




CITY OF HAMILTON
CITY MANAGER'S OFFICE
Government Relations & Community Engagement

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 7, 2023
SUBJECT/REPORT NO:	2024 City Enrichment Fund Advance Payments and 2023 Payment Update (CM23030) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Monique Garwood (905) 546-2424 Ext. 3991 Andrea Carvalho (905) 546-2424 Ext. 6797
SUBMITTED BY:	Morgan Stahl Director, Government Relations & Community Engagement City Manager's Office
SIGNATURE:	

RECOMMENDATION

- (a) That effective January 1, 2024, an advance of City Enrichment Fund funding be provided to the organizations specified in Appendix "A" attached to Report CM23030;
- (b) That any outstanding arrears due to the City of Hamilton by the organizations (as shown in the Appendix "A" attached to Report CM23030) be first applied against the approved City Enrichment Fund grant, including advances until the debt is satisfied, prior to that organization receiving the balance of any approved payment, and;
- (c) That the City Enrichment Fund requirement for audited financial statements for the Winona Peach Festival be waived on a one-time basis and that their 2023 approved funding be released.

EXECUTIVE SUMMARY

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.

The City Enrichment Fund (CEF) is the overall name for the City of Hamilton's (City) municipal investment in a wide range of program areas that support the City's Strategic Plan and 25-year Community Vision priorities. CEF invests in Hamilton-based local charities, not-for-profit and grassroots organizations across seven unique sectors: Agriculture, Arts, Communities, Culture and Heritage, Community Services, Environment, Sports and Active Lifestyles, and the Digital Equity program area (operating for a two year pilot during 2023 & 2024).

For the organizations listed in the report (Appendix "A" attached to Report CM23030), the City follows a policy which ensures that grant payments are not made until outstanding arrears owing to the City of Hamilton are paid.

In 2023, the Winona Peach Festival submitted unaudited financial statements which does not meet CEF guidelines, as a result their funding has been held. Beginning in the 2024 CEF cycle, the Winona Peach Festival has committed to providing audited financial statements.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Based on Council approval of the 2024 total City Enrichment Fund envelope and overall funding levels, the remaining payments to the organizations listed in Appendix "A" attached to Report CM23030 would be adjusted to ensure that total payment amounts do not exceed the 2024 Council approved budget and funding level, which is expected by June 2024. There is no additional change to existing Council approved budget or City Enrichment Fund 2023 payments.

Staffing: None

Legal: None

HISTORICAL BACKGROUND

In 2015, Council approved the launch of the new City Enrichment Fund. Organizations that were previously funded through Boards and Agencies were transitioned over to the new program under a similar model. To avoid undue hardship to their operations, it was felt that the advances should continue ahead of the approval of the 2024 budget. For the organizations listed in the report (Appendix "A" attached to Report CM23030), the City follows a policy which ensures that grant payments are not made until outstanding arrears owing to the City are paid off.

SUBJECT: 2024 City Enrichment Fund Advance Payments and 2023 Payment Update (CM23030) (City Wide) - Page 3 of 4

All applicants to CEF with requests of \$30,000 or greater are required to submit their most recent audited financial statements as part of their application package.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The City has been supporting various Boards and Agencies with operational funding through the CEF since 2015. Since these organizations depend on the City to fund their operational expenditures, past practice has been to provide regular on-going payments pending the approval of the City Budget for each year. The proposed payment schedule for 2024 closely follows that of 2023.

Recommendation (c) to Report CM23030 proposes waiving the requirement for audited financial statements for Winona Peach Festival in 2023. The requirement as stated in the General Guidelines reads: Audited Financial Statements are required for grant requests greater than or equal to \$30,000.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

To be consistent with prior years, staff is seeking Council Approval to continue funding as of January 2024, for those organizations that receive CEF funding Appendix “A” attached to Report (CM23030) on a monthly basis, pending approval of the 2024 budget. The funding is based on the previous year’s budget and is adjusted if necessary, when the current year’s budget receives Council Approval.

2023 Payment Update

Applicants are required to provide their legal names when they differ from their program/project name within their CEF application. The applicant legal name is presented for Council approval and ensures the payment of approved funds can occur. Due to an error through the grant portal, four funding requests were approved by the project name and not the provided legal name(s). As a result, the grantees were unable to receive payment through the approved project names. In consultation with the Corporate Services Department, CEF staff released the grant payments to the legal names that were provided in their applications at the time of submission.

Four impacted applicants:

Ref #	Grant Amount	Project Name	Legal Name
ART-D18	\$ 3375	Without Mass	Tor Lukasik-Foss
ART-D24	\$ 2379	Lost Boys Unlimited	Cal Trute
ART-D25	\$ 1830	Marion House Production	Dylan Picket-Fallis
ART-D27	\$ 1830	West Park Productions	Derek Lukosius

SUBJECT: 2024 City Enrichment Fund Advance Payments and 2023 Payment Update (CM23030) (City Wide) - Page 4 of 4

The 2023 approved funding, CCH-A41 Rotary Club of Waterdown, had been held pending additional information of their program, Oh Canada Ribfest. The applicant worked with staff to provide information that demonstrated the event as a community fundraiser. Although, the Oh Canada Ribfest does engage the public and celebrate community identity – the people, places and things that make up Hamilton, as a fundraiser it no longer meets the CEF eligibility requirements. In order to provide time for the organization to adjust operations moving forward, staff released their 2023 grant and has transitioned them out of the CEF program.

On May 27, 2016 the Director leading the CEF was delegated the authority to amend all CEF forms, guidelines and program areas as needed and reporting any and all changes annually to the Grants Sub-Committee. In 2023, the Director approved an extension to the funding agreement submission deadline in order to accommodate ten approved grants for community benefit.

The 2023 funding recommendation of \$60,695 for CCH-A42 Winona Peach Festival was held pending additional information due to their submission of unaudited financial statements that did not meet the CEF program guidelines. Staff performed a review of the submitted 2021 unaudited financial statements and application budget and found the organization to be in a satisfactory fiscal position according to CEF guidelines.

Beginning in the 2024 CEF cycle, the Winona Peach Festival has made a commitment to meeting the guideline requirements and providing audited financial statements with their CEF application. With this commitment, staff are recommending waiving the policy one time, allowing for the release of the 2023 grant.

ALTERNATIVES FOR CONSIDERATION

Not Applicable.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to CM23030 – 2024 City Enrichment Fund Advance