



## REPORT

**REPORT TO:** Mayor and Members of Council

**REPORT FROM:** Jane Diamanti, Director of Libraries  
Terry Alyman, Director of Recreation and Parks

**DATE:** July 10, 2008

**REPORT NO.:** LIB-2008-0003

**RE:** Georgetown Branch Library Renovation/Expansion Project  
and Cultural Centre Alterations—Alternate Funding Sources

### **RECOMMENDATION:**

THAT Report No. LIB-2008-0003, dated July 10, 2008 regarding alternate funding sources for the Georgetown Branch Library Renovation/Expansion Project and the Cultural Centre Alterations be received;

AND FURTHER THAT if Council wishes to pursue a joint capital campaign for the Georgetown Branch and Cultural Centre projects, then Council authorize a Capital Campaign Feasibility Study at an estimated cost of \$25,000, and with the \$25,000 to be taken from the Tax Rate Stabilization Fund.

### **BACKGROUND:**

Pursuant to Council's discussion related to Report No. FIN 2008-0023 at their meeting held June 10, 2008, staff were asked to investigate a capital campaign to support the renovation/expansion to the Georgetown Branch Library and the alterations to the Cultural Centre.

### **COMMENTS:**

The Director of Libraries and Director of Recreation and Parks have done some research on alternative funding sources that may present an opportunity to leverage and/or increase the funds available for the Georgetown Branch Library and Cultural Centre projects. The first part of this report will address fundraising, and more specifically, the steps involved in a major capital campaign. The second part of this report will outline the kinds of grants that may be available to support these projects.

## **PART ONE: FUNDRAISING**

There are some obvious advantages to fundraising, with the first being the ability to secure financial support for an important project and mitigate the impact on local taxes. The other advantage is that a professional fundraising campaign raises the organization's profile in a positive way, reminding the public of the service offered, and the direction the service is taking to serve the community more effectively. In addition, fundraising mobilizes the community around a shared goal, leading to greater social cohesion and community pride in having achieved the goal in a collective manner.

In order to fundraise successfully, an organization needs to offer some reasons that can be clearly understood, that convey a sense of urgency and that motivate target groups to give. Reasons to give should focus on the significant benefits to the community as a whole, and positive outcomes for the target groups in particular.

Chances of success are that much greater when—

- there is something concrete to be developed or acquired
- there are tangible benefits for the entire community
- there is a clear case for support
- citizens can distinguish between funding provided by the municipality to support core services, and funding coming from donors for enhancements or specific projects
- planning starts early so there is time to create interest in the vision
- there are credible and committed leaders of the project

### **The Capital Campaign- An Overview**

Fundraising to support a building project is known as a capital campaign. The research suggests that a capital campaign requires considerable effort and expertise, as well as some upfront funding. For example, before launching a capital campaign, there should be a feasibility study to confirm that donors have the capacity to give in the amount required. Some take this feasibility study beyond an estimation of the community's capacity to give. A comprehensive feasibility study can also include details around the fundraising plan and begin the critical work of cultivating potential leaders and donors. In other words, a feasibility study can not only provide a realistic goal but can also outline how a campaign should be conducted to achieve this pre-determined goal.

Given a favourable feasibility study, the next step would involve the establishment of a project team consisting of a representative(s) from the targeted organizations, and community champions who have credibility and an ability to identify and motivate prospective donors. In the case of a Library/Cultural Centre capital campaign, it is strongly recommended that Council play an active role in disseminating the message, i.e., the case for support, and in generating leads. The campaign would be a powerful one if leadership of the project team was shared by the Mayor and a well-known and influential community champion.

Another key member of this team would be someone expert in fund-raising to manage the campaign on a day-to-day basis. This is usually the Fundraising Coordinator.

The Coordinator would have extensive background in fundraising of this nature, and the time to devote to planning and overseeing the details of the campaign. Typical duties of a Fundraising Coordinator would include:

- Recommending a cost-recovery budget
- Confirming and adjusting targets and timelines
- Identifying and recruiting high profile champions for the campaign
- Determining the roles of the project team, training the project team members, and monitoring performance
- Suggesting donors, and the funds to be requested based on their giving potential
- Developing the donor package
- Participating in the donor “ask”
- Securing significant seed money before the campaign is launched
- Investigating other sources of funding such as foundations
- Maintaining a database of donations
- Following up as appropriate (thank you letters, recognition as appropriate)

### **A Capital Campaign for the Library and Cultural Centre**

In August 2007, the proposed renovation/expansion of the Georgetown Branch Library and the alterations to the Cultural Centre were approved in principle and put on hold pending greater clarification around financing and the Town’s ability to pay. Council indicated that priority would be given to securing the financing of the two Fire Stations. In addition, given the constraints of future water availability and servicing and the associated financing limitations faced by the Town, staff would report back with a comprehensive update on this issue, with comments around timing and capacity.

