters first full-time student development in Downtown Hamilton
- Discussed the financial implications on the Future Fund
- Discussed that staff are recommending to fund \$10 million from the Future Fund and \$10 million from another to be identified source.

Mayor Bratina commented that this project is in line with what is being done in other municipalities. Discussed how the City of London approved \$20 million dollars towards a downtown Fanshawe College location. The Mayor discussed the positive impact such a development would have on the Downtown area.

Councillor Ferguson discussed the repayment of West Harbour Lands and how the money would come back to the Future Fund

Staff indicated that there is already a standing decision for Council already on this requiring the repayment up to \$10 million from the proceeds of any sale.

Committee members discussed if this decision should be supplemented by requesting all money of the sale or lease of the West Harbour lands to be returned to the Future Fund.

Tara Crugnale raised the issue of whether or not having all this patient traffic located in Downtown Hamilton could have a negative impact.

Councillor Partridge indicated that there are a lot of the people in the core downtown area who need assistance and the Centre would help address this need.

Staff indicated that having the facility located in downtown has a better chance of being accessible and is located very close to public transit terminals.

For further disposition on this Item refer to Item 3.

**(e) OTHER BUSINESS (ITEM 11)**

**(i) Guiding Principles – Fund Applications (Added Item 11.1)**

Chair Weisz indicated that it is appropriate for the Board to review their Guiding Principles and when to open funding applications. The Chair indicated that the current requirement to not open up funding applications until there is a \$100 million in the fund may need to be discussed and reconsidered.

**(f) ADJOURNMENT (ITEM 12)**

There being no further business the Meeting was adjourned at 3:10 p.m.

Respectfully submitted,

T. Weisz, Chairman  
Hamilton Future Fund Board of Governors

Andy Grozelle  
Legislative Assistant  
August 2, 2011