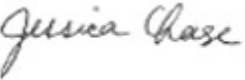




**CITY OF HAMILTON  
CITY MANAGER'S OFFICE  
Government Relations & Community Engagement Division**

<b>TO:</b>	Chair and Members Grants Sub-Committee
<b>COMMITTEE DATE:</b>	July 3, 2024
<b>SUBJECT/REPORT NO:</b>	City Enrichment Fund 2025 Program Updates and Improvements (GRA24004)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Andrea Carvalho, (289) 260-8119 Rebecca Frerotte, (905) 546-2424 ext. 4524
<b>SUBMITTED BY:</b>	Jessica Chase Acting Director, Government Relations & Community Engagement City Manager's Office
<b>SIGNATURE:</b>	

- (a) That a multi-year funding process, which focuses on returning programs, be established within the City Enrichment Fund as a 3-year pilot, with the ability to evaluate the success of this process thereafter, and;
- (b) That the City Enrichment Fund adopt a sector based funding approach that supports funding models that are responsive to the unique needs of each program area, beginning with the 2025 funding cycle, and;
- (c) That the Director of Government Relations and Community Engagement (or their delegate or as may be appointed by the City Manager to administer the City Enrichment Fund) be delegated the authority to create and amend all City Enrichment Fund forms, guidelines and policies program areas, including but not limited to, development and amendment of application forms, declarations,

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reporting requirements, auditing practices, determining eligibility criteria and funding streams, and shall report changes annually to the Grants Sub-Committee, and;

- (d) That the Director be delegated the authority to execute any and all agreements, including any amendments and/or ancillary documents on behalf of the City in relation to the approved grants under the City Enrichment Fund, provided the documents comply with: all City policies and procedures, approved budgets and is a form satisfactory to the City Solicitor, and;
- (e) That Item (c) on the Grants Sub-Committee Outstanding Business List respecting "That staff be directed to review the (CEF) fund's current overall funding guidelines, program stream guidelines, related funding caps and report back to the Grants Sub-Committee with recommendations to ensure the fund is evolving with the needs of community" in advance of the 2025 intake" be identified as completed and removed from the outstanding business list.

### **EXECUTIVE SUMMARY**

The City Enrichment Fund (CEF) represents 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 local charities, not-for-profit and grassroots organizations across seven unique sectors: Agriculture, Arts, Communities Culture and Heritage, Community Services, Digital (pilot), Environment, and Sports and Active Lifestyles.

CEF is committed to a continuous improvement approach to evolve the program in response to the growing and changing community needs. Ahead of the 2024 CEF cycle, staff engaged the public and community partners and received feedback that resulted in a set of Funding Principles and a number of long and short-term recommendations. Through this work staff have identified the following recommendations to further develop the fund and streamline the internal process, including:

- Multi-Year Funding benefits returning programs that continue to provide programming and services at a high level, who are fiscally healthy and who are committed to providing these programs to citizens during the funding period.
- Sector Based Funding supports the unique needs of the seven different CEF program areas. A responsive and equitable approach allows the City of Hamilton (City) to fund through priority areas and make greater impact.

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- Updated Delegated Authority reflects the program’s annual workplan and allows staff to enter into funding agreements with successful grantees.

In lead up to the 2025 CEF cycle, staff have identified several administrative improvements that provide greater applicant support and strengthen the program’s operations, including but not limited to an updated intake period, streamlining the grant portal, and program wide improvements.

These recommendations are in response to community feedback, provide greater access to the City’s funding program and support the work of staff in designing and delivering a program that is accessible and responsive to our changing community needs.

**Alternatives for Consideration – N/A**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: N/A

Staffing: N/A

Legal: N/A

**HISTORICAL BACKGROUND**

At the August 11, 2022, Audit Finance & Administration meeting, staff were directed to review the fund’s current overall funding guidelines, program handbooks, related funding caps and report back to the Grants Sub-Committee with recommendations to ensure the fund is evolving with the needs of community. Over the 2023 CEF cycle, staff began offering translation services, introduced the use of DocuSign, and created opportunities for new applicants with a revised funding approach.

In advance of the 2024 CEF cycle, staff consulted with community partners and the public at large to further develop recommendations for the program. Through this work a set of funding principles and a number of short and long-term goals were developed that influence the ongoing evolution of the CEF.

