




CITY OF HAMILTON
CITY MANAGER'S OFFICE
Government and Community Relations

TO:	Chair and Members Budget, General Issues Committee
COMMITTEE DATE:	February 7, 2023
SUBJECT/REPORT NO:	2023 City Enrichment Fund Proposed Budget Increase (GRA23002) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Morgan Stahl (905) 546-2424 Ext. 2178
SUBMITTED BY:	Morgan Stahl Director, Government Relations & Community Engagement Corporate Initiatives
SIGNATURE:	

RECOMMENDATION

- (a) That an increase of 8% to the overall City Enrichment Fund occur for the 2023 Budget in an effort to meet the community need and requested demand with an overall City Enrichment Fund budget of \$6,575,410. This would result in an increase of \$487,070 for the 2023 City Enrichment Fund allocation.
- (b) That staff be directed to bring forward further City Enrichment Fund (CEF) proposed increases for Council consideration for the years 2024 to 2028 with a goal to reach a total amount of \$9,661,430 by 2028.
- (c) That the creation of 1 Permanent Full-time Employee (FTE) for a Grants & Community Advisor at an annual cost of approximately \$142,320 be referred to the 2023 Budget process for the purposes of having dedicated and adequate resources to support the City Enrichment Fund, within the Government Relations & Community Engagement division, to facilitate associated programming, increased application in-take, relevant community supports, outreach methods and annual fund allocation associated with the City Enrichment Fund.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

EXECUTIVE SUMMARY

At its meeting of Audit, Finance & Administration on June 16, 2022 staff were directed to:

Include in their report to the 2023 Budget submission their request for an increase to the City Enrichment Fund.

The City Enrichment Fund is the overall name for the City of Hamilton's municipal investment and granting mechanism which provides funds for a wide range of program areas that supports the City's vision and strategic plan. The fund comprises six permanent program areas which include Agriculture, Arts, Communities, Culture & Heritage, Community Services, Environment, Sports & Active Lifestyles with funding streams and categories. In 2022, an additional stream for Digital Equity was added for a 2-year pilot project to assess the need in the community, leveraging reserve funds to cover the pilot fees and investment dollars.

Applicants must consult both the general guidelines and the program specific handbooks in order to ensure all eligibility criteria are met. As a condition of application, funded activities must take place within the City of Hamilton and serve communities located in Hamilton.

Each year, the application in-take periods are open from the first week of September to the first week of November. In 2022, staff consulted with many organizations throughout the in-take process to help guide and support application submission.

In the last five years, the City Enrichment Fund has had one increase of \$93,200 in 2019 which was equivalent to 2% overall operating budget increase (in one of five years), despite the number of applications increasing, community organizations requested funds growing, inflation rising yet not being considered in the application process due to lack of overall funds.

During the 2022 budget process, Council approved a total budget for the City Enrichment Fund of \$6,088,340.

All 2022 funding recommended was contingent upon funds remaining in the program envelope. In many cases, program envelopes ran out before funding all eligible applications, which left the City unable to fund organizations despite incredibly strong applications from non-profits and charities within the City. For example, in the community services area, despite receiving eligible requests valued at \$3,297,360 and many applications scoring an A or B (which typically is a passing score), in many cases, strong applications were not funded due to funds running out at \$2,236,687.

Alternatives for Consideration – See Page 5.

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: An annual increase of 8% to the overall City Enrichment Fund occur for the 2023 Budget to bring the overall City Enrichment Fund budget to \$6,575,410. This would result in an increase of \$487,070 for a total amount of \$6,575,410 for the 2023 City Enrichment Fund allocation.

Staffing: The creation of 1 FTE for the purposes of having dedicated and adequate resources for the City Enrichment Fund and the associated program budget of \$142,320. The program is currently led and coordinated by .5 FTE within the Government Relations & Community Engagement team, this would bring the overall staff complement to 1.5 FTE supporting the City Enrichment Fund and prevent the current lieu and flex time being experienced by the existing coordinator position.

Legal: N/A

HISTORICAL BACKGROUND

At the June 16, 2022 Audit, Finance and Administration meeting, Council passed the following:

“Whereas, the last budget increase to the City Enrichment Fund was approved in 2019, to bring total budget allocation to \$6,088,340

Whereas, the 2022 request from applicants totaled \$9,858,419; total value of eligible requests based on 2022 applications totaled \$9,205,133; funding allocation was capped at \$6,088,340 or 75% of the total request

Therefore, be it resolved that in increase to the City Enrichment Fund be forwarded for consideration to the 2023 Budget submission.”

