

**Feasibility Study Report**

**Presented to the Hackley Public Library**

**February, 2010**

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## **Feasibility Study Methodology**

As a precursor to initiating a major capital campaign, a feasibility study was conducted to assess community response to the proposed project and to determine the feasibility of conducting a campaign to raise funds for critical library renovations.

To prepare for the study process, the following tasks were completed:

- My firm familiarized itself with the history of the library, its project plans, and its record of community communication.
- Working with leadership, a Case for Support document was developed highlighting the project and the rationale for a community based capital campaign to achieve the outlined objective.
- A list of community leaders was developed. This list included civic, business, and opinion leaders from throughout the area.
- The Case for Support was mailed to selected leadership with an invitation to participate in an interview process that would result in a feasibility study report to be delivered to the Hackley Public Library leadership.

To properly assess your situation, I interviewed 37 community opinion leaders throughout the greater Muskegon region during the winter of 2010. Interviewees were assured that their individual responses to questions would remain confidential to ensure candid responses.

Those who were interviewed represented an excellent cross-section of the broader business, corporate, and professional leadership in the area. The objective of the feasibility study was to evaluate answers to the following questions:

- What is the community perception of the library?

- What is the community reaction to the proposed project (as outlined in the Case for Support document)
- What are the strongest elements of the proposed project?
- What are the weakest elements of the proposed project?
- Is a fundraising campaign for this project feasible at the level proposed in the Case for Support?
- Are community members willing to accept major leadership roles in a campaign effort on behalf of the library?
- What type of financial support is the community willing to dedicate to this project?
- What is the proper timing and strategy for a campaign effort?
- What potential obstacles might be encountered if a campaign was initiated for this project?
- What other strategies/options might be explored to achieve the desired objective?

Interviews were conducted with an emphasis on giving the respondents ample opportunity to provide additional information not covered in the above questions.

The following pages provide a synopsis of those interviews, a summary of positive and cautionary trends identified through the interview process, conclusions and recommendations regarding moving ahead with a capital campaign effort, and supporting materials to assist the leadership in their final decision making.

Hopkins Fundraising Consulting has great confidence in the findings and recommendations summarized in this report based on many years of

experience in conducting capital campaigns and endowment efforts throughout the region.

*\*Throughout this report, italicized sections represent paraphrased comments that reflect the sentiments of a majority of the interview population.*

## Favorable Trends

1. It is clear from the interviews that the Hackley Public Library is a beloved institution in Muskegon. There was universal agreement that the library is a “cornerstone of the community” and a “valued asset” for Muskegon residents. It was amazing how many interviewees described their childhood at the library as one of their earliest memories. Respondents went on to describe the library in glowing terms:

*“The library is a local jewel.”*

*“The library is a grand institution.”*

*“The library is a treasure for our community.”*

*“The library is an architectural gem.”*

2. The majority of interview respondents described the needs outlined in the “case for support” as “reasonable,” “obvious,” and “understandable.” Most participants clearly comprehend the need for periodic upgrades and renovations to a historic building. As one interviewee noted: *“I need to put a roof on my house every twenty years...so it shouldn’t come as a surprise that a 120 year old building needs some improvements from time to time.”*
3. The staff of the library was described as “kind,” “helpful,” and “professional.” In particular, Marty Ferriby was singled out for her community involvement and for her quality leadership. Area residents value the library staff and their commitment to maintaining the Hackley Public Library as one of the area’s foremost educational institutions.
4. When asked about the practicality of a campaign for the library, the majority of interviewees expressed the view that a modest campaign would be well received and successful. Interview respondents divided into two camps when asked “what would motivate you to give to a campaign for the library?” About half of the respondents found the educational aspect of the library to be the most appealing feature. The other half was interested in supporting an investment in the preservation of a historical

building. These responses indicate that the library should have some success in initiating a private fundraising drive for the library as the campaign could feature two prominent “selling points” that appeal to broad segments of the community.

