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**A FUND RAISING  
PLANNING-FEASIBILITY STUDY**

Prepared for the

**Northumberland Health Care  
Corporation**

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**Navion**

**September 1998**

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# INTRODUCTION

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Navion is pleased to present this Planning-Feasibility Study report to the Northumberland Health Care Corporation. This report outlines the details of our findings and recommendations for a \$5.1 million capital campaign.

Through the Study, Navion sought to gauge the level of community support for either a \$33.5 million plan to build a new hospital or a \$5.1 plan to undertake renovations and equipment purchases at the Cobourg site. Both options presume that the Ministry of Health will cover \$12 million of the costs.

This report describes the process by which the Study was conducted and provides a detailed description and analysis of the observations and findings based on the feedback of the interviewees. Throughout our report, Navion has focused on the key elements that are the basis for our professional judgement on the potential for the Corporation to successfully mount a campaign. The key issues that Navion evaluated are the appeal/acceptance of the case for support, the availability of influential leadership and inclinations of potential major gift prospects.

We then provide the Corporation with our recommendations. The analysis suggests a specific direction we believe should be followed by the Northumberland Health Care Corporation.

The final section of the report contains appendices that list the people who participated in the study and our operating materials (letter of invitation, case summary and questionnaire).

It is also important to note the principal objectives of the Planning-Feasibility Study:

1. To define and assess the general reputation (strong and weak elements) of the Northumberland Health Care Corporation within the catchment area it serves.
2. To assess the climate for fund raising, within the catchment area, especially in light of the decisions of the Health Services Restructuring Commission.
3. To assess the Hospital's communications regarding the merger and the subsequent directives by the HSRC to close the Port Hope site.
4. To determine if a \$33.5 million goal is realistic and achievable to build a new hospital.
5. To determine if a \$5.1 million goal is realistic and achievable to renovate the Cobourg site.

6. To evaluate each item of the case for support in terms of community appeal, perceived value and importance to health care delivery at the NHCC.
7. To determine the most appropriate timing for the campaign.
8. To identify potential campaign leaders.
9. To identify potential major gift donors and assess their ability and inclination to provide substantial contributions.
10. To develop the optimum plan and structure for a campaign, or an alternative if support is not identified.

At Navion, we are conscious of our responsibility in presenting this report and its recommendations. It is our goal to be both clear and concise in our statements and to present a report that is of substantial value to the Northumberland Health Care Corporation in developing its long-term fund raising strategies.

This report represents Navion's professional judgement based on our work with over 250 not-for-profit organizations, in particular our strength, knowledge and experience in the health care field in Canada. This experience provides the basis for our assessment of the advice and counsel solicited from the study participants.

We have thoroughly enjoyed our involvement with the NHCC Corporation. Particular thanks to Pamela Revell and Rhonda Cunningham whose persistent efforts in scheduling appointments resulted in over 100 participants in the study. We wish to thank the individuals who gave freely of their time to assist the Navion Team and the Northumberland Health Care Corporation with this study.

Respectfully submitted,

**Ebert Hobbs, Thalia Maughan and John Milne**

## THE STUDY PROCESS

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In order to carry out this study, Navion conducted interviews with a selected cross-section of the Northumberland Health Care Corporation's potential fund raising constituencies. Internally, representatives of the Hospital and Foundation Boards, medical staff, senior management and employees were consulted. The external interviewees included corporations, a cross section of local businesses, financial institutions, service clubs, the media and donors to all sites.

Emphasis was placed on involving those individuals whose judgement could be relied upon for an accurate assessment of the philanthropic climate and who might be helpful in the event of a campaign.

A "Executive Summary" outlining a potential campaign case for support was developed and mailed together with a letter of introduction signed by the Northumberland Health Care Corporation Chair, Ian Angus. After these letters were mailed to the prospective interviewees, personal interviews were scheduled. In addition to personal interviews, three focus groups were held to broaden the collection of data with the Hospital constituency. Both Foundation Boards and the Corporation Board were invited to attend a focus group meeting. A "questionnaire-discussion stimulant" was developed by Navion to guide the interview process and to ensure uniformity in data collection. This tool was used to record specific information and answers to a number of fundamental questions:

1. What is the reputation of the NHCC in the community?
2. How would the various constituencies respond to a campaign?
3. To what extent would the campaign case for support be endorsed?
4. Who are the candidates for leadership of this campaign?
5. Are there viable prospects capable of making gifts of \$25,000 and \$100,000 or more over a five-year period?
6. What are perceived to be the Hospital's strengths and weaknesses?
7. Does the Corporation have the potential to raise \$33.5 million to build a new hospital?
8. Does the Corporation have the potential to raise \$5.1 million to renovate the Cobourg site?
9. What are the major issues that will have an impact on the Corporation's ability to raise funds from the private sector?

Upon completion of the interviews, Counsel compiled the study findings. Subsequent analysis of the findings provided the basis of Navion's evaluation and recommendations.

## FINDINGS AND OBSERVATIONS

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In this section of the report, we provide a summary of our findings derived from 104 completed interviews and focus group participants. Each person was asked twenty-eight questions; therefore, there were literally hundreds of views and opinions expressed. A number of important insights and themes emerged from these discussions and we have highlighted those which most directly relate to the proposed campaign.

Navion's findings are outlined as they relate to the fundamentals critical to the success of any fund raising campaign: **case** for support, **leadership**, **prospects** and **plan**.

Internal respondents include those people who have contact or involvement with the Northumberland Health Care Corporation, i.e. hospital staff, physicians, Board members and members of the Foundations. External respondents include all others, i.e. representatives from local businesses, service clubs, corporations, media and donors.

Navion sought to determine attitudes toward the Northumberland Health Care Corporation, and specifically, toward fund raising as part of the restructuring of service delivery. The following questions and tabulation of answers highlight the results.

