THE HAMILTON FUTURE FUND BOARD OF GOVERNORS PRESENTS REPORT 10-002 TO THE GENERAL ISSUES COMMITTEE AND RESPECTFULLY RECOMMENDS:

1. **Hamilton Future Fund Reserve Status and Project Funding as of September 30, 2010 (FCS10069(a)) (City Wide) (Item 5.1)**

   That report FCS10069(a) respecting, Hamilton Future Fund Reserve Status and Project Funding as of September 30, 2010, be received.

2. **Dr. Bob Kemp Hospice Outstanding Loan (FCS10092) (City Wide) (Item 5.2)**

   (a) That report FCS10092 respecting Dr. Bob Kemp Hospice Outstanding Loan be received.

   (b) That the Hamilton Future Fund Board of Governors recommends that the City not forgive the outstanding loan to the Bob Kemp Hospice.

   (c) That staff be directed to explore options to substitute or secure the 1.5 million dollar Future Fund loan to eliminate the liabilities illustrated in report FCS10092 and with the intent of assisting the Bob Kemp Hospice’s fundraising efforts by removing current barriers to accessing grants.

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3. Re-assumption of uncommitted funds set aside for the Giants’ Rib Discovery Centre and Business Tax Reduction

That the Uncommitted Balances set aside for the Giant’s Rib Discovery Centre and Business Tax Reduction be redirected to the Future Fund B Reserve.

FOR THE INFORMATION OF COMMITTEE:

(a) CALL TO ORDER

Chair Weisz called the meeting to order at 4:24 p.m.

(b) CHANGES TO THE AGENDA

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

The agenda was approved as presented.

(c) DECLARATIONS OF INTEREST

None

(d) APPROVAL OF MINUTES

3.1 Minutes of July 27, 2010

The Clerk advised that Mr. Hoath mentioned that a comment in the information section was attributed to him in error the request is that it be deleted in its entirety, there was also an error in the attendance of the previous meeting and the in the seconder of a motion. The Clerk advised that the necessary changes would be made would be amended.

The Minutes of the July 27, 2010 meeting were approved as amended.

(e) DELEGATION REQUESTS

(i) Delegation Request by Beth Ellis and Jan Nichols of the Dr. Bob Kemp Centre for Hospice Palliative Care respecting agenda Item 5.2, Bob Kemp Hospice Outstanding Loan.

The Delegation request from Beth Ellis and Jan Nichols of the Dr. Bob Kemp Centre for Hospice Palliative Care respecting agenda Item 5.2, Bob Kemp Hospice Outstanding Loan was approved.

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The rules of order were waived to the delegation from Beth Ellis and Jan Nichols to be heard today.

This delegation was deferred until agenda Item 5.2

(f) DELEGATIONS

(i) Delegation by Beth Ellis and Jan Nichols of the Dr. Bob Kemp Centre for Hospice Palliative Care respecting agenda Item 5.2, Bob Kemp Hospice Outstanding Loan.

Beth Ellis and Jan Nichols addressed the board highlights included but were not limited to;

- Discussed that this is there third appearance before the Board
- Indicated that they have yet to pay back any of the 1.5 million dollar loan
- Discussed that there has been no increase in funding
- Discussed how they need to fundraise $130,000 a month to break even
- Discussed how they can no longer increase any more
- Discussed how a large legacy has allowed them to continue to working
- Discussed that they have been turned down for a $75,000 grant for the Hospice because of the debt on the books
- Discussed their efforts to cut back, hire volunteers and be as diligent as possible with costs
- Indicated that they will be running a deficient by the end of the year and are working with the Ministry of Health for Funding
- Pointed to the need for 60% of their income from fundraising
- Indicated that they have hit some tough times with the economy
- Board members asked how the building went over two million over budget.
- The response was that many items that were supposed to be donated were not and after the work was done and the bills came rolling in.
- There was some further discussion on how this happened
- Board members indicated that there is 4 million in equity in the property and there were some questions on why this could not be leveraged to pay back the Future Fund
- The indication is that if the property were leveraged the Hospice would not be able to pay the interest to a new creditor so they would loose the property
- They discussed that the Hospices ability to access grants is being hampered because they have such a large debt on their books
- The board discussed that they would like to know what debt ratio would be acceptable for the Hospice to receive grants.

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Kollek suggested that staff approach the Trillium Foundation and find out what debt ratio is acceptable for the Hospice to assume and that the rest be formed to a grant to be awarded from the Future Fund’s reserve Fund B.

Dickson suggested that they should be dealing with this matter in two separate ways in one direct they should be dealing with an outstanding loan in another respect they should be looking at the need for the Hospice to enter the competitive process set up by the Future Fund

Moccio suggested that there be a redeemable preferred share in the property

Vaccarello indicated that non-profit organizations could not give shares

Staff put forth that there could be a non-redeemable mortgage on the property on the condition of the City having a share on the property in the event that they cease operation

There was some discussion on whether this would still show as a debt on the books and still limit their ability to access grants

Board members discussed that they could use more information in relation to make a decision in this matter

Chair Weisz thanked Beth Ellis and Jan Nichols for their presentation.

The delegation from Beth Ellis and Jan Nichols regarding the Bob Kemp Hospice Outstanding Loan, was received

(g) DISCUSSION ITEMS

(i) Hamilton Future Fund Reserve Status and Project Funding as of September 30, 2010 (FCS10069(a)) (City Wide) (Item 5.1)

Mike Zegerac provided the following presentation board with the aid of Power Point highlights included but were not limited to;

- staff outlined that there is 119 million within the Fund A
- staff outlined the outstanding balances that the city is paying back to the Future Fund
- there was some discussion on how the Fund has lent money to the City and is receiving an good rate of return on the investment
- staff outlined the forecast in terms of the reserve fund A which hits around 18 million at 2014 and only reaches the 100 million dollar mark again in 2023 if no further loans are made from the fund
- Staff suggested that when the current and ongoing projects are examined there is currently around 3.4 million dollars for the Future Fund to consider for future projects
- staff indicated that there are nine projects that are ongoing
- Chair Weisz asked about the urban development project
There was the discussion on the current status of the board and of the 3.4 million dollars in the B Fund. There was some discussion on whether there would be money returned to the Future Fund if the Pan Am Games stadium does not go forward. Dickson indicated that he would like it reflected in the minutes that the Future Fund reserve A would be over 100 million dollars by 2015-2016 if it were not for the Pan Am Games, staff agreed with this assessment. Staff discussed the important thing is the value of the Fund in terms of funds lent out this overall fund being over 119 million dollars.

Report FCS10069(a) respecting, Hamilton Future Fund Reserve Status and Project Funding as of September 30, 2010, was received.

(h) OTHER BUSINESS

(i) Opening of Applications

Dickson indicated that the time and costs associated with opening applications that it may not be justifiable to entertain applications with the limited amount of money currently in the ‘B’ Reserve Fund at this time. This was met with the general agreement of board members in attendance.

(ii) Giants’ Rib Discovery Centre

Staff indicated that since attempts to receive funding from the upper levels of government for this project were unsuccessful it would be appropriate to return the funds to the Future Fund ‘B’.

For further disposition see above item 3.

(McLaughlin/Armstrong)
Meeting adjourned at 5:44 p.m.

Respectfully submitted,

Andy Grozelle
Legislative Assistant
October 27, 2010

T. Weisz, Chairman
Hamilton Future Fund Board of Governors

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