



Hamilton

**WENTWORTH LODGE
HERITAGE TRUST FUND SUB-COMMITTEE
REPORT 12-001**

9:00 a.m.

Thursday, March 22, 2012

Room 264

Hamilton City Hall

71 Main Street West, Hamilton, Ontario

Present: Councillor R. Powers, Chair
Mike Yoshimoto, Chair, Wentworth Lodge Family Council
Andrew Crawford, Citizen Member

Also Present: Lynda Secord, Administrator, Wentworth Lodge
Gerry Boychuk, Chief Investment Officer, City of Hamilton
Stephanie Paparella, Legislative Coordinator, Office of the City Clerk

**THE WENTWORTH LODGE HERITAGE TRUST FUND SUB-COMMITTEE
SUBMITS REPORT 12-001 AND RESPECTFULLY RECOMMENDS:**

**1. Wentworth Lodge Inside Courtyard (Maple Lane) – Hand/Guard Rails
(CS12010) (Ward 13) (Item 4.1)**

That Report CS12010, respecting Wentworth Lodge Inside Courtyard (Maple Lane) – Hand/Guard Rails, be received.

**2. Statement of Investment Policy and Procedures for the Heritage
Trust Fund for Wentworth Lodge (FCS12029) (Ward 13) (Item 5.1)**

(a) That the Statement of Investment Policy and Procedures for the Heritage Trust Fund for Wentworth Lodge, attached as Appendix “A” to Report 12-001, be approved.

(b) That an Investment Fund Sub-Committee, to the Wentworth Lodge Heritage Trust Fund Sub-Committee, comprised of the Ward

13/Dundas Community Councillor, the Wentworth Lodge Family Council Representative and the Citizen at Large who are appointed to the Wentworth Lodge Heritage Trust Sub-Committee be established.

3. Wentworth Lodge Courtyard Shelter/Gazebo (CS12011) (Ward 13) (Item 5.2)

- (a) That Report CS12011, respecting the proposed Wentworth Lodge Courtyard Shelter/Gazebo, be received.
- (b) That funding for the Courtyard Shelter/Gazebo for Wentworth Lodge, in the amount of up to \$100,000 to be funded from the Wentworth Lodge Heritage Trust Fund, be approved.
- (c) That other efforts be pursued by the Wentworth Lodge Family Council to obtain a portion of the funding through grants and/or outside funding in order to minimize the draw on the Wentworth Lodge Heritage Trust Fund.

4. 2012 Heart and Home (Pet) Program (Item 5.3)

That \$6,000, for the 2012 Heart & Home (Pet) Program at Wentworth Lodge, to be funded from the Wentworth Lodge Heritage Trust Fund, be approved.

FOR THE INFORMATION OF COMMITTEE:

(a) CHANGES TO THE AGENDA (Item 1)

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

- (i) Added as Item 6.1, the 2011 Wentworth Lodge Heritage Trust Fund Account Activity

The agenda for the March 22, 2012 meeting of the Wentworth Lodge Heritage Trust Fund Sub-Committee was approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 3)

(i) March 21, 2011

The Minutes of the March 21, 2011 meeting of the Wentworth Lodge Heritage Trust Fund Sub-Committee were approved, as presented.

**(d) Wentworth Lodge Courtyard Shelter/Gazebo (CS12011) (Ward 13)
(Item 5.2)**

Mr. Crawford suggested that the Courtyard Shelter be named after the late Hildegard Zeller who generously bequeathed the Trust Fund to the Lodge.

It was suggested that upon completion of the Courtyard Shelter, this matter be raised and the recommendation be put forward through the appropriate process and Committee for consideration.

(e) 2012 Heart and Home (Pet) Program (Item 5.3))

Lynda Secord, Administrator for Wentworth Lodge, advised the Committee that the Heart and Home Program was working very well with residents of the Lodge.

Ms. Secord noted that the portion of the Wentworth Lodge Heritage Trust Fund Account Activity illustrated a 2012 projected cost of \$5,000 for pet expenses; however, it should read \$6,000 and will need to be corrected.

Ms. Secord requested \$6,000 in funding for the 2012 Heart and Home (Pet) Program for Wentworth Lodge, to be funded from the Trust Fund.

(f) Status of Towel/Blanket Warmers (Item 5.4)

Lynda Secord advised that six (6) blanket and towel warmers have been purchased for the Lodge at a cost of \$19,525, and have been very helpful for the residents.

Funding for the towel/blanket warmers, in the amount of \$24,000, had been previously approved by Council as Item 3(d)(i) of the Emergency & Community Services Committee Report 09-008 on May 27, 2009.

The information provided by staff, respecting the status of the towel/blanket warmers, was received.