## SECTION 1: BACKGROUND

1. What is your affiliation with the Northumberland Health Care Corporation or either of the sites?

Hospital Board	10	10%	Financial Institutions	3	3%
Foundation Board	17	16%	Corporations	2	2%
Senior Management	7	7%	Local Businesses	14	13%
Medical Staff	9	9%	Political	7	7%
Employee	5	5%	Individuals	12	12%
Auxiliary	3	3%	Service Clubs	4	4%
Volunteer	3	3%	Media	5	5%
			Other	3	3%
<b>Total Internal</b>	<b>54</b>	<b>52%</b>	<b>Total External</b>	<b>50</b>	<b>48%</b>

There was excellent representation from both internal and external constituencies. Individuals were quite candid in their responses to questions regarding the NHCC.

2. Have you or members of your family received treatment at either site?

Response	Total
Yes	92%
No	8%

If yes, which one?

Site	Total
Cobourg	57%
Port Hope	25%
Both	18%



### **If yes, how would you describe the care?**

The comments on the care received were generally positive (from good to excellent). Five people noted that the care had deteriorated in the past few years, especially since, they believed, the staff was overstressed.

### **3. Have you ever supported either of the hospital sites as a volunteer or financially?**

<b>Response</b>	<b>Total</b>
Yes	80%
No	20%

### **If yes, which one?**

<b>Site</b>	<b>Total</b>
Cobourg	52%
Port Hope	30%
Both	18%

There has been a high level of support in the communities for the two sites.

### **4. How would you rate the hospital sites or the corporation in terms of its communications to the community, especially in light of the decision of the Health Services Restructuring Commission?**

Past communications by the NHCC were seen in a negative light by most of the community. 50% used terms such as 'terrible, misleading, confusing, embarrassing, and frustrating'. A further 15% believed that the Board has a hidden agenda with respect to future health care in the community.

However 20% believed that the facts were provided, but distorted by the media. 15% believed that the communications were fair or good.

There was a recurring belief expressed that hospital communications were internally motivated and did not necessarily address the concerns and questions of the community.

## Section 2: Case for Support

5. The Health Services Restructuring Commission has directed that the Cobourg hospital site be renovated and beds added at a cost of \$17.1 million and the Port Hope hospital be closed. The province would contribute \$12 million and the community would provide \$5.1 million.

The Northumberland Health Care Corporation Board has presented a proposal to the province that a new hospital be built. The Ministry has stated that they would consider this option if there were evidence of financial support in the catchment area to pay for the new hospital. The province would contribute \$12 million, the community would be expected to raise \$33.5 million.

Which of these plans would you support?

New Hospital	50%
Renovate & Enlarge Cobourg	26%
Neither	18%
Both	4%

While 50% supported a new hospital, over half of that group said the goal of \$33.5 million was unrealistic.

6. If it were learned that there is not enough financial support to build the new hospital, would you support the plan and cost of enlarging and renovating the Cobourg site?

Response	% Total
Yes	65%
No	28%
Maybe	7%

While the majority favoured the renovation of Cobourg, those who did not, believed that it is a poor business decision, given the site (land-locked, beyond restoration, how

long will it last). They also believed that the renovation will cost much more than \$17.1m.

7. **The Northumberland Health Care Corporation is considering a community based fund raising campaign to raise the money needed to either implement the plan to enlarge and renovate Cobourg or build a new hospital.**

**Do you think \$33.5 million should and can be raised to build a new hospital?**

Response	Should be raised	Can be raised
Yes	29%	14%
No	61%	73%
Maybe	10%	13%

Most do not believe that \$33.5m should, or in fact, can be raised in the catchment area. A few stated that the government should give much more and that selling the two sites would also add funds.

**Do you think \$5.1 million should and can be raised to enlarge and renovate the Cobourg site?**

Response	Should be raised	Can be raised
Yes	55%	70%
No	40%	15%
Maybe	5%	15%

Most believed that \$5.1m could be raised, even if in Cobourg alone. However, a theme was present of a lack of information regarding the renovations needed to make a decision.

8. **If no, how much can be raised in a hospital campaign?**

Most respondents agreed that \$5.1 million could be raised and so this question was not required.

**9. How do you feel about the plan to conduct a campaign?**

Most of those who approved the renovation plans were supportive of a campaign. They saw no alternative. Those who did not, want to either see the plans, or, will not support the Cobourg site.

**10. To raise the money required, gifts from many different constituency groups would be required. Please rate as high, medium, or low, the level of support you feel would come from the following constituencies.**

	High	Medium	Low	Would Support be Based on One Particular Option		
				Yes	No	Maybe
Boards	37%	28%	35%	68%	16%	16%
Medical Staff	34%	26%	40%	71%	13%	16%
Hospital Staff	32%	34%	34%	72%	16%	12%
Hospital Auxiliaries	39%	31%	30%	80%	13%	7%
Wealthy Individuals	43%	26%	31%	71%	18%	11%
Former Patients	33%	35%	32%	57%	25%	18%
Corporations	40%	30%	30%	61%	29%	10%
Financial Institutions	34%	32%	34%	61%	32%	7%
Local Businesses	35%	31%	34%	67%	26%	7%
Services Clubs	41%	30%	29%	61%	27%	12%
Foundations	34%	32%	34%	64%	29%	7%
General Community	32%	30%	38%	77%	10%	13%
Local Government	36%	23%	41%	69%	19%	12%

For the Cobourg renovations, most respondents believed that there will be medium to high support in Cobourg and little or no support in Port Hope. The majority felt that Cobourg could raise the money itself.

Respondents felt that a new hospital by the Golden Plough would increase Port Hope's support somewhat.