5. Several interviewees suggested that this campaign would be viewed by many as part on an ongoing effort to revitalize the downtown sector. These respondents suggested that the library position the campaign in such a way and urged library leadership to meet with other leaders in the area that are also working to improve Muskegon’s downtown.
6. There is recognition among community residents that the Hackley Public Library plays a unique role in the community by providing a place for city residents to access educational and reference materials that they might not be able to gain access to in their homes. As one interviewee noted: *“This library serves many in our community, including a significant at-risk population. Without this library, many of those folks wouldn’t have internet access, or the ability to check out materials that can help them expand their horizons and improve their lot in life.”*
7. Nearly every interviewee expressed a willingness to publicly endorse a campaign effort. This is important, as community endorsements help build community acceptance for a campaign and lend needed momentum to the early stages of a fundraising effort. NOTE: There was much less willingness on the part of interview respondents to take on an operational campaign role. The library will face some difficulty in recruiting community leaders who are willing to play an active role in a campaign. See “Cautionary Trends.”
8. There was some sentiment that the library should take advantage of a “temporary lull” in active fundraising campaigns to initiate this proposed endeavor. A number of recent campaign efforts have either wrapped up or are in the final stages of completion and several area leaders suggested that the time may be right for the library to launch the proposed campaign. NOTE: There was not universal sentiment that this was the case. Several interview respondents mentioned other community based

campaigns that could compete with the library fundraising effort. See “Cautionary Trends.”

9. Many of the interview respondents applauded the library for taking the important first step of completing a feasibility study in advance of any campaign effort. These participants noted that taking this key planning step demonstrates an “appropriate caution” and “a reasoned and thoughtful approach” prior to initiating a campaign effort. These respondents encouraged the library to continue future efforts to enhance library funding in a professional manner.



## Cautionary Trends

1. While most interviewees support the concept of a library campaign, there was universal agreement that a \$4 million goal was too ambitious given the economic climate. Most suggested that the library consider one of two options to secure the necessary funding: (1) initiate a private fundraising effort in advance of a public millage request, or (2) prioritize the needed renovations and phase them in over a ten year period. NOTE: There was not universal agreement that a public millage should be a part of a funding plan. Respondents, who opposed the concept of a millage, suggested a phased approach.
2. Nearly every interviewee mentioned the economic climate as a potential obstacle to completing a capital campaign at this time. There is obvious community concern about the local and statewide economy and how it may affect charitable giving over the next several years. NOTE: While economic timing is one of the factors that influence a decision to initiate a campaign, it is usually third or fourth on the list of factors that help determine the success of a campaign. More important factors include a compelling case for support, the availability of volunteer leadership for the campaign, and adequate gifting trends that demonstrate donor support.
3. Most interviewees were unfamiliar with the current library Board leadership and questioned the ability of the Board to manage a campaign successfully without previous campaign experience. While this does not indicate a lack of respect for the current leadership or reflect on the current management of the library, it does demonstrate the importance of recruiting additional volunteer leadership to assist with launching a capital campaign.

Unfortunately, the feasibility study did not identify a significant number of community volunteers willing to dedicate time and energy to a campaign at this time. To be successful, the library will have to come up with an alternative leadership structure—and any campaign will require a much larger role for the Library Director than may be typical.

4. Several interview respondents suggested that a renovation campaign for the Hackley Public Library would be difficult due to the fact that most of

the significant renovations were infrastructure related—and not visible to the average library patron. In the words of one interviewee: *“This will be a tough sell. While I understand the need for a new boiler and new plumbing, I won’t be able to see any difference in the library by donating to the cause. I wish this campaign had more visible and tangible elements.”*

