



CITY OF HAMILTON
CITY MANAGER'S OFFICE
Strategic Partnerships and Communications Division

Commented [WU1]:
Department Name is in Bold and Upper Case i.e. **FINANCE AND CORPORATE SERVICES DEPARTMENT**

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Division Name is in Bold and Initial Caps or Title Case i.e. **Information Technology Division**

TO:	Grants Sub-Committee
COMMITTEE DATE:	September 23, 2019
SUBJECT/REPORT NO:	United Way Update (GRA19003) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Lisa Branston (905) 546-2424 Ext. 4524
SUBMITTED BY:	John Hertel Director, Strategic Partnerships & Communications City Manager's Office
SIGNATURE:	

COUNCIL DIRECTION:

Audit, Finance & Administration at its meeting of September 24, 2018, passed the following motion:

"Staff look at the feasibility of donating to the City of Hamilton's City Enrichment Fund – Community Services program area"

The purpose of this report is to provide the results of a staff review and to provide an update on United Way Halton & Hamilton activities.

RECOMMENDATION(S)

- (a) The City of Hamilton continue to support the United Way Halton & Hamilton via employee donation campaign
- (b) The City of Hamilton continue to evolve and strengthen their relationship with the United Way Halton & Hamilton to increase positive community impacts

EXECUTIVE SUMMARY

In recent years, fundraising for the United Way has been challenging across the country. In 2016, United Way reserves in Hamilton were depleted in order to cover the shortfalls in funds raised in the city wide campaign. In 2017, the United Way of

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Use the following numbering sequence for recommendations when more than one recommendation is necessary - (a) (i) (1) (aa) - and use open and closed brackets

Do not number a recommendation (a) if there is no subsequent recommendation (b) to follow

Each recommendation must "stand alone"

Answering the following questions will assist in formulating a complete recommendation: Who? What? Where? Why? How/How much?

When you are attaching appendices to your report, use the following wording in your recommendation:

"That Appendix "A" attached to Report FCS19001 respecting (insert title) be approved."

DO NOT USE AUTOMATIC NUMBERING IN YOUR RECOMMENDATIONS

Commented [WU4]:
The Executive Summary will highlight key issues within the report and provide a high level overview of the subject matter. It is expected that a member of Council will be able to read this section and have a good, general understanding of the report's subject matter and the major issue(s) being presented

If you are providing **any alternatives for Committee's consideration**, note **page number where the alternatives can be found** for easy access or indicate **Not Applicable**

For example: "**Alternatives for Consideration - See Page X**" or, "**Alternatives for Consideration - Not Applicable**"

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Hamilton Burlington amalgamated with the balance of Halton Region to form United Way Halton & Hamilton (UWHH). Fundraising in the year of amalgamation again fell short, but with reserves already depleted and a new strategic focus by the organization, a number of organizations in Hamilton had their funds reduced or eliminated. The City of Hamilton, through the City Enrichment Fund (CEF), allocated approximately \$140,000 as a one time support to six of the organizations that were current participants in the City Enrichment Fund. That unplanned support, drained the funds reserves.

In 2018, there were positive signs of growth in the Hamilton & Halton campaign with improved campaign fundraising numbers achieved, that enabled the organization to maintain their financial support for those approved the previous year. The 2019 campaign goal is again a growth target. A Hamilton CEO is this year's campaign Chair, City staff have continued to work closely with the agency, meeting regularly with the Executive, participating in the Cabinet, and working collaboratively on longer term strategies to optimize support and positive impacts in our community.

At the request of the Grant Sub Committee, staff have investigated the logistics related to the possibility of leveraging CEF staff and relationships as an alternative for City employees to channel their donations to organizations of their choice, instead of deeming the United Way as the City's charity of choice.

After reviewing the required processes relating to the City of Hamilton executing a replacement for the City employee equivalent to the United Way employee program, staff identified various issues and concerns if the employee program was managed internally

- The City of Hamilton is unable to provide donation receipts because the donated funds are being re-directed to external organizations, and not being used directly by the City of Hamilton.
- Internalizing the employee campaign would require additional staffing resources to complete the tasks that are currently managed, at no cost to the City, by UWHH.
- Anecdotal feedback indicated that a significant portion of employee donors would continue to donate through United Way to make the best use of their donation in areas of need rather than earmark specific recipient organizations through the City.
- Relevant departments are not currently resourced to manage this internally, and the cost of staff time would outweigh the donation totals.

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- Many of the programs and agencies currently funded by CEF are also funded by UWHH. This strategy allows UWHH and the City to share risk by diversifying the income stream and permits the agencies to be compliant with the CEF's restriction of funding up to 30% of a program's budget.

Conclusion: The City of Hamilton and UWHH are working more collaboratively together, and together can better leverage efforts to support social services in the city. With recent provincial budget cuts and uncertainty about municipal roles and responsibilities, any decision to internalize the UWHH campaign could impact well beyond the dollars in question. Many agency partners are vulnerable and destabilizing the system by removing a large piece of funding, could cause a ripple effect through the sector.