11. **If a campaign is conducted would you like to have alternative ways of making a contribution, i.e. will, bequest, gift of property, providing collateral for loans and so on?**

Response	Total
Yes	78%
No	12%
Maybe	10%

All ways were seen as excellent methods to help raise the funds needed.

12. **How would you/your business/your organization look upon a campaign for the Northumberland Health Care Corporation?**

Response	High Priority	Worthy of Some Support	Low Priority
99	57%	27%	15%

85% rated the campaign as either a high priority or worthy of support. Navion views this as a very positive statistic in comparison to other community hospitals where similar studies have been completed. In spite of the division in the communities, it is notable that most wanted to be part of the solution.

13. **The Campaign is proposed to begin planning in 1998 with a public launch early in 1999. How do you feel about this timing?**

For 70%, the sooner the better was the response. However, the other 30% believed there should first be a period of healing and planning.

**14. In your opinion, what are the strongest reasons for launching a campaign to provide the health care services needed in the area?**

The need for quality health care was noted in most people's response to this question – including the growth in the area, the aging population and the need to attract the best doctors in the future.

**15. Do you perceive anything that might hinder a campaign?**

There is almost unanimous agreement that the animosity between Port Hope and Cobourg will hinder a campaign. As well, 18 respondents felt that economic uncertainties, and 11 respondents felt that the lack of trust in the Board, would hinder fund raising.

### SECTION 3: VOLUNTEER LEADERSHIP

16. **Can you suggest anyone who, because of their community stature, leadership skills and organizational ability could lead this campaign to success?**

Due to the confidential nature of this question, we have compiled a list of 70 names under separate cover.

17. **If you were chair of this campaign, who would you want on your team?**

Due to the confidential nature of this question, we have compiled a list of 68 names under separate cover.

18. **(Without making a commitment), would you be willing to work on this campaign?**

Response	Total
Yes	61%
No	21%
Uncertain	18%

61% suggested that they would become involved in this campaign and an additional 18% were not willing to commit at this point (but did not reject the idea).

19. **Would you be willing to visit some selected prospects on behalf of the hospital campaign?**

<b>Response</b>	<b>Total</b>
Yes	<b>60%</b>
No	<b>21%</b>
Uncertain	<b>19%</b>

We found that many people are very willing to help out if called upon. Some people did not want to volunteer due to work place commitments or other personal reasons.



## SECTION 4: PROSPECTS

20. **Can you identify any foundations, corporations, or individuals you consider capable of making a gift of \$100,000 or more over a five-year period?**

Due to the confidential nature of this question, we have noted over 75 names under separate cover.

21. **Can you identify any foundations, corporations or individuals who you consider capable of making a gift of \$25,000 or more over a five-year period?**

Due to the confidential nature of this question, we have noted over 30 names under separate cover.

22. **How would you/your business/your organization look upon this campaign in relation to your overall charitable giving plans?**

Response	Total
High Priority	60%
Medium Priority	24%
Low Priority	16%

It is clear from these findings that most respondents (60%) see this campaign as a priority.

23. (Without committing yourself), would you be willing to indicate the level of support which you/your business/your organization would consider for this campaign over a period of five years?

	Amount	Response	Yearly Pledges
A	\$1 million –plus		\$200,000 per year – plus
B	\$500,000 - \$999,999		\$100,000 per year – plus
C	\$250,000 - \$499,999		\$50,000 per year – plus
D	\$100,000 - \$249,999	6	\$20,000 per year – plus
E	\$50,000 - \$99,999	4	\$10,000 per year –plus
F	\$25,000 - \$49,999	11	\$5,000 per year – plus
G	\$10,000 - \$24,999	10	\$2,000 per year – plus
H	\$5,000 - \$9,999	9	\$1,000 per year – plus
I	up to \$5,000	34	up to \$1,000 per year

#### Comments

As a result of meetings with 104 individuals, we have tallied 74 indications of gift support. Others indicated that they would support this campaign, however, they felt uncomfortable indicating an amount they might consider. Certainly, some of this was due to the fact that the functional plan for the hospital was not yet finalized and hence the vision of health care was still somewhat tentative.

The combined gift indications total \$1.4 million to \$3.0 million at the low and high end of the ranges. In addition, one respondent indicated a wish to donate 10 acres of land across from the Northumberland Mall.

24. Besides the tax advantages, what kind of recognition would you consider appropriate?

Most participants noted that recognition is important and that it could be in the form of a donor tree, names on the wall, named rooms, etc. The Cobourg Library was noted as an example for recognition.

**25. Are you aware of any conflicting fund raising campaigns in the community?**

Very little competition was noted specifically, except for the annual United Way campaign and the Cobourg 'Y' expansion program.

**26. What should be done to ensure that the campaign is successful?**

The main themes were a buy-in from all communities, building trust in the Board, and providing information regarding the health care needs of the community.

**27. Is there anything you would like to add which we have not covered?**

Additional comments related primarily to the division in the community and a strong wish for the start of healing.

**Note:**

The following constituencies were represented in the study:

	<b>Response</b>
Port Hope	<b>29%</b>
Cobourg	<b>35%</b>
Other	<b>36%</b>

# EVALUATION

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In this section of the report, we analyze our findings in relation to the four critical campaign elements: **case** for support, **leadership**, **prospects** and **plan**.

## Case For Support

In a fund raising campaign, the style with which the need is presented, explained and packaged is very important to the success of the program. The Case Statement document must be developed and used to provide an interpretation of the need for funds. This statement is used to design all campaign literature and promotional materials, and ultimately provides potential donors with a rationale for giving.

Since the validity of any cause is directly related to the credibility of the organization, the case statement for Northumberland Health Care Corporation must answer such questions as:

- What is the history of the Hospital?
- What is the present role of the Hospital in health care delivery? What will its role be in the future?
- How important is it to the community?
- What is the organization's vision for itself and the community it serves and why?
- How will the proposed plans be implemented?
- How will the community benefit?
- What is the cost of the undertaking?
- How will it be funded?

