



Town of Hinton
STANDING COMMITTEE MEETING
Agenda
March 8, 2016 - 4:00 PM
Committee Room, Hinton Government Centre

TOWN COUNCIL MISSION
*Council serves the interests of our citizens
to enable our community to reach full potential.*

Page

ORDER

1. Call to Order

ADOPTION OF AGENDA

1. Standing Committee Agenda - March 8, 2016

CITIZENS "MINUTE WITH COUNCIL"

ACTION AND DISCUSSION ITEMS

- 2 - 9
1. Draft Sponsorship & Advertising Policy - Presented by Laura Howarth (10 minutes)

ADDITIONAL INFORMATION

1. Urgent Matters from Council
2. Chief Administrative Officer Status Report
3. Legislative and Executive Assistant Logistics Information

IN CAMERA

1. Deliberative (FOIP)

ADJOURNMENT

1. Adjournment



TOWN OF HINTON DIRECTION REQUEST

DATE: March 3, 2016

TO: **STANDING COMMITTEE MEETING OF MARCH 8, 2016**

FROM: Laura Howarth, Director of Community Services

REVIEWED BY: Denise Parent, Director of Corporate Services

APPROVED BY: Mike Schwirtz, Chief Administrative Officer

RE: **Draft Sponsorship & Advertising Policy**

Purpose

This item is before Council to seek direction on the draft Sponsorship & Advertising Policy as requested at the Regular Council Meeting of September 1, 2015.

Issue

The Town does not have an overarching corporate guiding document to assist in engaging sponsors and advertisers. Assumptions for Council's discussion:

- ❖ The Town welcomes and encourages sponsorships and advertising undertaken to assist in the delivery of its many programs and services, including the required infrastructure to do so;
- ❖ The Town wants to continue to seek, accept and/or create opportunities for sponsors and advertisers to support its many facets; and therefore,
- ❖ Adopting a Council approved policy formalizes the conditions for the Town to enter into an agreement with an external party to sponsor or advertise all, or a part, of a Town facility, service, program or event.

Administration Comments on Situation / Options

This draft policy is the result of researching / reviewing policies and guidelines from twelve other municipalities. It has been reviewed by various Town staff and the recommendations of Executive Committee and Legal Counsel have been incorporated as well.

The proposed policy **DOES NOT**:

- ✓ Apply to donations;
- ✓ Address conditions whereby the Town is the sponsor or advertiser; and does not
- ✓ Supersede related documents noted (current and future).

The proposed policy **DOES**:

- ✓ Ensure agreements align with the Town's vision and mission;
- ✓ Balance the benefit to the Town, the community and the sponsor/advertiser;
- ✓ Apply to:
 - financial or in-kind contributions,
 - selling or leasing of advertising space,
 - sponsorships establishing a mutually beneficial business arrangement; and
- ✓ Outline:
 - how decisions will be made,
 - what limitations the agreements are subject to and
 - standards, solicitation, authorities, reporting, appeal processes.

If the assumptions outlined under the "Issue" section of this report are affirmed by Council, the following direction options are offered:

1. That Council direct Administration to bring the *proposed* Sponsorship & Advertising Policy to Regular Council for decision.
2. That Council direct Administration to bring an *amended* Sponsorship & Advertising Policy to Regular Council for decision.
3. Accept this report for information.

Administration's Conclusion / Proposed Direction

The municipality delivers programs and services that contribute to a vibrant, strong and diverse community. Collaborating with individuals, organizations and businesses through sponsorship and advertising opportunities is mutually beneficial and encourages engagement in community life. Administration proposes Direction Option #1 above.

Chief Administrative Officer Comments

As can be seen by the policy this topic is not entirely straight forward. It can get complicated very quickly. Establishing this policy provides some standard process and criteria for administering sponsorships and advertising opportunities and provides the Town with a policy defense in cases where disputes should arise.