5. Any campaign initiated by the library will face a diminished local donor base. There are fewer locally owned businesses in Muskegon and the library does not have a history of aggressive fundraising—so most donors have not been conditioned to support the library with charitable gifts. This is an obstacle that is significant—but one that can be overcome with careful planning. As one respondent noted: *“The library never asks for money—and while, on one hand, I appreciate that, it means that the library is rarely considered an organization in need of community support.”*
6. Some respondents noted the possibility of competition for limited donor funds should the library launch a campaign effort. Other organizations may be planning community campaigns. Most often mentioned were: the YMCA, the Christian schools, Every Woman’s Place, and ongoing efforts for Rotary Park.
7. There is general confusion in the community on two key issues:
  - Most interview respondents did not understand the current relationship between the public schools and the library. This relationship must be explained as part of any successful campaign effort.
  - Study participants were confused regarding the operational revenue stream that supports library functions (i.e. city wide vs. county wide millage).
8. Many respondents suggested that the Hackley Public Library had a fairly low profile in the community. There was some recognition that the current staff has undertaken efforts to increase the visibility of the library—but many suggested a more aggressive effort to promote the

library, its programs, and its usage statistics. NOTE: A number of interview respondents were surprised by the impressive increase in resident usage of the library and its services over the past decade. It is critical that the library continue to lead with this point in making the case for donor support. NOTE: One of the byproducts of a successful fundraising campaign is increased visibility for an organization.

9. The feasibility study did not discover the gifting trends necessary to indicate success at the \$4 million fundraising level. Nearly every interviewee expressed a willingness to support the campaign at some financial level, but reaching \$4 million through private fundraising would require significant gifting levels that were not identified during the study. NOTE: It is unusual for such a high number of feasibility study participants to express a willingness to participate in a proposed campaign as donors. This is a testament to the popularity of the Hackley Public Library as an institution and to its current leadership.

## Conclusions

Given the above positive and cautionary trends identified in the interviews, it is the judgment of Hopkins Fundraising Consulting that the Hackley Public Library has the potential to raise approximately \$800,000 to \$1,000,000 for the proposed library project. The higher end of this range is predicated on two conditions: (1) that the library dedicate \$400,000 in library reserves to the campaign, and (2) that the library can secure several significant five figure gifts.

Factors that limit the library leadership from raising substantially more than \$1,000,000 include:

- Lack of fundraising experience on the current library Board and the limited availability of volunteer leadership for a library campaign.
- A case for support that focuses largely on “hidden renovations.”
- Lack of a “gifting pattern” that would indicate success at a higher level.
- Concern about the state of the local/regional economy.

While this recommendation does not meet the \$4 million funding requirement proposed in the “case for support,” it is a significant community investment in the library and should be viewed as an endorsement of the institution.

Based on the key trends identified in this report, and pursuant to answering several of the important questions posed by community leaders during this study, the leadership of the Hackley Public Library should be confident that it can secure philanthropic funding for a modified plan given careful planning and cultivation of community donors.

## Recommendations

Should the leadership of the Hackley Public Library determine that a community wide fundraising effort would be beneficial, Hopkins Fundraising Consulting suggests the following recommendations in preparation for a comprehensive capital campaign:

1. Prioritize the current renovation/infrastructure needs to those that fit within a \$1 million budget.
2. Consider identifying at least one “public” renovation (visible to the public) as part of the overall fundraising plan.
3. Finalize the project funding equation with consideration given to (1) current library reserves, (2) a community philanthropic investment in the project, and (3) a community wide millage request.
4. Develop a tentative timeline for the capital campaign and/or the proposed millage request.
5. Identify and recruit campaign chairs for the effort.
6. Initiate planning for a more modest capital campaign by recruiting a leadership team (campaign cabinet) to be responsible for raising the funds for the project. This team should be representative of the community and should include energetic community and business leaders, local opinion leaders, and friends/supporters of the library.
7. Seek “stretch” gift commitments from current/past Library Board members to demonstrate the leadership’s belief and investment in the project plan and the proposed capital campaign.
8. Prepare campaign materials (i.e campaign brochure, pledge cards, letterhead, envelopes, acknowledgement cards) detailing the funding objectives of the campaign. The case should outline the library’s revised project budget and answer key questions posed by the donor community in the feasibility study.