The Study provides many insights into writing the case statement and often influences its development when the campaign is undertaken. The writing of the Case Statement is one of the first, yet most important steps in the fund raising campaign process. In many ways, the process of writing the Case is as important as the Case itself. It is this process by which the Hospital decides: a) what it wants to say to the public and, b) how the money will be used.

## Case Evaluation

One important way to evaluate support for the case is to ask people if they will make a gift to the campaign. In the following chart, we have compared the answers we received from the Northumberland Health Care Corporation interviews to those in other studies with similar organizations.

COMPARATIVE ANALYSIS	
<i>Question: Is this a campaign to which you would be willing to provide financial support?</i>	
Client	% Responding "yes or uncertain"
A	90%
B	81%
C	79%
D	78%
E	*53%
F	*35%
* recommended against a campaign	
<b>Northumberland Health Care Corporation</b>	<b>84%</b>

While there was support for a new hospital, most felt that the funds could not be raised in the community. The majority of the respondents believed that Cobourg should be renovated. Additionally, while more than 84% indicated they would provide financial support and 74 respondents indicated a gift range, not all would donate for Cobourg.

However there is a strong belief that \$5.1m can be raised in Cobourg alone if necessary.

## Leadership Evaluation

*The importance of strong leadership in a fund raising campaign cannot be over emphasized. This single ingredient determines not only who gives and how much is given, but also who is asked. Strong leadership can help to identify who will be asked and, in turn, participate in this crucial step.*

In our interviews, Navion asked study participants if they would be willing to volunteer their time for a Campaign for NHCC. The following table illustrates the responses received for Northumberland Health Care Corporation and compares them to those received in other studies.

Comparative Analysis			
Question: Is this a campaign for which you see yourself volunteering?			
<u>Client</u>	<u>Yes</u>	<u>No</u>	<u>Uncertain</u>
A	75%	5%	20%
B	72%	14%	14%
C	62%	31%	7%
D	50%	11%	39%
E	47%	41%	12%
F	44%	31%	25%
G	33%	34%	33%
<b>NHCC</b>	<b>61%</b>	<b>21%</b>	<b>18%</b>

Sixty-three participants indicated that they would be willing to volunteer for the campaign. This represents 61% of the interviewees. Those who were uncertain (18%) were not opposed to volunteering, but simply required more specifics and the right approach. They will need clear job descriptions outlining the role they would play.

Navion asked participants to suggest names of individuals who could lead this campaign to success because of their "community stature, leadership skills and organizational ability". In response, 70 potential volunteers were identified. Although this number is quite high, our assessment of the names put forth indicates that no clear consensus for a Chair was made, especially someone who could help mend the rift between Port Hope and Cobourg. This indicates a need for cultivating the key potential leaders.

It was clear from the respondents that very few individuals were seen to be 'above the fray'.

It is our opinion that the success of this campaign will be determined by the Corporation's ability to cultivate key leadership prospects (volunteers with influence and affluence) at the earliest possible time.

### **Prospect Evaluation**

The purpose of the study is also to determine the potential dollars available should the Hospital decide to move forward in a campaign. One or two leadership gifts should be identified during this study. If the Foundations provide \$1m, then NHCC would be in a solid position to move forward.

Navion looks for a minimum of 25% of the goal in identified gift support as one indicator of potential before recommending a campaign. In Northumberland Health Care Corporation's case, the gifts identified were in the range of \$1.4 to \$3.0 million, (excluding the Foundation's) which would indicate a campaign in the \$5 million range.

Multi-million dollar campaigns must receive large pace-setting gifts to attract the many smaller contributions needed to carry them to the goal and beyond. Experience shows that the majority of successful campaigns have attracted a "lead" gift of at least 10% of the campaign goal and 40% from the top ten to fifteen gifts. The average Hospital campaign raises 60% to 75% of its goal in gifts of \$25,000 or more.

# GENERAL OBSERVATIONS

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The controversy about the hospital(s) has caused deep divisions in the catchment area. Some people feel they have been betrayed or misled, and others feel they have been alienated from the decision making process. These feelings, where they are strong, impact on the ability of people to deal objectively with the alternatives presented in the feasibility study.

There are essentially three groups of people in the catchment area – (1) residents of Cobourg, (2) residents of Port Hope, (3) residents of the county outside Cobourg and Port Hope.

While there are many people in the catchment area who are 50 years and older, there are also many younger families. The loyalties to either the Cobourg or Port Hope hospitals differ with age and the length of time people have lived in the communities.

While there are both strong positive and negative feelings about both of the current hospital sites and the directions of the Restructuring Commission, the pre-dominant concern of the majority of the people is for good health care.

It is clear that the majority of the respondents prefer a new hospital to the decision to renovate and expand the Cobourg hospital.

Many people are asking for a clear and trusted statement on the level of health care that will be available to people in the catchment area. They want to know how the hospital facility for Northumberland would fit into the network of health care services for the wider area.

There is a trust issue to be faced; a lack of trust in the people who have in the past and, to a lesser extent, those who are now making health care decisions for the people of the area. This applies to local and provincial health care decision-makers.

There is almost unanimous agreement that communication between the decision-makers and the community through the restructuring process has been bad. On who is responsible for this bad communication, opinion differs, but many people feel they had to get their information through the press or other media and that it was not forthcoming from the decision-makers. There is general agreement that this poor communication has increased the tension and the controversy.

Many of the respondents do not trust the cost figures being used for, either the renovation and expansion of Cobourg or, the building of a new hospital. They want to know where these figures came from and on what they are based.

It is believed that, to bring the Cobourg hospital site up to the standards of the health care needed and deserved by the people, will cost more than \$17 million.