At the September 14, 2023, Grants Sub-Committee meeting, staff continued to update the program and received Council approval to streamline the financial review process and amend the 30% funding policy.

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At this same meeting, staff were directed to review CEF's overall funding guidelines, program area guidelines, related funding caps and report back to the Grants Sub-Committee with recommendations to ensure the fund is evolving with the needs of community in advance of the 2025 intake (Report GRA23004).

On May 27, 2016 the Director of the Government Relations and Community Engagement Division was delegated the authority to amend all City Enrichment Fund forms, guidelines and program areas as needed, reporting any and all changes annually to the Grants Sub-Committee.

The City Enrichment Fund program is committed to evolving, adapting to best practices, and meeting the changing and growing needs of the city.

**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS – N/A**

**RELEVANT CONSULTATION**

Several divisions across the corporation play a key role in shaping and executing the direction of CEF, and provided feedback including but not limited to the following:

- Corporate Services Department – Finance and Administration Division
- Corporate Services Department – Legal Services Division
- City Manager's Office – Digital, Innovation and Strategic Partnerships Division
- Healthy and Safe Communities Department - Human Services Integration, Strategy and Quality Improvement Division
- Healthy and Safe Communities - Recreation Division
- Planning and Economic Development Department - Economic Development Division
- Planning and Economic Development Department – Tourism and Culture Division
- Public Works Department – Environmental Services Division

In addition to ongoing feedback, the public was consulted and provided feedback on updates and improvements to CEF.

- Engage Hamilton - 126 public respondents to online survey
- In-person Focus Group – 50 prior CEF applicants and community members
- Online Focus Group – 50 prior CEF applicants and community members

**ANALYSIS AND RATIONALE FOR RECOMMENDATION**

City Enrichment Fund staff are committed to transitioning the program through meaningful

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incremental changes. A combination of internal assessment and external community feedback have informed the recommendations and information within this report. Recommendations (a) Multi-Year Funding and (b) Sector Based Funding are in alignment with the feedback received and are key improvements that evolve the program with direct benefits to applicants, administrative efficiencies, and support the City’s positive impact in community.

**Multi-Year Funding Pilot**

Multi-Year Funding was first identified through community consultation in 2014 as a best practice funding model and was included in the proposed framework for the “new City Enrichment Fund” (Report FCS14024(a)). Through focus group and a public survey in 2023, community feedback indicated that 75% of the 126 respondents answered that “it is important or very important for CEF to provide multi-year funding to successful programs”.

A Multi-Year Funding process benefits applicants and staff by reducing the number of applications and administrative requirements to manage qualifying programs within the multi-year funding period. It provides organizations with predictable sustained funding, allowing organizations to redirect resources towards fundraising, securing other funding sources, and delivering programs. Through the already established CEF reporting process, qualifying multi-year funding organizations are required to submit an interim report annually to ensure they are delivering the program as outlined and approved, are meeting expected outcomes, and remain in good financial standing before successive funding is released.

The 3 year City Enrichment Fund Multi-Year Pilot is designed in support of returning applicants that receive an A rating, are in good financial standing, and are committed to providing consistent programs and services. Applicants must select the multi-year funding option and submit a brief 3-year program outline as part of the year 1 application. The pilot is designed to be complimentary to existing funding streams and eligibility criteria.

**City Enrichment Fund Multi-Year Pilot Timeline**

<b>3 Year Multi-Year Funding Pilot</b>	<b>Applicant</b>	<b>COH Staff</b>
Year 1 (2024 Nov)	Application	Receive and review application
Year 1 (2025 May)	Agreement	Offer year 1 funding to qualifying A rated organizations
Year 2 (2026 Feb)	Interim Report	Review and approve year 2 funding
Year 3 (2027 Feb)	Interim Report	Review and approve year 3 funding
Year 3 (2028 Feb)	Final Report	Review and close multi-year funding period

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<b>3 Year Multi-Year Funding Pilot</b>	<b>Applicant</b>	<b>COH Staff</b>
<b>Next Multi-Year Funding Period</b>	<b>Applicant</b>	<b>COH Staff</b>
Year 1 (2027 Nov)	Application	Receive and review application

In year 1, applications are assessed through the established adjudication process. Funding amounts allocated in year 1 will establish the base funding for years 2 and 3. Multi-year funding CEF programs may receive a minor increase within the pilot period pending annual Council CEF budget approval and funding availability. Funding levels established during the multi-year funding process are not a commitment of funding in perpetuity and does not guarantee funding outside of the set multi-year period. All multi-year funding grantees must resubmit an application and repeat the process during year 1 of each multi-year funding period.