In a report to Council dated May 23, 2008, the Treasurer provided additional information in relation to the Georgetown Branch Library Renovation/Expansion and the Cultural Centre Renovations. The Treasurer updated Council on water availability/servicing, and also outlined the financing implications for the two projects. The Treasurer noted that operating costs have yet to be confirmed.

With regard to the capital costs for the Library project, the Treasurer suggested that the \$4.4M (revised to \$ 4.0M) needed for the project be interim financed through the Special Infrastructure Levy. As stated in the report, “the debt would not have the impact of increasing property taxes...the drawback is that the fund would not be available to other needs such as roads, bridges and the repair and maintenance of facilities until future DCs reimburse the Special Infrastructure Levy”.

With regard to the Cultural Centre alterations, the Treasurer states that “there is currently sufficient DC funding (\$2.8M) to allocate to this project if Council wishes to

proceed. The implications would be that the \$800,000 would not be available for other DC related projects”.

In addition, the Treasurer pointed out that construction and related costs including costs associated with a temporary site have not been finalized. The Treasurer also suggested that if Council wishes to proceed, that staff will report back on revised capital costs and estimated operating costs at the August 11<sup>th</sup> Budget Committee meeting. (Given the move of the Budget Committee meeting to September 15<sup>th</sup>, the report will be presented on that date).

At their meeting of June 10, 2008, two members of Council suggested that staff consider a capital campaign for both projects in order to reduce the reliance on the Special Infrastructure funding, which would then allow some funds to be available for other capital needs.

In exploring a capital campaign, it has been assumed that this would be a joint project for the Library and Cultural Centre. It does not make sense to conduct two separate campaigns where we would be targeting essentially the same donors, i.e., those supportive of arts and culture.

This campaign would likely adhere to the same steps that other successful campaigns have followed.

### ***Phase One - Evaluation and Consensus Phase***

This phase allows Council, the Library Board, the Library/Cultural Centre staff and others potential participants to be educated about a capital campaign, and to seriously evaluate their commitment to such a campaign. Included in this phase is a careful internal evaluation of needs, including the need for a Fundraising Coordinator, and an honest appraisal as to whether the organization is ready for such a significant undertaking. This report represents the first step this phase.

### ***Phase Two: Feasibility Study Phase***

This phase, usually conducted in six to eight weeks by a consultant, would allow Council to objectively assess:

- the image of the Library and Cultural Centre in the community
- the case for the campaign, i.e., why these organizations merit support
- how the case is viewed by community leaders
- whether community leaders are available to champion and assist with the campaign
- any previous fundraising campaigns and any current campaigns that could result in competition for the same donor base
- likely donors and potential giving levels (foundations, corporations, small businesses, local organizations/clubs, individuals, staff). Would take into consideration, individuals and groups that have already expressed support or are already supporting on an ongoing basis, e.g., Friends of the Library

- whether proper resources are available to conduct a major campaign

The most basic of feasibility studies would determine the maximum and minimum amounts that could be raised.

A feasibility study could also extend to a plan that outlines how the campaign will unfold. This plan would:

- describe the optimum project team
- provide a list of the available leaders/community champions
- determine a timetable and associated financial goals
- identify potential donors and suggested request amounts
- propose commemorative opportunities. Would refer to existing Town and Library policies on the naming of spaces
- estimate costs for the campaign

The feasibility study is then presented to Council for discussion and decision as to next steps.

### ***Phase Three: Organization Phase***

This phase would only begin following approval to proceed by Council. In this phase, the Fundraising Coordinator develops and refines the necessary tools that are needed in an effective capital campaign. In reviewing this list of tools, it is clear that significant time and expertise is required.

- Campaign leadership requirements and other volunteer needs
- Recruitment plan for campaign leaders
- Terms of reference/job descriptions/training plan for the project team
- A strong and persuasive case for support
- A compelling campaign moniker and theme
- A confirmed list of prospective donors, expected gifts/pledges, and persons assigned for the approach
- A confirmed schedule, along with financial milestones
- Policy/procedures for commemorative opportunities
- A campaign package for prospective donors
- A public relations strategy
- Research re: support from corporations and foundations

- Policy/procedures for redemption of gifts and pledges
- A tracking database for donations and follow up actions

#### ***Phase Four- Solicitation Phase***

This phase is the central phase of the campaign and focuses on the actual cultivation and solicitation of major and advance gift prospects. This is usually done by the Fundraising Coordinator or under the close direction of the Coordinator and involves key people such as the Mayor and Councillors to serve as a bridge between the prospective donors and the Fundraising Coordinator. Additionally, the Coordinator prepares and submits proposals to appropriate foundations and corporations. The Coordinator also implements the public relations plan.