There has been a good cross section of input into this policy, if the assumptions are correct then I believe that this policy is ready to go to Regular Council for discussion and a decision.



TOWN OF HINTON

DRAFT

POLICY TITLE: Sponsorship & Advertising Policy

POLICY #:

EFFECTIVE DATE:

**ADOPTED BY
COUNCIL ON:**

1.0 POLICY STATEMENT

1.1 The Town of Hinton (Town) welcomes and encourages sponsorships and advertising undertaken to assist in the provision of its programs, services and facilities. Sponsorship and advertising initiatives will be consistent with the Town's vision and mission, as identified in the Municipal Strategic Plan, and not compromise or contradict any legislation, bylaw or policy, or reflect negatively on the Town's public image. All agreements shall be established in a manner that results in a successful balance of benefit to the Town, the community, and the sponsor / advertiser.

2.0 PURPOSE

2.1 This policy formalizes the conditions for the Town to enter into an agreement with an external party to sponsor or advertise all, or part, of a Town facility, service, program or event. It applies to all arm's length contracted relationships between the Town and businesses, organizations and individuals that contribute either financially or in-kind in return for recognition, public acknowledgement or other promotional considerations.

3.0 DEFINITIONS

3.1 **Advertising Sales** – The selling or leasing of advertising space on corporate materials (printed and electronic), and signage on Town owned properties; whereby the advertiser is not entitled to any additional benefits beyond access to the space purchased. Advertising is a straightforward purchase of space based on pre-established rates and a defined time period.

3.2 **Asset** – This is a physical or non-physical Town-owned element that has value to sponsors in order to achieve their business objectives. Examples of some assets are: playgrounds, buildings, programs, events, advertisement placements and services.

3.3 **Donation(s)** – A cash and/or in-kind contribution made to the Town with no reciprocal commercial benefit expected or required from the Town. Donations do not involve a business relationship and are distinct from sponsorship and/or advertising initiatives.

- 3.4 **External party** – An organization, company, or individual who is interested in providing cash, and/or in-kind goods and/or services to the Town in return for access to the commercial marketing potential associated with a Town facility, program, service or event.
- 3.5 **In-Kind** – A contribution sponsorship received in the form of goods and/or services rather than cash.
- 3.6 **Naming or Renaming Rights** – An exclusive right of third-party sponsorship to name an asset or venue for a fixed or indefinite period of time in exchange for cash and/or other considerations under a long-term agreement.
- 3.7 **Request for Sponsorship Proposal** – This is an open and competitive process for corporations and organizations to express their interest in a sponsorship opportunity with the Town.
- 3.8 **Sponsorship** – A mutually beneficial business arrangement between the Town and an external party. An agreement is made for the external party to provide cash and/or in-kind goods and/or services to the Town in return for access to the commercial marketing potential associated with a Town facility, program service or event.
- This does not include donations and gifts to the Town where no business relationship or association is contemplated or is required and where no reciprocal consideration is being sought.
- 3.9 **Sponsorship recognition** – Refers to the agreed upon terms of publicity and/or promotion that reflects the sponsorship impact.
- 3.10 **Third Party** – this is an organization running a program and/or event in a Town-owned facility with a partnership agreement with the Town.
- 3.11 **Town** – Refers to the Town of Hinton

4.0 GENERAL REQUIREMENTS

The following conditions apply when establishing sponsorship and advertising relationships:

4.1 Decision Making

Subject to the limits set out in Section 5.2 of this Policy:

- a) All agreements must be consistent with the mandate, policies and objectives of the Town.
- b) The sponsorship and/or advertising opportunity should be appropriate to the identified target audience.
- c) Sponsorships should enhance the development, delivery, awareness or continuance of one or more Town facilities, programs, services, and/or events or provide for the delivery of programs, services, or events by a third party.
- d) Agreements must benefit the Town, the community and the sponsor / advertiser.
- e) Agreements shall not in any way invoke the future considerations, influence, or be perceived to influence the day-to-day business of the Town.
- f) Advertising devices and sponsorship recognition must maintain a clear message of the Town's role and must not impact the quality and integrity of the Town's properties,

buildings, recreational experiences and provide no added risk to safety. This will be determined by the Town.