City staff are committed to strengthening the relationship with UWHH to maximize community impact. The City of Hamilton United Way committee is being re-established with a mandate to revitalize employee interest and to educate and increase awareness about the United Way in Hamilton. UWHH is now in year two of amalgamation and has stabilized funding, developed a clear strategic plan for the next 3-5 years, and is investing in programs and strategic initiatives that are having a positive multiplier effect in the community beyond the dollars invested in the program.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: N/A

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

The City of Hamilton and UWHH have a longstanding partnership spanning several decades where the two organization work in partnership to address local pressing issues. UWHH offers services ranging from youth leadership development to domestic violence support to job skills training. They offer a wide array of care to neighbours regardless of gender, race, sexual orientation, religion and creed. In April 2017, as a result of the changing landscape within the sector and to better leverage their resources, United Way Halton & Hamilton (UWHH) amalgamated four local United

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This section pertains only to the report recommendation(s)

In the Financial/Staffing/Legal Implications Section ensure that all implications affecting the Corporation of a financial, staffing or legal nature are clearly defined

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The Historical Background Section is intended to provide the reader with the chronology of events and issues leading to the matter being presented to Committee

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Ways to create one organization. This positioned the organization to realize economies of scale and greater efficiencies with a goal to raise and invest more in all of these communities. Through amalgamation, UWHH faced funding challenges in the 2018 cycle as a result of numerous factors which contributed to a reduction or elimination of funding to a number of longstanding United Way agencies in Hamilton. In order to ensure the financial viability of programs through CEF, Council approved emergency one-time funding (\$140,936) for 6 organizations to offset UWHH funding reductions.

UWHH currently invests into 28 agencies that deliver a total of 44 programs throughout Hamilton. This year, more than 100,000 people will receive a wide range of services ranging from early years to seniors and everything in between. The 2018 campaign raised a total of \$10,875,000 dollars, a solid increase over the \$10,000,000 raised the previous year. The dollars were directed towards three major issues impacting the Hamilton community; education inequality, hunger and mental illness.

As a result of the amalgamation, a new UWHH Cabinet has been established, comprising of several prominent Hamilton based personnel, including a high-profile Hamiltonian as Campaign Chair for 2019. In addition, there has been a refocus on the market, with Hamilton receiving more visibility than in the past. UWHH is hosting more events in Hamilton including the 2019 Campaign kick-off at the Hamilton Airport.

The City holds an annual fundraising campaign raising 150k-170k per year, mostly through employee giving. In 2018, COH raised \$152,000 via two employee events and the employee payroll deduction program. Currently, 580 employees are signed up for the payroll deduction program.

RELEVANT CONSULTATION

City Enrichment Fund staff met with the United Way Halton & Hamilton.

City Enrichment Fund staff met with staff from Audit & Finance Administration to understand the details of the payroll deduction program and how they would be impacted if this program was delivered by City staff.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

City Enrichment Fund Processes

Staff did a thorough review of the City of Hamilton United Way employee campaign processes and have identified the following as rationale to maintain the UWHH as the City of Hamilton employee's charity:

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Outline who you have consulted with and the results of your consultation

This relates to all internal Departments, any outside agencies or boards, as well as any public meetings held

Commented [WU8]:

In this section address evaluation of data collection, impact assessments, benchmarking including OMBI (Ontario Municipal Benchmarking Initiatives)

Include Performance Measurement/Benchmarking Data, if applicable

- Charitable Status
 - While the City of Hamilton does have charitable status, the Canadian Revenue Agency confirmed that the City of Hamilton cannot issue charitable receipts for funds that are being re-directed to external, third party organizations.
 - If CEF was to become the City of Hamilton's charity, employees would not be able to receive a charitable receipt for their donation.
- Optics for the City of Hamilton
 - The City of Hamilton would be the only municipality in Canada to not support the United Way
 - This creates unnecessary negative storylines within the community
- Diversifying Risk
 - Many of the programs and agencies currently funded by CEF are the same that are funded by UWHH. This strategy allows UWHH and the City to share risk in diversifying the income stream of the agencies and permits them to be a compliant with the CEF requirement of funding up to 30% of a program's total budget.
 - The City would shoulder the entire risk of supporting current campaign levels associated with the City of Hamilton and would risk many of the additional impacts
- Economies of Scale
 - UWHH is able to leverage the regional scale of recent amalgamations, grant revenues, regional wide collaboration and natural resources to the benefit of the community that supplement and go beyond the current level of grants allocated to agencies
- Resourcing
 - The City of Hamilton does not currently have staff dedicated solely to the United Way campaign. By having a similar campaign run internally, it would require additional compliments to execute the program as CEF, Finance and Human Resources do not have sufficient resources to manage an internal program.
 - The following administrative tasks would need to be done internally, which are currently being done by the UWHH:
 - UWHH hosts all giving transaction through it secure digital E-Pledge tool. It is expected that it would require approx. 120-140 hours in development time to build a similar tool