#### ***Phase Five - Post-Campaign Phase***

This phase is when the Coordinator would follow up on any outstanding solicitations. All prospects are encouraged to make their decision during this phase if they have not yet responded. Depending on the structure of the campaign, post-campaign monitoring can take as long as the pledge period.

#### **Timelines:**

According to the literature, the active phases of a capital campaign should take about 18 months. As a general rule, campaigns with higher goals will take more time than smaller campaigns but not necessarily proportionally. A \$3 million campaign will not take three times as long as a \$1 million campaign. More often than not, the only difference between the feasibility of a \$1 million campaign and a \$3 million campaign is the size of the gifts, not the number of donors. It is suggested that a campaign of less than \$1 million could be completed in less than 12 months.

#### **Costs for a Capital Campaign:**

If exploring a capital campaign is recommended by Council, the first step will be to secure one-time funding for a feasibility study. A feasibility study is estimated to cost in the neighbourhood of \$25,000 depending upon the scope of the study, e.g., number of interviews required, amount of detail around a fundraising plan, etc.

Other costs are as yet unknown, and would be determined in the feasibility study. These costs include including the cost of a Fundraising Coordinator, and costs related to staffing assistance, space needs, equipment and supplies, printing, advertising, etc.

As with other capital campaigns, it is expected that the costs for the Fundraising Consultant and for the capital campaign itself would be recovered through the funds raised.

#### **PART TWO: GRANTS**

As recently confirmed by a staff member in the Ministry of Culture, there are no grants currently available that specifically support capital programs for library/cultural facilities. However, the Ministry has been alerted to the pressing need for such a grant program

by the public library sector. In the interim, details about this project are listed in the Ministry's database, which they use to assess funding requirements for capital programs.

It is hoped that the Municipal Infrastructure Investment Initiative (MIII) will once again be available for 2009. With MIII's first call for proposals, seven public libraries were successful in receiving funding including Milton Public Library, Clarington Public Library, Innisfil Public Library, and Midland Public Library.

In addition to the MIII program, a number of grant programs related to green building and energy efficiency have recently emerged, and will be explored. These include the federal government's "Green Municipal Fund" and the provincial government's "Municipal Eco Challenge Fund".

Staff will continue to watch for and investigate grants that are applicable to this project.

### **RELATIONSHIP TO STRATEGIC PLAN:**

This report relates to the following Strategic Goals and Objectives:

#### **Foster a Healthy Community:**

- A.3 To provide a broad range of educational, recreational and cultural services that meet the needs of our residents

#### **Provide Sustainable Infrastructure & Services:**

- G.1 To provide infrastructure and services that meet the needs of our community in an efficient, effective and environmentally sustainable manner
- G.4 To partner with other orders of government, and the private sector, to plan and finance infrastructure expansion and improvements.

## **FINANCIAL IMPACT:**

If Council decides to proceed with a major capital campaign, it is strongly recommended that a feasibility study be conducted to determine the community's capacity to give. This study could extend to include the steps associated with such a campaign including the project team needed, the potential donors and the donation goals. The feasibility study could also outline the expected costs of the campaign and the approach for recovering these costs.

The cost for this one-time feasibility study is estimated to be \$25,000, depending on the scope.

## **COMMUNICATIONS IMPACT:**

Following Council's decision regarding a major capital campaign, the Director of Libraries and Director of Recreation and Parks will advise all stakeholders including the Library Board, the Georgetown Branch Planning Committee (GBPC), and the Cultural Centre Stakeholders Group

## **ENVIRONMENTAL IMPACT:**

There is no environmental impact associated with this report.

## **CONSULTATION:**

The GBPC, the Library Board, the Town's Chief Administrative Officer, the Director of Finance, and Director of Recreation and Parks were consulted and contributed to the writing of this report.

## **CONCLUSION:**

The purpose of this report is to respond to a request from Council to investigate a major capital campaign to support the Georgetown Branch and Cultural Centre projects. The Director of Libraries and Director of Recreation and Parks have provided this report to outline the phases of a typical capital campaign. Staff have also provided information regarding other sources of funding such as grants.

Staff is seeking Council direction on the pursuit of a joint capital campaign for the Georgetown Branch and Cultural Centre projects.

Respectfully submitted,

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Jane Diamanti  
Director of Libraries

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Terry Alyman  
Director of Recreation and Parks

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Dennis Y. Perlin  
Chief Administrative Officer