Multi-Year Funding models currently exist among several Ontario municipalities, varying between 2-5 years and are most often offered through the Arts, Culture, and Community Services sectors. The CEF Multi-Year Funding Pilot Framework and municipal data is included in the attached Appendix “A” to GRA240004.

**Sector Based Funding**

In 2018 CEF adopted a consistent funding model applied across all program areas that prioritized funding to returning programs. This approach allocated funds to returning programs first, with remaining dollars allocated to new programs when available. Annually, 20-30 passing programs did not receive any funding with this model, while returning programs remained fixed at their ‘base’ level.

In 2023, the CEF program recognized a need to better address access and equity and began by providing translation services and access to municipal support by funding all passing applications.

Implementing Sector Based Funding, requires transitioning away from a consistent funding model. Funding by sector, or by each of the 7 CEF program areas, would better address the challenges and trends impacting each community sector and would more strongly reflect objectives of the City Enrichment Fund.

Sector Based Funding prioritizes impact investing and community building. The table below lists differences between the recommended funding approach versus the current consistent funding model:

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<b>Sector Based Funding (Recommended)</b>	<b>Consistent Funding Model</b>
Equitable funding approach	Equal funding approach
Adaptive to community needs	Applies a single formula to determine allocations
Able to address disparities between applicants and trends by program area	Is not responsive to significant applicant program changes
Strategic funding – Balances funding envelope	Balances funding envelope
Able to adjust based on an applicant’s surplus levels	Does not modify based on financial review
Leverages the adjudication assessments	

Each of the 7 program areas are unique, with varying opportunities to access government support and to generate revenue. Each of the 7 program areas address and support unique sectors within Hamilton. Sector Based Funding recognizes that all sectors and applicants are not equal, and that it is their uniqueness that supports the City’s vision and strategic plan.

**Delegated Authority**

On May 27, 2016 the Director overseeing the City Enrichment Fund was delegated the authority to amend all forms, guidelines and program areas as needed. Since then, the CEF program has incorporated several operational improvements, is now delivered within the City Manager’s Office, and has identified an opportunity to update the Delegated Authority as a result of a recently completed internal review with the City Solicitor’s office.

The internal review revealed that the original 2016 delegate authority no longer reflected the current Director title and division, nor provided a delegate in the Director’s absence, was general with respect to the comprehensive components of CEF and did not include the authority to enter into funding agreements on behalf of the City.

Recommendation (e) to report GRA24004 provides greater clarity to the scope of authority under the Director and ensures CEF continues to operate efficiently during staff absences and organizational changes.

Recommendation (d) to report GRA24004 allows the Director to execute agreements with all Council approved grantees annually. In alignment to this recommendation, the CEF Funding Agreement has been updated to include a more robust set of terms and conditions, and, if approved will include the Director’s signature moving forward.

**Administrative Updates**

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CEF is managed with a continuous improvement lens to provide an applicant centered funding program. Throughout the funding cycle, staff assess each stage and develop immediate and long-term improvements within the CEF workplan. The following CEF updates reflect community and staff feedback, streamline the grant portal process, and are reflective of corporate standards:

- Annual Intake Period: October 1<sup>st</sup> to November 15<sup>th</sup>
- Improved funding agreement
- User friendly grant portal with unique sections per program area
- Clearer guideline information and clear application form
- Inclusion, Diversity, Equity, Accessibility data questions updates
- User friendly budget form and clarity on applicants' ability to scale program
- Program Area Enhancements: Digital, Communities Culture and Heritage

With an approximate 500 City Enrichment Fund users annually, ranging from applicants, adjudicators and staff, enhancing the administrative performance of CEF is a priority to ensure a user friendly and accessible program. Detailed descriptions, rationale, and status of each improvement is provided in the attached Appendix "B" to Report GRA24004.

**ALTERNATIVES FOR CONSIDERATION**

Not applicable.

**APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" to Report GRA24004: City Enrichment Fund Multi-Year Funding Pilot Framework

Appendix "B" to Report GRA24004: 2025 City Enrichment Fund Administrative Updates