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- An additional 300+ hours is required in the development of materials, marketing collateral and donor stewardship
- Time and resources required to launch and manage the online tool throughout the campaign (approx. 60 hours each year)
- Upon completion of the campaign, additional processing tasks required (approx. 27 hours)
- Direction of Funds
 - Currently, employees can choose what organization their money is directed to via UWHH. The same option would be difficult to implement within the CEF program as it would require an adjustment of the funding formula and create inconsistencies throughout the program.
- Financial Impact
 - Considering the amount of additional staff time that would be required to manage the program internally, the financial increase from donations would not outweigh the cost of doing the work
 - The City would be inheriting costs that are currently completed by the UWHH, at no cost
 - It would cost the City additional dollars to create a customized e-platform
- Loss of Donors
 - Significant risk of losing current donors by mandating them to re-direct their donations to an internal program

United Way Halton & Hamilton – Beyond What You Think Of

UWHH provides support directly in Hamilton beyond what is typically thought of. In addition to direct support for agencies through traditional grant funding, UWHH provides support in capacity building, research and evaluations, product drives and advocacy through its role as active participants in such initiatives as the:

- Financial Empowerment Problem Solving (FEPS) Initiative
 - Supports more than 75,000 economically vulnerable people in Hamilton by providing access to financial knowledge, make informed financial decisions, and improve financial security.
 - To date, FEPS has filed 1,727 returns that have provided 3.3 million in benefits to the people within Hamilton
- Hamilton Roundtable for Poverty Reduction
 - Aims to improve local lives and reduce hunger by catalyzing change through community collaboration
- ConnectED & Community Design Labs
 - Provides low cost training workshops to any non-profit organizations

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- Connect community partners to expertise, capacity building opportunities and funding to test new ideas that have the potential to create exponential impact on priority issues
- Product Drives
 - Due to the large network of workplaces and volunteers, UW HH has been able to leverage over \$50,000 value in products that were directed to agency partners in 2018

In addition to strategic initiatives, UW HH has a regular presence in the community and connect volunteers with the causes they care about through events such as:

- **Day of Caring:** UW HH Day of Caring program aligns corporate volunteers with community agencies. These events highlight the impact of donations to UW HH corporate groups while also providing free volunteer work for agency partners. In 2018, 261 volunteers volunteered nearly 800 hours of time at the following agencies: Eva Rothwell Centre, Living Rock, Kiwanis Boys & Girls Club, St. Matthew's House, Wesley Urban Ministries, SPRC Taste Buds and Big Brothers Big Sisters.
- **Period Promise:** In May 2019, UW HH launched the Period Promise menstrual equity initiative in partnership with Labour Community Services. The inaugural Period Promise included a large product drive during the month of May, as well as a film screening of "Period, End of Sentence" at Playhouse Cinema in downtown Hamilton. The screening included a panel discussion on the impact of period poverty in the community, which included City of Hamilton's Ward 3 Councillor. The drive cumulated on May 28th, at Gore Park, where more than 30,000 menstrual hygiene products were collected for members of the community who can't afford them otherwise. The Period Promise will continue throughout the year with workplace partners interested in running product drives for menstrual hygiene products.
- **Gore Park Summer Promenade:** UW HH hosted three Community Days of Caring in Gore Park to raise awareness of local issues and support local agencies; including a book drive and bookmark art activity in support of Eva Rothwell Centre; craft kits for Kiwanis Boys & Girls Club; and a community engagement interactive art activity around unignorable issues in the community.

Strengthening the UW HH & City of Hamilton Relationship

Staff are committed to establishing a stronger working relationship with UW HH to ensure the impacts and benefits are felt by the community. Pending receipt of Committee and Council approval, the City of Hamilton United Way committee is being

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re-established for the 2019 United Way campaign. The committee will be responsible for the planning, promotion and execution and will be led by a Campaign Chair and have the full support of the Senior Leadership team.

The committee will strive to increase the annual campaign target by introducing several new initiatives. Over the last two years, City of Hamilton has lost over \$20,000 in payroll deductions through retirements. In partnership with UWHH, City staff will implement a retiree campaign to allow for donations to continue once staff retire. In addition, City staff will work to integrate information related to the United Way campaign into new employee orientation to showcase the commitment to UWHH.

A key learning from the 2018 funding reductions was better understanding the importance of communication and being able to proactively identify potential issues that could impact other funding stakeholders and agencies in the community. City staff have spearheaded a working committee consisting of staff from the largest grant/financial supporters in the Hamilton community. Representatives from CEF, UWHH and the Hamilton Community Foundation are meeting to open the communication lines and create dialogue to understand how the organizations can work better together to deepen their impact on the community.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Healthy and Safe Communities

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

Our People and Performance

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

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Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Healthy and Safe Communities

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

Clean and Green

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

Built Environment and Infrastructure

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

Culture and Diversity

Hamilton is a thriving, vibrant place for arts, culture, and heritage where diversity and inclusivity are embraced and celebrated.

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