

Policy No.: 121/16 Policy Title: Advertising and Sponsorship Department: Community Services Council Approval: May 10, 2016 Reviewed: May 10, 2016 Revised: N/A Supersedes Policy/Bylaw: N/A	M# Date: May 10, 2016
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Policy Statement

The Town of Blackfalds encourages community advertising and sponsorships as part of Town program, services, events, assets and capital projects. The Advertising and Sponsorship Policy provides guidelines and flexibility to maximize revenue opportunities while protecting the Town’s corporate values, image, assets and interests.

The Policy applies to all Town employees and all arm’s length partner/contracted relationships between the Town and businesses, organizations and individuals that contribute either financially or in-kind to Town programs, services, events, assets or capital projects in return for recognition, public acknowledgement or other promotional considerations.

1. Reason for Policy

1.1 The Town of Blackfalds embraces community advertising and sponsorships as part of Town programs, services, events, assets and capital projects. All advertising and sponsorships shall be consistent with the Town’s vision, mission and values and will not compromise or contradict any by-law or policy of the Town, or reflect negatively on the Town’s public image. All advertising and sponsorship agreements shall be established in a manner that is open and fair and results in the optimal balance of benefits to the Town and the community.

The primary objective of the policy’s parameters and guidelines is to protect the Town’s corporate values, image, assets, and interests and creating an authorized process for entering into advertising and sponsorship agreements for the purpose of additional revenue generation.

2. Related Information

This policy applies to all Town employees and all arm’s length partner/contracted relationship between the Town and businesses, organizations and individuals that contribute either financially or in-kind to Town programs, services, events, assets or capital projects in return

for recognition, public acknowledgement or other promotional considerations. The policy applies to the following:

- Program and special event sponsorship
- Naming/renaming of Town property, buildings, and structures
- Pouring rights
- Paid advertising on Town property, at Town events, and in Town publications

3. Definitions

3.1 Sponsorship

A mutually agreed to arrangement between the Town and an external company, organization, enterprise, association or individual evidenced in writing whereby the external party (sponsor) contributes money, goods or services to Town programs, services, events, assets or capital projects in return for recognition, acknowledgement, or other promotional considerations or benefits. This does not include donations and gifts, or advice to the Town where no business relationship or association is contemplated or is required and where no reciprocal consideration is being sought.

3.2 Forms of Sponsorship

Cash – A sponsorship received in the form of money.

In-kind – Goods or services of value to the Town are received rather than cash.

3.3 Advertising

Advertising is the sale to an external company, organization, enterprise, association or individual of advertising space on Town printed materials or property, at Town events, or in conjunction with a Town program. Unlike sponsorship, advertising involves the simple purchase by an advertiser of advertising space sold at rates determined by the Town. The purchaser of this space is not entitled to any additional benefits other than those accruing from access to the space purchased.

3.4 Naming Rights

A naming right is a type of sponsorship in which an external company, organization, enterprise, association or individual purchases the exclusive right to name an asset or venue (e.g., a room, building, sports facility or part of a facility, etc.) for a fixed period of time. Usually naming rights are considered in a commercial context, which is that the naming right is sold or exchanged for significant cash and/or other considerations under a long-term arrangement. This arrangement is usually documented in a written agreement signed by the interested parties and has a specified end date to the contractual obligations.

3.5 Pouring Rights

A pouring right is a type of sponsorship in which a corporation, an organization or an individual purchases the exclusive right to supply beverages at a Town facility in exchange for significant cash and/or other considerations over a long-term agreement.

3.6 Preferred Supplier Agreements

Preferred Supplier Agreements are multi-year contracts between the Town and outside firms in which the firms agree to provide value-added support to the Town in exchange for preferred status. Value-added support is typically provided by discounted pricing as well as cash, and/or goods and services. This process allows for a consistent approach to all current and potential supply line arrangements, which in the long run, will see the Town lower its operating costs while at the same time generating additional revenue.

3.7 Ethical Scans

A search of a potential sponsor's main company and subsidiaries, if any, that is performed to determine if the sponsor/advertiser meets the requirements defined by the Advertising and Sponsorship Policy or is otherwise affected by the "Restrictions for Advertising and Sponsorships" section of the Policy.

4. Responsibilities

Departments are responsible for soliciting, negotiating and administering their own agreements. Staff approving advertising and sponsorship proposals must ensure that all relevant by-laws and policies are adhered to, appropriate consultation and approval authorities are respected, and where applicable that insurance, indemnification, ethical scans, and permits have been obtained.

Departments are responsible for ensuring that third party advertising relationships abide by the restrictions noted in this Policy.

Departments are responsible for maintaining a log of all advertising and sponsorship contributions and for issuing a written acknowledgement of the agreement to each sponsor or advertiser. All sponsorship contributions in excess of \$25,000 in total value shall be confirmed in a Memorandum of Understanding (MOU) or other legal agreement.

4.1 Municipal Council to:

4.1.1 Approve by resolution this policy and any amendments.

4.1.2 Consider the allocation of resources for successful implementation of this policy in the annual budget process.

4.2 Chief Administrative Officer to:

4.2.1 Implement this policy and approve procedures.

4.2.2 Ensure policy and procedure reviews occur and verify the implementation of policies and procedures.

4.3 Director of the Department to:

4.3.1 Ensure implementation of this policy and procedure.

4.3.2 Ensure that this policy and procedure is reviewed every three years.

4.3.3 Make recommendations to the Chief Administrative Officer of necessary policy or procedure amendments.

4.4 Manager to:

4.4.1 Understand, and adhere to this policy and procedure.

4.4.2 Ensure employees are aware of this policy and procedure.

4.5 All Employees to:

4.5.1 Understand and adhere to this policy and procedure.

to this policy.