9. Relate project goals to program outcomes. Present construction needs, whenever possible, as critical to programming success. Demonstrate how a new facility will positively impact the community. Where possible, project future growth in programs and long range community impact.
10. Identify a library staff member to assist with the internal campaign operations that will be required as part of an aggressive fundraising effort.
11. Concentrate initial solicitation strategies on key major gift prospects. The ability to raise substantial capital support will clearly be a function of the success in this area. Each one of these special contacts must be made with ample preparation, careful attention to the request, and the selection of the most appropriate solicitation team. In order to reach the goal, it will be necessary to secure approximately 60% of the funds from these key advance donor prospects.
12. Design a specific plan to accommodate gifts-in-kind and various commemorative and/or acknowledgement opportunities.
13. Submit Foundation applications after thorough discussions with local community and private foundation leaders. Discuss the need for a community philanthropic investment, the desire for unrestricted gifts, and the impact that foundation gifting will have on library services in the region.
14. Approve a final campaign goal. Appropriate professional fees, campaign costs, short-term financing obligations (which may be necessary during a pledge program), and a reasonable contingency should be included in a final campaign budget. NOTE: The campaign action plan must include adequate budget support, clear lines of accountability, a realistic solicitation timetable, and a distinct delineation of individual roles to be assumed by the Cabinet, the Board and volunteers.
15. Implement the divisional strategies in the Business/Community Division following successful fundraising efforts with leadership gifts. Time the fundraising strategies of this division to coincide with a public

announcement of the campaign, appropriate media strategies to support that effort, and the coordination of volunteer solicitors to reach a broad segment of the business community. NOTE: It is very important to control any publicity concerning the campaign to the extent possible. It is a common and often fatal mistake to announce a campaign to the public without a clearly defined plan to secure the funding for the project. As a result, organizations often appear to “fail” in their campaigns when they “go public” too early and then subsequently fall short of the required funding to accomplish their goals.

16. Consider implementation of a broad based direct mail campaign to current/past library patrons, donors, and other friends likely to make modest gifts to the campaign effort. This effort should only be launched after all other solicitation strategies have been exhausted.
17. Develop a plan to include area schoolchildren in the capital campaign effort—encouraging youth giving for an institution that will directly benefit young people.
18. Develop and implement a donor acknowledgement process and gift/pledge payment system that will ensure timely receipt of gifts and appropriate acknowledgement of donors.

It is important to remember that a campaign effort for the Hackley Public Library will succeed, in the long run, because the citizens of the region care about quality library services and educational opportunities for children in the area. The campaign will not be easy—but through hard work, careful planning, and dedicated and committed leadership...it can be successful.

## Tentative Gift Chart

**Library Reserves: \$400,000**  
**Private Fundraising Goal: \$600,000**

<b>Number of Gifts</b>	<b>Size of Gift</b>	<b>Cumulative Total</b>
2	\$50,000	\$100,000
2	\$30,000	\$160,000
3	\$20,000	\$220,000
7	\$15,000	\$325,000
8	\$10,000	\$405,000
15	\$5,000	\$480,000
25	\$3,000	\$555,000
Many	<\$3,000	\$600,000



## **Tentative Campaign Schedule**

Until the Board of Directors of the Hackley Public Library makes a final decision to proceed with a campaign, it is difficult to construct an exact campaign timetable. However, it is my experience that a campaign of this magnitude will require approximately 12-15 months to complete.

### **Four Months**

- ... Review of Feasibility Study.
- ... Board decision and approvals to proceed with a campaign.
- ... Confirmation of the elements of the Case for Support (be specific concerning facility needs, program enhancement and expansion, impact on the community, etc.).
- ... Determination of final project components, timetables, construction schedules, etc.
- ... Determination of campaign organizational structure and/or segmentation strategies.
- ... Preparation of a final case for support (based on study recommendations).
- ... Determination of community education strategies (pre-solicitation awareness building activities).
- ... Accumulation of the critical project endorsements from the community.
- ... Determination of the necessary pre-solicitation marketing strategies.
- ... Identification/recruitment of top campaign leaders.
- ... Identification/recruitment of a representative campaign cabinet.

- ... Coordination of the solicitation schedule with other visible organizational activities.
- ... Implementation of the solicitation strategies among family division prospects (Board members, staff, former Board, etc.).
- ... Identification and evaluation process of key major and special donor prospects.
- ... Initiation of private conversations with "special donor" and Foundation prospects.
- ... Cultivation of community leadership through active communication about the proposed project and impact on the region.
- ... Development/preparation of adequate solicitation materials.
- ... Convene leadership cabinet to begin the campaign effort.

