
REPORT ADDENDUM

Council Decision Item No. 19-047

Multi-Use Recreation Facility - Fundraising Feasibility Study

Recommendation:

THAT DCG Philanthropic Services be contracted to complete a Multi-Use Recreation Facility Fundraising Feasibility Study to form part of the Multi-Use Recreation Facility Business Case.

Additional Information:

At its June 3, 2019 meeting, the Community Services Committee (CSC) discussed contracting DCG Philanthropic Services for the Multi-Use Recreation Facility Fundraising Feasibility Study (study) to form part of the Business Case. Additional information was requested regarding the research completed on additional consulting firms.

Discussions were held and research completed on eight consulting firms:

1. DCG Philanthropic Services: Fundraising & Sponsorships; based in Saskatchewan
2. Partnership Group: Sponsorship; based in Alberta
3. ViTreo – Fundraising; based in Alberta
4. Goldie Company– Fundraising; based in Ontario (Offices also in Alberta, British Columbia and Nova Scotia)
5. Newman Consulting: Fundraising; based in Alberta
6. MCR West: Fundraising; based in Alberta
7. Strategic Philanthropy: Fundraising; based in Manitoba
8. Performance Sponsorship Group: Sponsorship; based in Ontario

Philanthropy based businesses don't believe percentage-based fees are ethical; therefore, they charge flat fees. A percentage-based fee runs the risk of more aggressive sales tactics rather than relationship building. The typical rates charged for a fundraising feasibility study are \$35,000-50,000. In addition, out of province companies also charge travel expenses. Similar strategies are used by the companies for a fundraising study. Aside from DCG Philanthropic services, the companies researched appear to focus either on fundraising or sponsorship, but not both. Sponsorship is an important part to the project and DCG Philanthropic Services provides experience with both. Our own research could be conducted on the value of assets in the area and a company by the name of Nustadia Recreation Inc. has offered to answer any questions regarding potential operating revenue and costs. They specialize in operations and management; facility development; and advertising and sponsorships of recreation facilities. In the future, we have the option to contract a sponsorship company, but for now we should be able to reduce costs by contracting DCG Philanthropic Services and accessing Nustadia Recreation Inc.'s expertise.



Carla Ferstl, Recreation Director

ORIGINAL REPORT

Community Services Committee Meeting
Council Decision Item: 19-047
June 3, 2019

The Multi-Use Recreation Facility project is currently at the business case stage to analyze the strategic, economic, commercial, financial and management benefits/costs for the facility. As part of this phase a fundraising feasibility study is required to determine the funding potential from donors. Funding is a crucial component to determining the feasibility and phasing of the project.

To gain further knowledge on fundraising and sponsorship of large projects, eight consulting firms in Canada were contacted regarding fee structure, services provided and experience. Of these firms, only DCG Philanthropic Services (DCG) is based in Saskatchewan.

DCG is a national consulting firm that has its headquarters in Saskatoon. They specialize in fundraising, sponsorship, research, strategy and communication services. They have a long list of clients such as the University of Saskatchewan – Merlis Belsher Place, Saskatchewan Roughriders, Ronald McDonald House Charities, Saskatoon’s Friends of the Bowl (recreation facility) and City of Martensville – Multi-Purpose Recreation Facility. The feasibility study will take three months to complete.

The scope of the feasibility study will focus on fundraising and philanthropy and not sponsorship. It is important to clarify that sponsorship focuses on a transaction with the expectation of a return (selling advertising); whereas, philanthropy is a donation without the expectation of a return.

For sponsorship an asset is assigned a value and sold. For example, we would assign values to rink boards, rooms/spaces, seating, the facility, etc. and sell the naming rights to those assets. Assigning values to assets are typically lower than the gifts that can be potentially received from donors. There is a risk to assigning value to assets too early or not in coordination with philanthropy services as donors may become aware of that asset value and then be reluctant to increase their gift beyond that value.

Philanthropy services focus on long term relationship building which is important to the Town of White City. These relationships should be continued beyond receiving the gift as our donors are a very important part of the success of the project. It would be important for the Town to not engage in aggressive sales tactics over building relationships. It is recommended that a fundraising feasibility study be conducted first, and sponsorship/asset valuation pursued at a later date, if required.

Implications:

- | | |
|---------------|--|
| Strategic: | The completion of a Fundraising Feasibility Study is an essential part of the Multi-Use Recreation Facility which meets the strategic goal of a safe, healthy and vibrant community. Specifically, the objective to meet the recreation needs of a growing community. Hiring DCG meets the strategic goal to be responsive and progressive for responsible management of the town’s financial resources. |
| Financial: | Project fees and expenses are \$40,170 (plus GST). |
| Policy/Legal: | The town’s Purchasing Policy FIN 001-2017 allows utilization of sole source purchasing for goods and services under \$10K, as this exceeds that threshold council approval is required to proceed with DCG. |



Communications: Study results will be communicated and form part of the Multi-Use Recreation Facility Business Case.

Alternatives:

Council may direct administration to prepare a request for proposals (RFP) to complete the Fundraising Feasibility Study. However, proceeding through the RFP process would delay the preparation of the feasibility study and therefore the business case. This delay would result in the business case being completed two to three months later than anticipated and have negative consequences related to partnership with local community groups.

A handwritten signature in blue ink, appearing to read "Carla Ferstl".

Carla, Ferstl, Recreation Director