They want to know what is included in the \$45 million figure for a new hospital. Does this include equipment?

Several respondents expressed the opinion that very little research has gone into the cost estimates for a new hospital. For example, they want to know (1) what type and size of hospital is necessary to provide the health services for the area within the health care system for the general area; (2) about the sale of the current hospital sites; (3) the amount and availability of money in the foundations; (4) the possibility of donated and serviced land for a new hospital; and (5) could a new hospital be built in phases with opportunity for expansion as the population increases.

To spend \$17 million to renovate and expand the current Cobourg site is seen by some people, representing all parts of the catchment area, as an unwise use of money.

Many people feel that the current decision by the Restructuring Commission to close the Port Hope site and renovate Cobourg site can be changed if enough political pressure is brought to bear. For this reason, they are still in the decision making process, mentally and emotionally, and therefore believe other options than those presented in the Study are still open.

Because some feel the government's decision can be changed, those people were not willing to deal with the question about how much money can be raised.

There is significant population growth in the catchment area, and it is believed that a new hospital will be required in 15 – 20 years.

The majority of the respondents feel that the catchment area should not be asked to provide the \$33.5 million needed to build a new hospital as stated in the case. They see this as an unreasonable financial load on the community.

Some feel that the provincial government should accept a larger portion of the cost of a new hospital.

It is believed by many that if a new hospital could be built on the west side of Cobourg, that it would be a unifying step, and a campaign would be supported by the whole catchment area. Also, the type of health care required in the area would be provided.

While it is generally acknowledged that there is a lot of money in the catchment area, we did not find the size of gifts necessary to raise the \$33.5 million needed from the community to build a new hospital.

Until it is clear that the government has made a final and absolute decision on the level of health care for the area and on the standard and location of the hospital facilities, it will be difficult to determine the full fund raising potential.

If a final decision is made to renovate and expand the Cobourg site, and if the level of health care to be provided on that site is clearly stated by the province, we believe that, while support from the Port Hope area would be limited, the \$5.1 million can be raised, if a \$1 million grant is given by the Foundations.

More than \$5 million could be raised for a new hospital, but the full potential can only be determined after the decision is made, and the level of health care and the cost of the hospital and equipment needed are confirmed. Under those circumstances we do not believe that the location of the hospital would be a major issue.

# RECOMMENDATIONS

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Navion was retained to conduct a Feasibility Study to determine, among other things, if (1) the community would support a campaign of \$5.1 million to renovate and expand the Cobourg site, and (2) to determine if a \$33.5 million campaign for a new hospital is feasible.

We have learned that it is not feasible at this time to raise \$33.5 million for a new hospital.

We believe that under certain conditions for success, it is feasible to raise \$5.1 million to renovate and expand the Cobourg site. These conditions for success are:

- (1) that clear and final decision is made to implement the directions of the Restructuring Commission.
- (2) that a decision is made and communicated to the people on the level of health care which will be provided in the renovated and expanded Cobourg site. That statement to include how the Cobourg site health services would fit into the network of health care for the wider community.
- (3) that a professional and trusted projection of cost to bring the Cobourg site up to the standards required for the role of the hospital is made and communicated.
- (4) that a program of communication and healing is conducted over the next few months to inform the community on the validity of the decision to renovate and expand the Cobourg site and the level of services to be provided.

On the matter of the new hospital, we have learned that the majority of the people are in favour, but the availability of \$33.5 million to build the hospital was not evident in the Feasibility Study. We do not believe the communities can raise \$33.5 million at this time to build a new hospital.

Since the cost figures stated in the Study are not trusted, it would be helpful, both in terms of community support and confidence in the leadership, for an assessment to be made on the cost of building a hospital to meet the health care needs of the current population with opportunity for expansion later.

There are many who feel that it may not be necessary to spend \$45m for a hospital in Northumberland County. A smaller hospital within a clear network of health care support might be all that is needed.

We do not believe that the decision to raise money to renovate and expand the Cobourg site would be popular in certain areas, but we do believe that if the above stated "conditions of success" are implemented, and people are confident that the level of health care they need will be available, support for this campaign will be there.

We believe that any campaign should be preceded by a period of research, community awareness, trust building and donor cultivation.

While we believe that a successful campaign could be launched immediately for \$5.1 million, subject to a level of commitment from the Foundations, we also feel that an immediate campaign without the above mentioned pre-campaign program, would further divide the communities and adversely affect the financial potential.

In summary, we recommend the following steps:

- (1) that a decision on the level of health care and how it will be provided, in terms of hospital and location, be made and communicated.
- (2) that, on the basis of that decision, professional and trusted cost estimates be made for the implementation of the hospital facility decision.
- (3) that a period of community awareness, community building, trust building and donor cultivation be implemented beginning immediately.
- (4) that the Board and appropriate government leaders take a leadership and active role in communicating with and listening to the people of the catchment area.
- (5) that steps be taken to organize a campaign to begin early in 1999, on the assumption that firm decisions are made by that time on the level of health care, the hospital facility and costs.

Note: If it is determined that the cost of renovating and expanding the Cobourg site is more than \$17.1m and the amount to be raised in the community is substantially more than \$5.1m, it may be necessary to conduct a limited feasibility study before setting a new campaign goal.

# FUND RAISING OFFICE AUDIT

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## BACKGROUND

*Navion met with Rhonda Cunningham of the Cobourg Foundation to audit the organization's ability to support the needs of a capital campaign. An analysis of hardware, software, donor systems, office space and staffing was conducted.*

## RECOMMENDATION

Based on the findings of the Feasibility Study, Navion recommends that any future capital campaign be conducted by the Northumberland Health Care Corporation, using the software and hardware available in the Cobourg Foundation office, with a Navion Campaign Director hired for the campaign.