5. Contraventions

6.1 Failure to comply with this policy and procedures may result in disciplinary actions.

6. Special Situations

6.1 n/a

7. Appendix

7.1 n/a

8. End of Policy

PROCEDURE

Policy No.: 121/16 Policy Title: Advertising and Sponsorship Policy Department: C.S.D.	
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1. Application Process
1.1 Application

This Policy applies to all Town Departments. This Policy does not apply to:

- Independent foundations or registered charitable organizations that the Town may receive benefit from. However, where assets are owned and managed by the Town, this Policy shall apply unless otherwise approved by Council.
- Gifts or unsolicited donations to the Town
- Funding obtained from other orders of government through formal grant programs
- Town sponsorship support of external projects where the Town provides funds to an outside organization.
- Third parties who lease Town property or hold permits with the Town for programs, activities or events.

1.2 Delegation of Authority

Town staff is authorized to enter into advertising and sponsorship agreements that do not exceed the following pre-authorized limits. Agreements that exceed these pre-authorized limits will require approval from Council.

1.3 Director Approval

Department Directors are responsible for approving all agreements for amounts equal to or less than \$50,000 provided they satisfy all provisions of this Policy.

1.4 CAO Approval

The CAO is responsible for approving all agreements for amounts more than \$50,001 and equal to or less than \$100,000 provided they satisfy all provisions of this Policy.

1.5 Council Approval

Council approval is required for all agreements in excess of \$100,001 or that do not satisfy the provisions of this Policy as well as for all opportunities involving the naming/renaming of Town property, buildings and structures.

2. Principles and Conditions

2.1 General Requirements

The Town of Blackfalds supports the ongoing practices of entering into advertising and sponsorship agreements with third parties where such partnerships are mutually beneficial to both parties in a manner that is consistent with all applicable policies set by the Town. Under the condition of this policy, Town staff may continue to solicit such advertising and sponsorship agreements. All advertising and sponsorship agreements must comply with federal and provincial statutes, municipal by-laws, and the standards set out by the Canadian Advertising Standards Council.

The following conditions apply when establishing advertising and sponsorship relationships:

- The Town will maintain control over the planning and delivery of sponsorship activities.
- Agreements shall not in any way invoke future consideration, influence, or be perceived to influence the day-to-day business of the Town.
- The relationship must not cause a Town employee to receive any product, service or assets for personal gain or use.
- Advertising devices must not impact the quality and integrity of the Town's properties, buildings, streetscape, and provide no added risks to safety.
- The advertisement of a product or service does not act as the Town's endorsement of any one product or service over another.
- The advertising and sponsorship opportunity should be appropriate to the target audience

3. Restrictions for Advertising and Sponsorship

3.1 The Town will not solicit or accept advertising or sponsorship from companies whose reputation could prove detrimental to the Town's public image and/or whose main business is derived from:

- The sale of tobacco
- Pornography
- Represents political endorsement of a party, elected representative or candidate from any level of government

The Town will not allow advertising or sponsorship, either directly or through third party arrangements that:

- Convey a negative religious message that might be deemed prejudicial to religious groups
- Present demeaning or derogatory portrayals of individuals or groups or contain anything, which, in light of generally prevailing community standards, is likely to cause deep or widespread offence

The Town may, at its discretion, bring any proposals to Council for their approval even if they do not meet the guidelines of this policy. Council may also consider any proposal or direct staff to pursue any opportunities for advertising and sponsorship that do not strictly adhere to this policy.

3.2 Alcohol related advertising/promotions must abide by the Alberta Liquor and Gaming Commission's Liquor Licensee Handbook (Section 7 and 8).

3.3 BOLT Transit related advertising must also abide by the policies set forth by Red Deer Transit and the BOLT Steering Committee.

4. Administration Requirements and Authorities

4.1 Solicitation and Allocation of Advertising and Sponsorship Opportunities

Sponsorships activities should continue, as always, to be the result of direct solicitation by the Town to sponsors.

The Town must ensure an open and competitive process for the following advertising and sponsorship opportunities:

- Opportunities that will offer a significant corporate profile
- Agreements of a lengthy duration (3 years and beyond)
- Agreements that allow for exclusive benefits and recognition

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

- An unlimited number of sponsors are being sought
- It is a unique, innovative or experimental sponsorship opportunity
- Only one suitable sponsor can be identified
- The value of the sponsorship or advertising opportunity is less than \$50,000
- The value of an In-kind media sponsorship is less than \$100,000
- The need is justified in a business case, approved by the CAO

Unsolicited advertising and sponsorship proposals received by the Town will be reviewed and evaluated by the relevant Director as per the provisions of the Policy and may be declined, accepted, referred or reported to Council.

The Town reserves the right to reject any unsolicited sponsorships that have been offered to the Town and to refuse to enter into agreements for any sponsorships that originally may have been openly solicited by the Town.

The Town may approach preferred sponsors for selected facilities. There will be no requirement to obtain quotes or undertake a proposal and staff can initiate opportunities without the requirement to test the market further.

The Town shall not relinquish to the sponsor any aspect of the Town's right to manage and control the Town's assets or facilities.

All sponsorship and advertising agreements shall be evaluated on an annual basis to determine continued benefit. The term of all agreements shall not exceed three years unless authorized by the appropriate CAO.

The Town reserves the right to terminate an existing advertising or sponsorship agreement should it no longer serve in the best interests of the Town.

5. End of Procedure

Approval

Chief Administrative Officer

Date