



City of Hamilton Report for Consideration

To: Members Grant Sub-Committee
Date: May 14, 2025
Report No: **GRA24002(b)**
Subject/Title: City Enrichment Fund – Appeals Process
Ward(s) Affected: City Wide

Recommendations

- 1) That the City Enrichment Fund appeals process (as outlined in the attached Appendix “A” attached to Report GRA25002(b)) **BE APPROVED**, and made a permanent part of the City Enrichment Fund Program, to **BE FUNDED** one-time from the City Enrichment Fund Reserve #112230, up to a maximum of \$50,000;
- 2) That the Director of Communications and Engagement (or their delegate or as appointed by the City Manager) (the “Director”) **BE DELEGATED** the authority to approve and execute any and all agreements, amendments and/or ancillary documents on behalf of the City of Hamilton in relation to appeal funding process outlined in Appendix “A” attached to Report GRA24002(b), provided the documents comply with all City policies and procedures, and is in a form satisfactory to the City Solicitor;
- 3) That annualized funding for the City Enrichment Fund appeals process **BE CONSIDERED** as part of the 2026 budget process in the amount of \$50,000; and
- 4) That the Outstanding Business List Item respecting the City Enrichment Fund “that staff be directed to report back on the permanency of an appeals process to the Grants Sub-Committee in advance of the 2025 recommendations”, be considered complete and **BE REMOVED**.

Key Facts

- Report GRA24002(b) recommends the permanent adoption of a City Enrichment Fund (CEF) Appeal process to provide limited, one-time funding to organizations experiencing extenuating circumstances that have negatively impacted their CEF application outcomes.
- The proposed appeals process builds on the successful 2024 one-time process, with only minor adjustments. It maintains a compassionate, responsive approach to support not-for-profit organizations in the Hamilton community. Key eligibility, evaluation methods, and reporting are outlined for approval.
- The appeals process offers eligible applicants an opportunity to request additional funding, up to a maximum of \$50,000, based on available reserve funds. “A” rated applicants and organizations that have already received appeal funding twice in five years are ineligible.
- Delegated authority to the Director of Communications and Engagement related to approving and entering into funding agreements as part of the appeal process is recommended in order to streamline funding decisions and ensure organizations receive timely support before the next CEF funding cycle.
- Staff recommend funding the process from reserve in 2025 and consider permanent, annual funding of \$50,000 for 2026 and beyond.

Financial Considerations

A one-time funding impact of up to \$50,000 is recommended from the City Enrichment Fund Reserve #112230 in 2025. An annualized budget impact of \$50,000 is to be considered as part of the 2026 budget cycle to support the operations of a permanent appeals process.

Background

Since the launch of the CEF in 2015, the community informed corporate wide municipal funding program did not include an appeals process. To improve access to the City of Hamilton (City) funding, the 2023 CEF funding recommendations were modified compared to previous years, to include all passing applicants and apply an equal funding approach across the program. Concerns over fluctuations between year-over-year funding levels for returning organizations were identified by community organizations that were adversely impacted. To address concerns, Council approved a one-time appeals process to assist organizations through this CEF transition period. In addition to the \$6,609,219 in funding approved through the 2023 CEF cycle, \$687,492 in appeals funding was allocated to 75 applicant programs.

In 2024, a second iteration of this transitional funding process was launched in the form of the Bridge and Appeals process, through which 46 returning “A” rated applications received bridge funding and 9 applications received appeals fundings. The 2024 one-time appeals process was designed to provide funding for applicants facing extenuating circumstances that negatively impacted the organization and the submitted CEF application. The 2024 appeals process was also designed to be timely and was informed by a municipal and jurisdictional scan. Council approved an appeals budget total of up to \$50,000. The appeal intake was open to all 2024 CEF applicants for 4 weeks. Applications that met the eligibility criteria were assessed on a case-by-case basis. In total, 23 appeal applications were received and 9 approved in 2024.

At the May 3, 2024, Grant Sub-Committee meeting, staff was directed to report back on the permanency of an appeals process to the Grants Sub-Committee in advance of the 2025 recommendations.

Analysis

The proposed appeals process is designed to respond to the unique pressing needs of an applicant and compassionately address the challenges faced by not-for-profit organizations in community.

Staff evaluated the 2024 appeals process and found it to be an efficient administrative process for both staff and applicants. The appeals process recommended in this report aligns with the 2024 process, with two changes:

1. “A” rated applicants are not eligible for an appeal as they will have received the best possible funding allocation; and
2. Applicants may not appeal in subsequent years or more than twice in a five-year period (2023 and 2024 appeals were intended as one-time processes and therefore did not stipulate how many times an applicant could appeal).