(g) Audio/Visual Needs for Travel Log Meetings – Options and Costs (Item 5.5)

Ms. Secord informed Committee that Mr. Yoshimoto and the Recreation Supervisor have been discussing the audio/visual needs for the Lodge, and will come forward to Committee at a future meeting once those needs have been determined.

Ms. Secord also advised the speakers and projector that are currently required, will be provided to the Lodge through the Lodge's operating budget.

(h) Information Package/Draft Donation Card (Item 5.6)

Lynda Secord provided a copy of the Wentworth Lodge Information Package and draft donation card to members of Committee.

Mr. Yoshimoto noted that he was not comfortable with the donation cards being provided in the Information Packages that were given to new residents and their families upon arrival at the Lodge.

Committee was supportive of the draft donation card, but provided the following direction to staff:

Staff was directed to amend the back of the donation card by adding the appropriate wording ("and/or") in order to provide donors with the option of contributing to both the day-to-day comforts for residents, as well as the Trust Fund; and, in which proportion (equally to both or percentage of donation to each) before finalizing the donation cards.

Staff was directed to discuss where the donation card should be available to donors with the Wentworth Lodge Family Council, at its next meeting.

(i) 2011 Wentworth Lodge Heritage Trust Fund Account Summary

For the Committee's information, Ms. Secord provided a copy of the 2011 Wentworth Lodge Heritage Trust Fund Account Summary.

The 2011 Wentworth Lodge Heritage Trust Fund Account Summary was received.

(j) ADJOURNMENT (Item 7)

There being no further business, the Wentworth Lodge Heritage Trust Fund Sub-Committee adjourned at 10:00 a.m.

Respectfully submitted,

Councillor R. Powers
Chair, Wentworth Lodge Heritage Trust
Fund Sub-committee

Stephanie Paparella
Legislative Coordinator
March 22, 2012

**Statement of Investment Policy for
the Heritage Trust Investment Fund for Wentworth Lodge**
(updated March 07, 2012)

1. PURPOSE OF POLICY

This Statement of Investment Policy (the “Policy”) sets forth the process that the Heritage Trust Investment Fund for Wentworth Lodge¹ (“Trust Fund”) has adopted to make investment decisions. The Policy identifies the investment goals and objectives of the Trust Fund, permitted investments, general guidelines for investment, and governance for the investments of Trust Fund. The Policy will be reviewed at least annually by the Wentworth Lodge Heritage Trust Fund Sub-Committee.

2. PURPOSE OF THE HERITAGE TRUST FUND

In August 1996, at the discretion of the Regional Municipality of Hamilton-Wentworth, a trust fund was established at Wentworth Lodge to manage a \$100,000 donation and any future large donations (the “Heritage Trust Investment Fund”). The monies are ultimately designated for approved projects. Until the use of the funds is required, the monies shall be invested as per this Policy. A small percentage of these funds are currently withdrawn for approved projects, usually (but not necessarily) on an annual basis. **Withdrawals shall be limited to the aggregate earnings of the previous year Trust Fund earnings and a maximum of 10% of the remaining principal that comprises the Trust Fund per annum.**

3. WENTWORTH LODGE HERITAGE TRUST FUND COMMITTEE

The Regional Municipality of Hamilton-Wentworth approved Item 13 of the Health and Social Service Committee Report 16-97 (October 28, 1997), which established the Heritage Trust Fund Sub-Committee. The composition of the Wentworth Lodge Heritage Trust Fund Sub-Committee is to be:

- The Ward 13/Dundas Community Councillor
- One Citizen Member at Large
- One Member of the Wentworth Lodge Family Council

¹ Wentworth Lodge, Home for the Aged, located at 41 South St. West, Dundas, Ontario, L9H 4C4.

4. GOVERNANCE OR ROLES , RESPONSIBILITIES, AND PROCEDURES

Fiduciary Responsibility:

The Wentworth Lodge Heritage Trust Fund Sub-Committee of the Trust Fund is the fiduciary, and is responsible for directing and monitoring the investment management of portfolio assets; and, for executing the Policy. The Wentworth-Lodge Heritage Trust Fund Sub-Committee acts as the agent or person with authority to invest the funds, as per the Policy.

No member of the Wentworth Lodge Family Council shall benefit from and/or be personally involved in the management of the investment portfolio, unless otherwise provided in this Policy.

The signatories on behalf of the Heritage Trust Fund Committee are the Wentworth Lodge's Administrator and a member of the Resident Council. Disbursements and/or investments are to be authorized through a majority vote of the Wentworth Lodge Heritage Trust Fund Sub-Committee and are to be executed and administered by the Wentworth Lodge's Administrator.