The total of eligible requests often far surpasses the allocated approved budget for the City Enrichment Fund on an annual basis. For example, in 2022, the City Enrichment Fund annual approved operating budget was \$6,088,340 but the amount of eligible requests received for the fund totaled \$9,205,133. On average, between the year 2018 – 2022 the total amount of eligible requests was \$8,999,850.80 (see chart below).

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	2018	2019	2020	2021	2022
Approved City Enrichment Fund Budget	6,022,690	6,085,610	6,088,340	6,088,340	6,088,340
Total Eligible Requests (received)	8,103,382	8,921,806	9,649,793	9,119,140	9,205,133

ANALYSIS AND RATIONALE FOR RECOMMENDATION

As an annual grant program, City Enrichment Fund (CEF) distribution and allocation of dollars has varied year to year depending on several factors such as; the number of applications in the specific category, program funding envelope limit, new vs. returning programming, adjudication scoring, strength of the application and impact of external community environment as seen with, for example, limitations placed on programming due to COVID and modifications due to COVID-19 restrictions.

Over the years, especially more recently, we have witnessed an increase in funding request amounts, specifically within the Community Services and Arts Operating categories.

The fund has supported programs and projects through many years with the funding rationale demarcated between returning and new groups. For years, returning groups have been recommended for funding first as having established themselves as a viable program, however, there is no guarantee of funding. For example, in 2022, CEF funding was allocated to:

- 187 returning programs with a total fund distribution of \$5,270,771
- 103 new programs received funding with a total of \$767,569 allocated to new initiatives

In addition to the recommendation to increase the overall fund budget available to the community, staff are recommending the addition of one full time equivalent (FTE). Currently the CEF Program operates with .5 FTE through the coordinator role which has not increased since the inception of the program in 2016 and subsequent enhancements to the program. Since 2019, workload has increased to a point that the individual is accumulating significant lieu hours and flex time outside of standard office hours. In 2022, temporary resources were brought in to support the program and alleviate the workload issues, but permanent additional resources are needed.

This would bring the total staffing complement for the City Enrichment Fund (CEF) to 1.5 FTE. With the addition of the temporary resource, the benefits of the additional staffing are as follows:

- Increased community and public engagement for the City Enrichment Fund
- 1:1 Meeting support for community organizations and capacity building
- Support for applicants during the in-take process

- Ability to efficiently support enhanced services; such as support for newcomers including translation services for our diverse community
- Redistribute tasks and project deliverables
- Delivery of Community Workshops
- Ability to market the success of the various program areas
- Increased ability to explore other avenues to pivot when the community need it
- Encouraging growth and investment in line with other departments at the City
- Less overtime and lieu for current Grants & Strategic Partnerships Coordinator

ALTERNATIVES FOR CONSIDERATION

Option 1: That an increase of 8% to the overall City Enrichment Fund occur for the next five years, year over year, beginning in 2023 through to 2028 in an effort to meet the community need and requested demand with an overall City Enrichment Fund budget to reach a total amount of \$9,661,430 by 2028.

Staffing implications: Creation of 1 permanent FTE costed at a Grade 6 (for the purposes of having dedicated and adequate resources for the City Enrichment Fund) and the associated program budget of \$142,320 be referred to the 2023 Budget for the Government Relations and Community Engagement team, to facilitate associated programming, increased application in-take, relevant community supports, outreach methods and annual costs associated with the City Enrichment Fund, in order to provide the necessary and sufficient resources and structure to the support the Government Relations and Community Engagement team.

Option 2: That an increase of 2% to the overall City Enrichment Fund occur for the 2023 Budget, however, challenges to meet the requested demands of the fund would still occur to due lack of overall fund allocation.

Staffing implications would be that current resourcing would continue to accrue signification lieu time to best support community needs. Current concerns with recruitment and retention if this option were to be selected.

Option 3: The City Enrichment Fund remain the same allocation. There would be no financial or immediate staffing implications, however, challenges to meet the requested demands of the fund would still occur to due lack of overall fund allocation.

Staffing implications would be that current resourcing would continue to accrue signification lieu time to best support community needs. Current concerns with recruitment and retention if this option were to be selected.

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

Economic Prosperity and Growth

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

Culture and Diversity

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

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.