#### **Four Months**

- ... Confirmation of volunteer requirements of conducting a major campaign within specific solicitation divisions.
- ... Launch an Advanced Gift strategy among key major donor prospects (to create sufficient campaign momentum).
- ... Determination of volunteer requirements for public solicitation.
- ... Advanced/challenge gift follow-up.

#### **Four Months**

- ... Launch the "public phase" of the campaign only when sufficient momentum is achieved from Advanced Gift solicitation.
- ... Initiation of Community Division solicitation efforts.

- ... Monitor the process of the solicitation effort with the construction/cash flow needs of the project.
- ... Completion of necessary follow-up to those prospects unable to respond to initial solicitation approaches.
- ... Coordination of the records management needs of the campaign with the other fund raising programs (i.e. deferred giving efforts, annual programs, memorials, etc.).
- ... Determination of construction schedule with solicitation conclusion.
- ... Conduct volunteer and donor recognition, and community celebrations.
- ... Other campaign strategies deemed necessary.

## **Tentative Campaign Budget**

Although it is difficult to judge precisely the appropriate operating budget for this community-wide campaign, it should be the goal of campaign leadership that the total campaign budget should not exceed 8-10 percent of the final campaign goal.

The elements to be considered in the development of an accountable campaign budget are:

- Campaign Counsel (optional)

- Solicitation Materials

- Brochure
- Pledge Cards
- Stationery & Envelopes
- Return Envelopes
- Audio/Visual

- Office Support

- Supplies
- Equipment
- Records Management (software)
- Postage
- Phone

- Awareness Activities

- Donor cultivation activities
- Volunteer training sessions
- Various community awareness events
- Kick-off activities

- Contingency

As the campaign action plan comes into focus, the budget will also take shape. It must be developed and approved prior to solicitation and should be shown as a line-item in the published campaign budget.

## **Interviewees (37)**

Achterhoff, Mary Lou  
Anacker, George and Jo  
Andersen, Roger  
Blyth, Jon  
Campbell, Norm and Maureen  
Crandall, Nancy  
Cutler, Bob  
Eyke, Bill  
Fisher, Fran  
Fisher, Jim  
Fox, Bruce  
Heisser, Amy  
Herald, Dr. Anita  
Hughes, Holly  
Jensen, Peggy  
Johnson, Chuck and Pat  
Kerr-Fairbanks, Claudia  
Kordupel, Bill  
Larsen, Cindy  
McGuigan, Chris  
Morgenstern, Dick  
Olthoff, Mike and Kay  
Ostrom, Gary  
Pepper, Mike  
Post, Gary  
Rice, Jack  
Scolnik, Bob  
Snider, John and Kathy  
Turner, Peter  
Waters, Nancy  
Westphal, Steve  
Wierengo, Sue

## **Suggested Leadership**

*Mentioned at least five times*

Bob Scolnik  
Chuck and Pat Johnson  
Gary Ostrom  
Larry Hines  
Mike and Kay Olthoff  
Nancy Crandall  
Peter Turner  
Roger Anderson

## **Suggested Gift Potential**

*Mentioned at least three times*

Alcoa-Howmet	John Essex
Betty Walker	L3 Manufacturing
Bob Scolnik	Larry Hines
Brunswick Foundation	Local banks
Chuck and Pat Johnson	Mike and Kay Olthoff
Dick Morgenstern	Muskegon Community Foundation
Dr. Mark Campbell	Peter Turner
Eyke Family	Roger Anderson
Fran Fischer	Van Kampen Family
Friends of the Library	Westgate Family
Jackson Mercury	

## **Next Steps**

Following Board review of the results of the feasibility study, Hopkins Fundraising Consulting recommends the following:

- A letter should be mailed to all feasibility study participants. It should:
  - Thank the participant(s) for their time
  - Provide a brief synopsis of the feasibility study results
  - Indicate the next steps in the process
  - Offer to share the feasibility study findings with the public