Additional office space would be required for the campaign director.

### Rationale

The Cobourg Foundation has the hardware (166 Pentium) and software (FundMaster Lite) required to support a capital campaign. The software currently holds 4,000 records and can contain thousands more. The program provides bank deposit slips, tax receipts, status reports and a pledging module – all the requirements to support a capital campaign's needs and to follow-up "pledges due" in future years. The Foundation can process Visa and MasterCard donations and has explored direct deductions with its bank.

Navion staff would be needed for the duration of the campaign because the Port Hope Foundation person currently works eight hours per week, and Rhonda's time at Cobourg is fully booked on the Foundation's annual programs. While Rhonda has no experience in capital campaign fund raising, her excellent contacts within the community should be used to help organize the campaign. Once the pledging period is over, Navion recommends that the Corporation hire an assistant for Rhonda, to both maintain the campaign pledges, and to provide Rhonda time to develop growth opportunities.

In addition, office space would be required for the Campaign Director. A visible office near the front lobby has proven very successful for many organizations that have conducted capital campaigns.

The Corporation should direct the campaign as it is the only body recognized throughout the entire catchment area as representing the health care needs of its residents. Also, because there are two Foundations, a campaign directed by either would be confusing to potential donors.

# EXECUTIVE SUMMARY

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Navion was contracted by the Northumberland Health Care Corporation in August 1998 to conduct a comprehensive Pre-Campaign Feasibility Study. The purpose of the study was to determine the ability of the NHCC to raise either \$33.5 million in private support as part of a \$45.5 million project to build a new hospital, or \$5.1 million in private support to renovate the Cobourg site. Over a five-week period beginning in August, the Navion Team met with 104 hospital stakeholders representing both internal and external interests.

1. Of these 104 respondents, 29% were in Port Hope, 35% in Cobourg and 36% other.
2. Of the two scenarios presented in the study, (a) renovate and expand Cobourg and (b), build a new hospital, 50% favour a new hospital, 26% favour the renovation and expansion of Cobourg, 18% favour neither and 4% for both.
3. 65% would support renovating the Cobourg site if there is not enough money to build a new hospital. Another 7% said maybe.
4. 29% said the community should be asked to raise \$33.5 million for a new hospital while only 14% said the money could be raised; another 13% said maybe.
5. 55% said that \$5.1 million should be raised for the Cobourg site while 70% said the money could be raised; another 15% said maybe.
6. 61% said they would be willing to work on a campaign and another 18% said maybe. 21% said no.
7. 84% said a gift to the hospital campaign would be a high or medium priority. 16% said it would be a low priority.

As a result of the feedback from these personal interviews and focus groups, Navion has prepared this final report to support a number of key recommendations for the Corporation. Our findings and recommendations are addressed in extensive detail throughout this report, however, a summary of our observations and recommended direction are as follows.

## Observations

- There are deep divisions in the catchment area on the issue of hospital facilities.
- The predominant concern of the majority of people is for good health care.
- The majority of respondents prefer a new hospital.
- Many people are asking for a clear and trusted statement on the level of health care that will be available.
- There is a lack of trust in the people who are making health care decisions.
- There is almost unanimous agreement that communications between the decision-makers and the community has been bad.
- Many of the respondents do not trust the cost figures, either for the renovation of Cobourg or the new hospital.
- It is believed that the Cobourg renovations will cost more than \$17 million.
- Some expressed concern that little research has gone into the cost estimate for the new hospital.
- To spend \$17 million to renovate and expand the Cobourg site is seen by many as an unwise use of money.
- Many believe that the decision to close the Port Hope site can be changed.
- Many people have not accepted that the HSRC decision as final.
- Many believe a new hospital will be needed in 15-20 years.
- Navion did not find the size of gifts necessary to raise the \$33.5 million needed to build a new hospital.
- It will be difficult to determine the full fund raising potential until it is clear that the government decision on the hospital facility and location is final and the level

of health care has been communicated to the people in the area. The full potential can only be determined after these decisions are made.

- We believe \$5.1 million can be raised to renovate Cobourg, recognizing there will be limited Port Hope support, if a \$1 million grant is given by the Foundations.
- More than \$5.1 million could be raised for a new hospital after all details of cost, equipment, etc. were confirmed. However, \$33.5m could not be raised in a private sector financial campaign. If a new hospital is built on the west side of Cobourg, we do not believe the location would be a major issue.

### **Recommendations**

- that a decision on the level of health care and how it will be provided, in terms of hospital and location, be made and communicated.
- that, on the basis of that decision, professional and trusted cost estimates be made for the implementation of the hospital facility decision.
- that a period of community awareness, trust building and donor cultivation be implemented beginning immediately.
- that the Board and appropriate government leaders take a leadership and active role in communicating with and listening to the people of the catchment area.
- that steps be taken to organize a campaign to begin early in 1999, on the assumption that firm decisions are made by then on the level of health care, hospital facility and costs



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## Appendices:

- ◆ *Letter of Invitation*
  - ◆ *Case Executive summary*
  - ◆ *Questionnaire/Discussion Stimulant*
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As you know, the Northumberland Health Care Corporation was formed in 1996 to manage the changing health care services in the Port Hope and Cobourg catchment areas.

The Health Services Restructuring Commission has decided that the Port Hope Hospital will be closed and the Cobourg Hospital would be redeveloped at a cost of \$17.1 million, with the Ministry of health paying \$12 million and \$5.1 million provided by the community. The Northumberland Health Care Board has proposed building a new hospital at a cost of \$45.5 million. The Ministry would pay \$12 million and the community would be expected to provide \$33.5 million. The Ministry has said that they will not approve building a new hospital, unless there is evidence that the community will provide the \$33.5 million.

