

Future Fund will fall to \$10m



Rob Rossini The bulk of Hamilton's Future Fund — about \$50 million — will be used up on Pan Am projects in that period, said Rob Rossini, the city's general manager of finance.

Kaz Novak/The Hamilton Spectator

Hamilton will still commit \$20 million, but where the cash will come from is unclear.

- [Future Fund members serve community broadly](#)

The balance of Hamilton's legacy trust fund will shrink from \$60 million to \$10 million in the next several years.

The bulk of Hamilton's Future Fund — about \$50 million — will be used up on Pan Am projects in that period, said Rob Rossini, the city's general manager of finance.

The Future Fund board of directors also agreed Tuesday to lend \$10 million to the city to help build a new downtown health centre in partnership with McMaster University.

While the fund will draw some revenue from loan repayments and investment income, Tuesday's decision means the fund balance will hit rock bottom in 2014 at \$10.2 million.

That balance is a far cry from the \$137 million the city started with when the Future Fund was created in 2002 with funds from the sale of Hamilton Hydro.

The city spent \$37 million between 2002 and 2007 on high-priority projects, such as restoration of the Art Gallery of Hamilton, rebuilding Hughson Street downtown, contributing to the Dieppe Memorial on the Beach Strip and helping Hamilton Food Share.

The remaining \$100 million was set aside as a community trust fund that could provide a perpetual source of money for other worthy projects.

However, that \$100 million will gradually shrink to \$10.2 million by 2014, the year before the Pan Am Games.

Last year, the balance was \$63 million. This year, it will fall to \$44.8 million. In 2012, it will fall to \$28.9 million, and in 2013, it will fall further still to \$20.8 million.

Last year, the Future Fund board, of citizen volunteers, the mayor, and three councillors, recommended the \$50 million Pan Am contribution be a loan rather than a grant. However, council overruled the committee and decided the Pan Am funding would not be repaid.

Council will vote next week whether to follow the board's recommendation that the \$10 million for the downtown Mac centre should be refunded.

Tom Weisz, chair of the Future Fund board, said there was no question that the downtown health centre project fit the Fund's mandate. The Future Fund's mission statement is "to preserve and manage a permanent, self-sustaining fund as a lasting legacy for current and future generations of Hamiltonians ..."

However, Weisz noted, "I remind everybody ... that we're supposed to have \$100 million," he said.

The Future Fund will begin to receive some major loan repayments over the next few years from past projects. Any sale of the west harbour land — the one-time site of the Pan Am stadium that took \$10 million Future Fund dollars to acquire — would be immediately put back into the fund.

By 2026, the balance is predicted to rise to \$128 million. However, that doesn't take into account any major projects or payouts that could happen in the next 15 years.

ereilly@thespec.com

905-526-2452