- g) All agreements must comply with federal and provincial acts, statutes and regulations and municipal bylaws and must not interfere with existing contractual obligations of the Town.
- h) In the event an advertisement is not approved by the Town, the Town shall provide notice in writing to the party which submitted the advertisement with reasons for the rejection.

4.2 Operational

- a) The Town will maintain control over the planning and delivery of all agreements and activities either directly or through a third party company.
- b) The term of all agreements shall not exceed five years unless authorized by the Chief Administrative Officer. Agreements will not exceed the program or service cycle, the event duration or the life of the asset in question.
- c) Town employees or anyone with permission to act on behalf of the town shall not receive any product, service, or asset for personal use or gain as a result of an agreement.
- d) Agreements neither act as the Town's endorsement of any one product or service over another, nor of the party's products, services or point of view.
- e) Funds shall be allocated solely to the budget of the appropriate facility, program, project or special event.

5.0 STANDARDS

5.1 The Town considers sponsorship and advertising proposals based on the guidelines contained in this policy but is not obliged to do so. The Town, at its sole discretion, may remove sponsorship and/or advertising that contravenes this policy from its property, at no cost to the Town and the contravening party will be required to indemnify the Town for any costs or damages the Town may incur as a result of their advertising.

5.2 All Advertisers are responsible for selecting their own graphics company. Advertisers must follow design requirements identified by the Town.

5.3 The Town will consider sponsorship and/or advertisements based on the following guidelines:

- a) Must be appropriate for all ages.
- b) Does not provide, nor imply, Town endorsement of sponsors or advertisers, their messaging or their point of view. The Town reserves the right to explicitly disclaim endorsement of sponsors and/or advertisers in any space.
- c) Must clearly indicate on whose behalf the message is being presented by use of a brand name, logo, and/or other forms of identification.
- d) Advertisers / sponsors whose message contain a website will be reviewed in accordance with the policy standards and will be subject to continued monitoring throughout the term of the contract for compliance.
- e) All artwork must be pre-approved by the Town prior to printing.

5.4 Notwithstanding the foregoing, sponsorships and/or advertisements shall not be considered or rejected on the basis of content, except to the extent of the following restrictions:

- a) The advertisement shall not contain any coarse language, graphic or vulgar images, images of violence, or other shocking or disturbing images;
- b) The advertising shall comply with all federal and provincial laws and regulations, as well as all Town Bylaws;

- c) Sponsorships and/or advertising will not be accepted from any party that portrays, promotes, or condones the stereotyping of any group or discrimination as defined in the Canadian Human Rights Code; and
- d) The advertisement shall comply with the Canadian Code of Advertising Standards.

5.5 In the event an advertisement is not approved by the Town, the Town shall provide notice in writing to the party which submitted the advertisement with reasons for the rejection.

6.0 SPONSORSHIP AGREEMENTS

6.1 All agreements must be confirmed in writing and all details must be finalized at the time of signing by authorized representatives of both the Town and the sponsor.

6.2 All agreements shall be reviewed by the Town's legal representative to ensure protection from risk and compliance to legislation.

6.3 All agreements must outline the following:

- a) The sponsor's contribution and the assessed value of the contribution.
- b) The obligations of both the sponsor and the Town.
- c) The duration of the sponsorship.
- d) The dispositions and ownership of any assets resulting from the sponsorship.
- e) The licensing and use of the Town's and sponsor's name, trade and service marks and other intellectual property, and any costs associated with its' licensing or use.
- f) A cancellation provision and the remedies available to both parties upon cancellation.
- g) Details of the exchange of marketing benefits, including both what the Town will receive from the sponsor, and what benefits are to be provided to the sponsor.
- h) Insurance coverage/indemnification clause.