As part of the planning process, we have engaged Navion, a Canadian fund raising consulting firm, to conduct a planning-feasibility study on our behalf. This study will help us gauge the level of community support for a major campaign to fund the redevelopment of the Cobourg Hospital or build a new hospital and determine the structure, timing and strategy that must be implemented.

It is our hope that you will help us by agreeing to a 45 minute interview with a Navion representative. During the interview, you will be invited to comment on the key elements of the project and the proposed campaign. I want to stress that you will not be asked for a financial commitment at this time and your responses will be confidential.

With the realities of health care restructuring around us, we feel compelled to take action now and prepare for our future. We hope you will review the enclosed Executive Summary of our plans and accept this invitation to participate in the study. We will contact you shortly to arrange a meeting at a time convenient to you. On behalf of the Health Care Board, I thank you for your assistance.

Sincerely,

# *“Working Together for Tomorrow’s Health Care.....”*

## A Statement of Need Northumberland Health Care Corporation

### Where We Are Today

Northumberland Health Care Corporation was formed in June 1996, through the voluntary amalgamation of the Boards of the Cobourg District General Hospital and the Port Hope and District Hospital. Long before the Health Services Restructuring Commission came on the scene, our local hospitals were planning for a consolidated future. Years of drastic Ministry of Health cuts to our hospitals’ operating budgets sent a clear message; only by eliminating duplication and pooling our resources could we protect the services our community relied upon.

### We Are Proud Of Our Achievements

NHCC received a three-year accreditation certificate – the most important measure of a hospital’s standard of excellence – from the Canadian Council on Health Services Accreditation this past December. In addition, the hospital continues to encourage the ongoing professional development of our staff. Nearly all of our nurses have earned their Advanced Cardiac Life Support and Basic Cardiac Life Support certification.

In the past nine months, our hospital has received new general surgeons to our medical team, which enhances our expertise and services. This fall, we will take another step toward improving our quality of care with the introduction of triage nursing in the Emergency Department. Patients will receive immediate assessment and preliminary care by a triage nurse as they arrive at the Emergency Department. Thus, they will have greater comfort through understanding the status of their illness or that of a loved one as soon as they arrive.

Northumberland Health Care Corporation has every right to be proud of its achievements in this regard. Here is what we accomplished on our own, *before* the restructuring commission issued its directives:

- One Corporation:** formal merger of the Cobourg and Port Hope hospital corporations
- One Administration:** Disbanding of separate management structure and creation of a single administrative team
- One Medical Staff:** Merging of the former hospitals’ medical staffs
- One Staff:** Duplicated union groups were amalgamated co-operatively into three groups and minimal layoffs from consolidation was achieved
- Consolidation of Services:** Our 1997-98 Operating Plan consolidated acute care services at the Cobourg site and complex care/rehabilitation services at the Port Hope site

## Our Role

If anything can be learned from the upheaval of hospital restructuring, it is that a hospital is the heart of its community, not because of the bricks and mortar which make it, but because of the people who work there, NHCC's nurses, doctors, physiotherapists, dietary assistants, laboratory technologists and many others are the same dedicated people who made the former Port Hope and Cobourg hospitals so well-respected. Today, NHCC is a 102-bed hospital which provides essential primary acute and long-term care services. Our specialists include general surgeons, obstetrician/gynecologist, internists and psychiatrists offering out-patient counselling. The NHCC of tomorrow, however, will be a different place as it forms closer links with community health care partners and regional health care institutions. Our role will be more sharply defined as we concentrate our resources on what we do best and share services with others. When restructuring is complete, NHCC will have 137 beds consisting of 69 acute care, 39 complex care beds., 18 rehabilitation beds and 11 subacute beds.

## The Challenge That Lies Ahead

The decision of the Health Services Restructuring Commission presents a tremendous challenge for the lakeshore community. Over the next two months, we have a chance to demonstrate our ability to raise in the vicinity of \$33.7 million toward the construction of a new hospital. This is the clear choice of the Board of Trustees of Northumberland Health Care Corporation. The Board believes a new hospital is the most cost-effective way to meet the needs of the community over the long term.

Here are the two options given to us by the Health Services Restructuring Commission:

	<b>New Hospital</b>	<b>Cobourg Site</b>
Total Cost	\$45.7*	\$17.1
Government Share	\$12.0	\$12.0
Balance to be Raised	\$33.7*	\$5.1

\* Does not include cost of land

The Health Services Restructuring Commission has capped its contribution to the lakeshore community at \$12 million, which is 70 per cent of the allocation to upgrade the Cobourg site. This was the commission's initial recommendation, and only on the insistence of NHCC did the commission agree to allow us the chance to show we could raise the additional funds which will be needed to build a new facility. **This is clearly a major challenge.** But the NHCC Board has no intention of writing off such a goal as unattainable without first exploring the level of community support that is out there. The deadline is tight and the money requirements large, but so are the stakes.

## Where Do We Go From Here

The Board of Trustees will decide in October whether to implement the commission's directive to expand and upgrade the Cobourg site, or to request the new hospital option. This decision will be based on an assessment of the level of community support we can achieve. Your input is critical.

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*"We are in the exciting position of being asked to reshape our health care at the dawn of a new millennium. Our efforts must be as bold, optimistic and forward-thinking as the event itself."*

# Northumberland Health Care Corporation

## *Planning-Feasibility Study*

### Discussion Stimulant

*Interviewee* \_\_\_\_\_

*Title/Position* \_\_\_\_\_

*Constituency* \_\_\_\_\_

*Date* \_\_\_\_\_

*Interviewer* \_\_\_\_\_

Navion  
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Toronto, Ontario M4W 3E2

# Section 1

## Background

1. What is your affiliation with the Northumberland Health Care Corporation or either of the sites?

Internal	Hospital Site	External
Hospital Board		Financial Institutions
Foundation Board		Corporations
Senior Management		Local Business
Medical Staff		Political
Employee		Individuals
Auxiliary		Service Clubs
Volunteer		Donor
Other		Other

2. Have you or members of your family received treatment at either site?

Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, which one? \_\_\_\_\_

How would you describe the care?

