



Administration and Operations Committee Report

To: The Chair and Members of the Administration and Operations Committee
From: Lesley Jackson, Director of Community Partnerships
Date: December 10, 2024
Report #: RPT-0542-24
Subject: Capital Fundraising Campaigns
Purpose: For Information

Recommendation

That RPT-0542-24 be received as information.

Strategic Plan Priority

Strategic Priority 4 - Reliable Infrastructure

Strategic Priority 5 - Healthy, Safe, and Engaged Citizens

Executive Summary

This report provides an overview of the County's recent capital fundraising campaigns, highlighting achievements, challenges, and sustainability concerns. Since 2021, three (3) major campaigns – Cowan Community Health Hub, T.F. Warren Cainsville Community Centre, and, Wilkin Family Community Centre raised a combined \$3.9 million, heavily relying on a small donor base and disproportionately large lead gifts. The donor base has not grown substantially, with limited cross-campaign donations and indications of donor fatigue. These trends, coupled with rising construction costs, pose challenges to meeting the Council-mandated guideline of raising 25% of construction costs for projects exceeding \$1 million. Staff have implemented strategies to improve donor engagement, communication, and diversification of giving opportunities, while exploring donor management technology to expand fundraising capacity. However, given current trends and economic pressures, staff recommend Council reconsider the feasibility of the 25% fundraising target for future projects.

Impacts and Mitigation

Social Impacts

By funding projects that improve public infrastructure and quality of life, capital fundraising campaigns enhance community development. Capital fundraising campaigns can strengthen civic engagement by uniting residents and stakeholders, fostering trust in government, and encouraging future participation in community initiatives.

Conversely, municipal capital fundraising campaigns can lead to resident dissatisfaction, as taxpayers may feel double-burdened by being asked to contribute to projects they feel should already be funded through taxes. If project priorities do not align with perceived community

needs, or, if the benefits of a project seem exclusive to certain groups, this can exacerbate tensions.

These negative impacts are mitigated by:

- transparently communicating why additional funds are needed and how a project benefits everyone
- engaging residents through public forums and surveys ensures project priorities align with community needs
- offering flexible giving options and celebrating all contributions
- highlighting tax benefits for businesses and private individuals
- providing regular updates on project progress

Environmental Impacts

Not applicable.

Economic Impacts

Capital fundraising campaigns aid in stimulating local economies by creating jobs during the planning and construction of funded projects. It increases economic activity by improving public infrastructure, which can boost tourism, commerce, and property values. Additionally, corporate donors benefit from enhanced public goodwill and positive branding, as their contributions demonstrate community support and social responsibility, fostering long-term economic resilience through stronger public-private partnerships. Capital fundraising campaigns also offset construction costs that would otherwise be borne by the municipality.

Report

Background

Recommendation #10 of the County's Recreation Master Plan (2017) provides that the County require community fundraising, corporate sponsorship and related community investments for the development of new recreation facilities, major facility expansions or major facility renewals (not rehabilitation or systems replacement), particularly for projects above a threshold cost of \$1 million, with a guideline target of 25% of total project costs.

Since 2021, the County has undertaken three (3) back-to-back capital fundraising campaigns, including Cowan Community Health Hub (\$2,000,000), T.F. Warren Group Cainsville Community Centre (\$1,500,000) and, most recently, the Wilkin Family Community Centre (\$400,000) (the County's Fundraising Campaigns).

Subject to approval from Council, it is anticipated that additional fundraising campaigns will come online in the coming one (1) to three (3) years. These potential projects include the expansion of the Brant Sports Complex and the construction of a new Glen Morris Community Centre and Library. Significant fundraising will also be required for the County's contribution to the Brant Community Healthcare System's Redevelopment Project.

Should Council approve the construction of a new Main Branch Library, a \$5,000,000 fundraising campaign is expected to be launched and overseen by K. Bernstein, Chief Executive Officer for the County of Brant Public Library.

Analysis

Lead Gifts

A lead gift constitutes a significant portion of the total fundraising goal. While the exact

percentage can vary based on the campaign's size and the organization's donor base, it's common for the lead gift to represent between 15% and 25% of the campaign goal.

For example, in a campaign aiming to raise \$2.5 million, a typical gift range chart might show the top gift accounting for 20% of the goal, equating to \$500,000. The subsequent gifts would decrease in size but increase in number, following a pyramid structure that reflects the distribution of donor capacities.

Although these figures are not rigid rules, but rather, common patterns observed in successful fundraising campaigns, it is important that Council is aware that the County's Fundraising Campaigns have heavily relied on a few key donors contributing disproportionately large lead gifts.

The following is a breakdown of lead gifts to the County's Fundraising Campaigns:

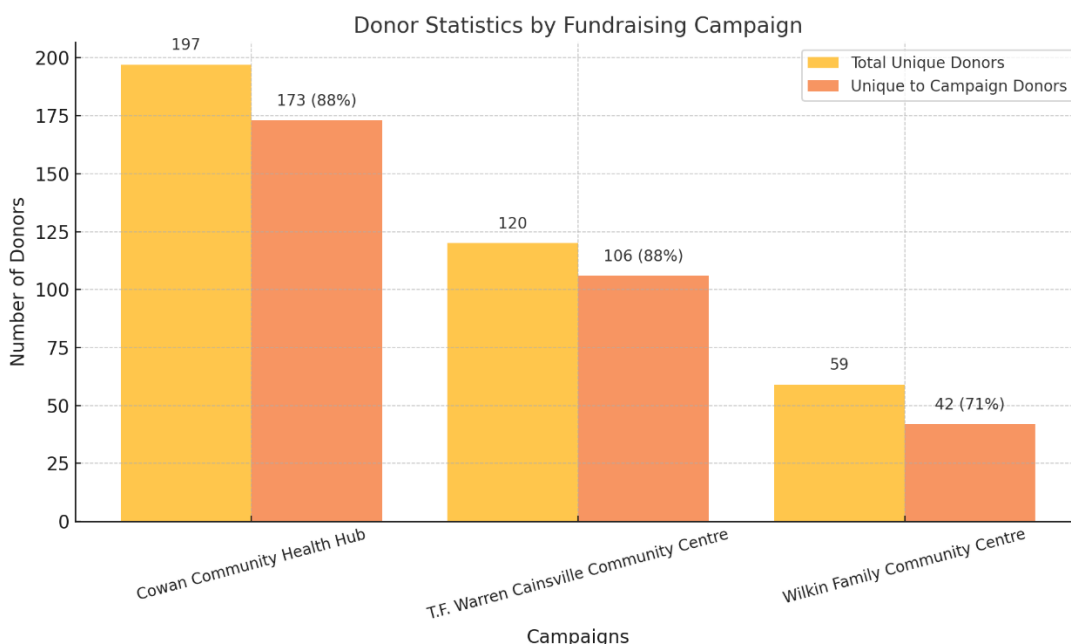
- Cowan Community Health Hub: \$2M campaign goal with the lead gift being \$800,000 (40%) of the campaign goal.
- T.F. Warren Cainsville Community Centre: \$1.5M campaign goal with the lead gift being \$750,000 (50%) of the campaign goal.
- Wilkin Family Community Centre: \$400,000 campaign goal with the lead gift being \$150,000 (37.5%) of the campaign goal.

While the County's Fundraising Campaigns have been successful, the reliance on disproportionately large lead gifts creates potential risks for sustainability, community engagement, and donor retention.

Donor Base Growth and Cross-Campaign Support

The County's Fundraising Campaigns have not demonstrated substantial growth in the donor base, with 197 unique donors for Cowan Community Health Hub, 120 for T.F. Warren Cainsville Community Centre, and (to date) 59 for Wilkin Family Community Centre.

The majority of donors (173 (88%) for Cowan Community Health Hub, 106 (88%) for T.F. Warren Cainsville Community Centre, and (to date) 42 (71%) for Wilkin Family Community Centre) are unique to individual campaigns.



Additionally, since 2021, there have been only two (2) major donors who have donated to all three (3) of the County's Fundraising Campaigns and only three (3) major donors who have donated to two (2) of the County's Fundraising Campaigns. These five (5) donors represent \$782,536.85 (20.6%) of the \$3,900,000 raised through the County's Fundraising Campaigns. Further, there are 159 unique donors who have contributed \$1,000 or more to the County's Fundraising Campaigns.

In addition to highlighting a consistent reliance on a small donor base, this suggests that most donors are only interested in very specific initiatives and may not necessarily contribute to future campaigns. The demonstrated preference for specific campaigns, rather than broader County initiatives limits the ability to reallocate donations or cultivate ongoing, generalized donor engagement. Donors may be unwilling to contribute if they do not feel personally connected to a project.

Donor Fatigue

Relying on the same small group of donors to support capital fundraising campaigns is unsustainable. Over time, it can lead to donor fatigue among these repeat contributors and weaken the long-term viability of fundraising efforts.

Donor fatigue is a phenomenon where individuals or organizations become less willing or able to contribute to fundraising campaigns, often due to repeated solicitations or feeling overwhelmed by continued expectations for financial support. Donor fatigue can occur when donors perceive that their contributions are not making a significant impact, feel overburdened by frequent requests, or experience a lack of personal connection to the causes they are asked to support. Over time, this can lead to decreased engagement, reduced giving levels, and a decline in the overall effectiveness of fundraising efforts.

Though staff is pleased to report that there is less than \$65,000 (16.25%) left to raise of the \$400,000 campaign goal for the Wilkin Family Community Centre, and, there is currently a potential \$30,000 donation being finalized, this has been an unusually lengthy campaign, and staff have experienced repeated instances of donor fatigue.

Increasing Construction Costs

As construction costs continue to increase, achieving a campaign goal of 25% of total project costs becomes significantly more difficult, particularly without a large donor base of substantial contributors.

A small donor base, minimal cross-campaign support, donor fatigue and increased construction costs, may result in difficulty achieving a 25% campaign goal consistently, particularly for smaller or less popular projects.

Summary and Recommendations

Through thoughtful stewardship, transparent communication, and a focus on meaningful engagement with supporters, staff have endeavored to:

- ensure that campaign communication is transparent and focused on the impact of donor contributions
- limit the frequency of solicitations, rather than overwhelming individuals and businesses with repeated requests
- offer diverse ways to contribute, such as volunteering and in-kind donations, to engage supporters beyond financial giving

- build relationships through personalized acknowledgments and meaningful updates to show appreciation and maintain trust.

In addition to the above, staff are investigating the implementation of donor prospect research and customer relationship management (CRM) software, with a view to connecting County fundraising initiatives to motivated, interested donors. Staff will also continue to prioritize seeking grants to reduce the reliance on donations to fundraising campaigns.

Staff recommend that RPT-0542-24 be received as information, and, considering the information noted above, suggest that Council may wish to reconsider the guideline target of 25% of total project costs as the campaign goal for future fundraising campaigns, as the target may no longer be achievable.

Attachments

None.

Reviewed By

1. M. Connor, General Manager of Strategic Initiatives

Copied To

1. SMT

By-law and/or Agreement

By-law Required	No
Agreement(s) or other documents to be signed by Mayor and /or Clerk	No