5. INVESTMENT OBJECTIVES

Preserve Capital: Ensuring the safety of principal is of paramount importance.

Diversification: Proper diversification will help ensure the objective of preservation of capital.

Adhere to investment objectives of the City's Trust Accounts:

"Among other criteria, Section 27 of the *Trustee Act* stipulates that a trustee:

- must exercise the care, skill, diligence and judgement that a prudent investor would exercise in making investments;
- may invest trust property in any form of property in which a prudent investor might invest; and,
- must diversify the investments of trust property to the extent that is appropriate.

Maintain Adequate Liquidity: Ensure adequate liquidity to meet cash flow requirements of the Trust Funds.

Mandatory Criteria: In consideration of section 27(5) of the *Trustee Act*, a trustee must consider the following criteria in planning the investment of trust property, in addition to any other Sections of the *Act* that are relevant to the circumstances:

- General economic conditions;
- The possible effect of inflation or deflation;
- The expected tax consequences of investment decisions or strategies;
- The role that each investment or course of action plays within the overall trust portfolio;
- The expected total return from income and the appreciation of capital;
- Needs for liquidity, regularity of income and preservation or appreciation of capital; and,
- An asset’s special relationship or special value, if any, to the purposes of the trust or to one or more of the beneficiaries.

6. INVESTMENT POLICY

Permitted Investments:

- Bonds, debentures, notes and other evidences of indebtedness of Canadian government issuers (federal, provincial, municipal) and Schedule I Canadian Chartered banks;
- Term deposits and guaranteed investment certificates of Canadian Schedule I Chartered Banks (with Canadian Insurance Deposit Corporation (CDIC) insurance);
- Treasury bills issued by federal and provincial governments and their agencies, obligations of Canadian Chartered Schedule I banks; and,
- Mutual funds (with all efforts made to minimize investment management fees). The Wentworth Lodge Heritage Trust Fund Sub-Committee may engage as required, an advisor or consultant to assist in the selection of a mutual fund.

Eligible Investment Ratings:

The portfolio of investments in the Trust Fund should hold a prudently diversified exposure to the intended market:

- The minimum quality standard for individual bond issues is AA (Low) or equivalent, as rated by a recognised bond rating agency at the time of purchase;

- The minimum quality standard for individual short term securities (i.e. T-bills) is R-1 (High) or equivalent, as rated by a recognised bond rating agency at the time of purchase; and,
- All investments such as bonds and T-bills and mutual funds should be reasonably liquid (i.e. in normal circumstances they should be capable of liquidation within six months).

Credit Exposure Limits:

No explicit limits on federal and provincial bonds (including government guaranteed bonds). For Canadian Chartered Schedule I banks exposure should be diversified across the banks; maximum exposure to each Schedule I bank should aim to maximize the CDIC insurance limit (currently at \$100,000).

Fixed Income Securities:

Deposits and other Short Term Securities:

The above securities should be diversified by a financial institution (Schedule I Canadian Bank) and each investment must be less than \$100,000 (including expected interest accruals), qualifying it for CDIC insurance.

Eligible Currencies:

All investments shall be denominated in Canadian dollars.

An analysis of cash flow requirements will allow for the laddering of investments according to the expected time at which they are required. Furthermore, laddering of term will help toward diversification of term-to-maturity risk.

Use of Derivatives:

Not allowed.

Liquidity:

Ensure that adequate liquidity in investments is available, in the event of unforeseen requirements by Wentworth Lodge.

Tax Considerations:

The impact of tax on returns is to be considered when evaluating investment alternatives.

Purchasing Power or Inflation:

The Wentworth Lodge Heritage Trust Fund Committee shall consider the effects of expected price change or inflation on the portfolio of investments.

7. MONITORING

An annual report showing earnings, transactions and holdings is to be forwarded to the City of Hamilton's Investments Division.

8. INVESTMENT AND RISK PHILOSOPHY

Investment Philosophy:

The Trust Fund will be managed, as per the objectives, guidelines and constraints imposed by this Policy. Efforts will be made to maximize returns with the constraint of ensuring the safety of principal as paramount objective and employing proper diversification.

Risk Philosophy:

The Trust Fund shall be managed in a conservative manner with special care and attention being taken to minimize risk and preserve capital.

The City of Hamilton's Trust Policy (FCS09110) should be adhered to. Refer to the Trustee Act, Investment Standards 27(1), "In investing trust property, a trustee must exercise the care, skill, diligence and judgment that a prudent investor would exercise in making investments".

9. REVIEW

This Policy will be reviewed annually and updated, as required by the Wentworth Lodge Heritage Trust Fund Sub-Committee.