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3. Have you ever supported either of the hospital sites as a volunteer or financially?

Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, which one? \_\_\_\_\_

Comments:

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4. How would you rate the hospital sites or the corporation in terms of communications to the community, especially in light of the decision of the Health Services Restructuring Commission?

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5. The Health Services Restructuring Commission has directed that the Cobourg hospital site be renovated and beds added at a cost of \$17.1 million and the Port Hope hospital be closed. The province would contribute \$12 million and the community would provide \$5.1 million.

The Northumberland Health Care Corporation Board has presented a proposal to the province that a new hospital be built. The Ministry has stated that they would consider this option if there is evidence of financial support in the catchment area to pay for the new hospital. The province would contribute \$12 million, the community would be expected to raise \$33.5 million.

Which of these plans would you support?

\_\_\_\_\_ Renovate and enlarge Cobourg      \_\_\_\_\_ New Hospital

Comments:

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6. If it is learned that there is not enough financial support to build the new hospital, would you support the plan and cost of enlarging and renovating the Cobourg hospital site.

\_\_\_\_\_ Yes      \_\_\_\_\_ No      \_\_\_\_\_ Maybe

Comments:

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7. The Northumberland Health Care Corporation is considering a community based fund raising campaign to raise the money needed to either implement the plan to enlarge and renovate Cobourg or build a new hospital

a) Do you think \$33.5 million should be raised to build a new hospital?

**OR**

Do you think \$33.5 million can be raised to build a new hospital?

\_\_\_\_\_ Yes

\_\_\_\_\_ No

\_\_\_\_\_ Maybe

\_\_\_\_\_ Yes

\_\_\_\_\_ No

\_\_\_\_\_ Maybe

Comments: (If "no", why not?)

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b) Do you think \$5.1 million should be raised to enlarge and renovate the Cobourg site?

**OR**

Do you think \$5.1 million can be raised to enlarge and renovate the Cobourg site?

\_\_\_\_\_ Yes

\_\_\_\_\_ No

\_\_\_\_\_ Maybe

\_\_\_\_\_ Yes

\_\_\_\_\_ No

\_\_\_\_\_ Maybe

Comments: (If "no", why not?)

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8. If no, how much can be raised in a hospital campaign? \_\_\_\_\_

9. How do you feel about the plan to conduct a campaign?

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10. To raise the money required, gifts from many different constituency groups would be required. Please rate as high, medium, or low, the level of support you feel would come from the following constituencies.

	High	Medium	Low	Would Support Be Based on One Particular Option			Preferred Option
				Yes	No	Maybe	
Boards							
Medical Staff							
Hospital Staff							
Hospital Auxiliary(s)							
Wealthy Individuals							
Former Patients							
Corporations							
Financial Institutions							
Local Businesses							
Services Clubs							
Foundations							
General Community							
Local Government							

11. If a campaign is conducted would you like to have alternative ways of making a contribution, i.e. will, bequest, gift of property, providing collateral for loans and so on.

\_\_\_\_\_ Yes                      \_\_\_\_\_ No                      \_\_\_\_\_ Maybe

Comments and Suggested Alternatives:

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12. How would you/your business/your organization look upon a campaign for the Northumberland Health Care Corporation?

\_\_\_\_\_ As one of the highest priorities                      \_\_\_\_\_ Worthy of some support  
 \_\_\_\_\_ As a low priority

13. The proposed campaign timeline is to begin planning in 1998 with a public launch early in 1999. How do you feel about this timing?

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14. In your opinion, what are the strongest reasons for launching a campaign to provide the health care services needed in the area?

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15. Do you perceive anything that might hinder a campaign?

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### Section 3

#### Volunteer Leadership

16. Can you suggest anyone who, because of their community stature, leadership skills and organizational ability could lead this campaign to success?

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17. If you were chair of this campaign, who would you want on your team?

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18. (Without making a commitment), would you be willing to work on this campaign?

Yes	No	Uncertain

Comments:

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19. Would you be willing to visit some selected prospects on behalf of the hospital campaign?

Yes	No	Uncertain

Comments:

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## Section 4

### Prospects

20. Can you identify any corporations, foundations or individuals you consider capable of making a gift of \$100,000 or more over a five-year period?

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21. Can you identify any corporations, foundations or individuals you consider capable of making a gift of \$25,000 or more over a five-year period?

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22. How would you/your business/your organization look upon this campaign in relation to your overall charitable giving plans?

High Priority	
Medium Priority	
Low Priority	

23. (Without committing yourself), would you be willing to indicate the level of support which you/your business/your organization would consider for this campaign over a period of five years?

	Amount	Yearly Pledges	
A	\$1 million -plus	\$200,000 per year - plus	
B	\$500,000 - \$999,999	\$100,000 per year - plus	
C	\$250,000 - \$499,999	\$50,000 per year - plus	
D	\$100,000 - \$249,999	\$20,000 per year - plus	
E	\$50,000 - \$99,999	\$10,000 per year -plus	
F	\$25,000 - \$49,999	\$5,000 per year - plus	
G	\$10,000 - \$24,999	\$2,000 per year - plus	
H	\$5,000 - \$9,999	\$1,000 per year - plus	
I	up to \$5,000	up to \$1,000 per year	

24. Besides the tax advantages, what kind of recognition would you consider appropriate?

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25. Are you aware of any conflicting fund raising campaigns in the community?

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26. What should be done to ensure that the campaign is successful?

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27. Is there anyone else whom you would suggest we interview in the study process?

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28. Is there anything you would like to add which we have not covered?

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