6.4 Acceptance of donations and the offer of naming or renaming rights will be handled on a case by case basis by the Director of Corporate Services and/or executive from the applicable department and must meet Policy #079 – Naming Development Areas, Parks, Municipal Facilities and Roads.

7.0 SOLICITATION

7.1 For Town-identified sponsorship opportunities, the Town will advertise if there is: an estimated value of over \$100,000; the agreement duration is of 5 years or greater, or there is a delivery of service.

- a) The Town is open to receiving unsolicited sponsorship proposals.
- b) Unsolicited sponsorship and advertising proposals received by the Town will be evaluated by the manager of the relevant department and the Director of Corporate Services, as per the provisions of this policy.
- c) The selection of a preferred supplier will be consistent with the Town's Purchasing Policy; therefore there will be no requirement to obtain quotes or undertake a proposal. Staff can initiate opportunities without the requirement to test the market further.
- d) The Town reserves the right to reject any unsolicited sponsorship proposal that has been offered to the Town.
- e) The Town, as determined by the Director of Corporate Services, reserves the right to terminate an existing sponsorship or advertising agreement should conditions arise that makes it no longer in the best interests of the Town.

7.2 Non-competitive arrangements may be considered for the following opportunities when:

- a) An unlimited number of sponsors are being sought.
- b) It is a unique, innovative or experimental sponsorship opportunity.
- c) Only one suitable sponsor can be identified.

- d) The value of the sponsorship or advertising opportunity is less than \$10,000, or
- e) The need is justified in a business case, approved by the Chief Administrative Officer.

8.0 DELEGATION OF AUTHORITY

- 8.1 Staff is authorized to enter into agreements that do not exceed the following pre-authorized limits. Agreements that exceed these pre-authorized limits will require Council approval.
 - a) Department Heads / Managers are responsible for approving all agreements with a value of less than \$20,000, provided they satisfy all provisions of this Policy.
 - b) Directors are responsible for approving all agreements with a value of \$20,000 to less than \$50,000, provided they satisfy all provisions of this Policy.
 - c) The Chief Administrative Officer for the Town is responsible for approval of all agreements for amounts between \$50,000 and \$200,000, provided they satisfy all provisions of this Policy.
 - d) Town Council approval is required for any contract exceeding \$200,000 in cash or if the contract does not satisfy the provisions of this Policy.

9.0 AGREEMENTS

- 9.1 Departments are responsible for soliciting, negotiating, preparing and administering their own agreements, including contract management. Staff approving sponsorship proposals must ensure that all relevant bylaws and policies are adhered to, appropriate consultation, and approval authorities and permits have been obtained. All documents shall be signed by the signing authority for the Town.

10.0 REPORTING

- 10.1 Departments entering into agreements pursuant to this Policy are required to report each agreement to the Director of Corporate Services who will provide a year-end report to Council.

11.0 APPEALS

- 11.1 Any party which receives such a notice of rejection may either resubmit a new or amended advertisement, or may appeal the rejection by providing a written notice of appeal to the Town's Chief Administrative Officer within 15 days of receiving the notice of the rejection.
- 11.2 A notice of appeal must include a copy of the proposed advertisement, a copy of the rejection notice, and written reasons as to why the appellant believes the advertisement is proper, complies with the conditions set out herein and should be accepted by the Town.
- 11.3 The Chief Administrative Officer shall consider the appeal materials including any submissions from the appellant, as well as any other relevant considerations. The Chief Administrative Officer shall respond to the appeal in writing within 15 days of receiving the notice of appeal, either upholding the rejection or allowing the advertisement, with or without conditions. The decision of the Chief Administrative Officer is final and not subject to appeal.

12.0 RELATED DOCUMENTS

- a) Naming Development Areas, Parks, Municipal Facilities and Roads
- b) Purchasing Policy
- c) Canadian Code of Advertising Standards
- d) Land Use Bylaw

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