Appeals Process:

Applicants must submit an appeal that demonstrates the extenuating circumstances which impacted the lower-than-expected application result, and that their application may require further review, or additional support. The following provides a high-level overview of the process:

- Timeline: Appeals intake will be open for 4 weeks beginning with the third Monday in June. The next four appeals periods will run with the approximate timelines:
 - 2025: June 16th – July 11th
 - 2026: June 15th – July 10th
 - 2027: June 14th – July 9th
 - 2028: June 18th – July 14th

- Eligibility:
 - Current year “B”, “C”, “D” or “DNQ” rated CEF applicants.
 - DNQ rated applicants must successfully meet the full CEF eligibility requirements.
 - “A” rated applicants are not eligible, as they will have received the best possible funding allocation.
 - Applicants that received appeal funding in the prior year are not eligible and/or receive appeal funding more than twice per five-year timespan.
 - Applicants with successive appeals, whether funded or not, are required to explain what is new or different about their reason for appealing in the current year. Circumstances occurring for greater than a one-year period, or with frequency (subsequent years) are no longer considered extenuating.
 - This appeals process is not intended to address global, national, or provincial issues beyond our control, for example the cancellation of any other funding programs/sources, natural disasters, pandemics, or other force majeure.
- Applications: Appeals must be submitted through the grant portal, describing the rationale and the extenuating circumstance(s). A complete application does not guarantee a successful appeal.
- Appeal Requests: Requests may be lower than the original requested amount but may not be greater.
- Assessment: CEF staff will review appeal requests to establish eligibility and to assess the presented extenuating circumstance(s). Each appeal is assessed individually on a case-by-case basis. Successful appeals will not change the original rating of an application determined through the CEF Adjudication process.
- Recommendations: Funding levels for successful appeal applications will be determined on a case-by-case basis. The appeals process:
 - Will work within a total funding envelope of \$50,000 across all appeal applications and CEF program areas.
 - Makes no guarantee of successful appeals receiving either the entirety of their original funding request or of their appeals request amount.
 - Approved appeal funding does not determine ongoing funding or determine a basis for funding through the regular CEF process.
 - CEF reserves the right to not allocate any of these funds if extenuating circumstances are unsatisfactory.

Full details of the appeals process and public facing guidelines are detailed in Appendix “A” and “B” attached to Report GRA24002(b).

Delegated Authority

Delegated authority for the Director of Communications and Engagement enables this process to occur over a 6-week period, responding quickly to the needs expressed in community. The vast majority of CEF applicant programs and services have launched or occur ahead of annual Q2 funding results. Through delegated authority, funds may be approved and released in Q3 and in advance of the annual Q4 CEF funding cycle launch. Appeal results will be presented to Council through an Information Report or Communications Update following the completion of the appeals process.

Alternatives

Council may consider the following alternatives:

1. An alternative for consideration is that funding for the appeals process be drawn from the CEF envelope beginning in 2026 instead of this item being referred to the 2026 Budget process.

Pros: This alternative does not request additional funding to administer an appeals process.

Cons: This alternative draws funding from the regular CEF program where by applicants are recommended funding based on excellence. This alternative would remove funding dollars from the existing CEF budget.

2. Council may consider approving an appeals process as a 3-year pilot from 2026-2028 followed by a staff report evaluating the outcomes and results of a pilot appeals process.

Pros: This alternative provides Council with a 3-year period to evaluate the impact, efficiencies, and budget requirements of an appeals process.

Cons: An appeals process provides access and support to organizations facing extenuating circumstances and allows Council to provide minor funding to assist organizations through transitional periods.

3. Council may decide to not approve an appeals process.

Pros: This alternative matches the initial CEF program design and does not create additional workload requirements.

Cons: An appeals process meets requests from community, recognizes the challenges faced by not-for-profit organizations, and provides City leadership and Council with a means of directing organizations to support programs.

Relationship to Council Strategic Priorities

1. Responsiveness & Transparency
 - 1.1. Prioritize customer service and proactive communication

The creation of a permanent appeals process addresses community feedback for a formal means to appeal CEF funding results and present a compelling appeal for reconsideration of the City Enrichment Fund application. This prioritizes customer service and provides a proactive means to address unforeseen circumstances arising for CEF applicants.

Previous Reports Submitted

City Enrichment Fund – Appeal Process Update (GRA23003(a)) (City Wide) <https://pub-hamilton.escribemeetings.com/filestream.ashx?DocumentId=392118>

City Enrichment Fund – Appeals Process (GRA24002(a)) (City Wide), July 3, 2024 - <https://pub-hamilton.escribemeetings.com/filestream.ashx?DocumentId=413548>

Consultation

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Monique Garwood, Business Administrator, Financial Planning Administration and Policy, Corporate Services.

Appendices and Schedules Attached

Appendix A to Report GRA24002(b): City Enrichment Fund Appeals Funding Process

Appendix B to Report GRA24002(b): City Enrichment Fund Appeals Guidelines

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