

Report to Council



Date: June 1, 2016
File: [RIM Classification Number]
To: City Manager
From: Jodie Foster, Communications Supervisor
Subject: City of Kelowna Sponsorship and Advertising Program and Policy Development

Recommendation:

That Council receives, for information, the report from the Communications Supervisors dated June 1, 2016, with respect to the development of a City of Kelowna Sponsorship and Advertising policy and program.

Purpose:

To provide Council with an overview of municipal sponsorship and the feedback gathered from a sponsorship workshop hosted by the City of Kelowna, and to outline the sales model to be used in the development of a City Sponsorship and Advertising Policy and Program.

Background:

City Council has identified exploring opportunities to generate revenue as a Council Priority for strong financial management.

More municipalities are turning to sponsorship as one option for revenue generation. In the 2015 Citizen Survey, 81 per cent of respondents said they would support corporate sponsorship for municipal programs and facilities, including 41 per cent who said they strongly support it.

In 2015, Partnership Group conducted an inventory and valuation of several City properties and their associated assets, which would be appropriate for sponsorship and advertising. The exercise indicated that over time, the City could expect to generate about \$1 million annually in ongoing revenue.

Partnership Group has been retained this year to assist with drafting a policy and finalizing the asset list. In addition, Partnership Group will develop a strategic program plan including a sales approach and model, templates, a prospect list, revenue forecasts and timelines that

would allow the City to launch a formal sponsorship and advertising program. The policy and program will come to Council for consideration later in 2016.

Community Workshop:

If the City formalizes a sponsorship and advertising policy and program, there is the potential for real or perceived impact on other organizations that also undertake philanthropic and sponsorship activity in the community.

Partnership Group advises that this is a commonly noted issue in other municipalities where formalized programs have evolved. One mitigation is to assist local organizations through professional development opportunities to “elevate the sponsorship game” across the community. This has already been a successful strategy in Kelowna through programs like artsVest B.C., which supports cultural organizations by guiding them on how to develop sponsorship relationships and then apply for matching funds.

To determine the needs of non-profits and City partners, staff and the Partnership Group hosted a workshop on May 16. The workshop provided a sponsorship basics learning opportunity, as well as a venue to gather community feedback on the potential for a formalized City of Kelowna Sponsorship and Advertising policy and program.

Invitations went out to over 40 organizations directly by email, as well as a general invitation on the City’s social media channels. 26 people from 13 organizations attended (See Appendix A for the list). Feedback was gathered during the workshop and through a questionnaire gathered after the workshop. Three main themes emerged:

- A couple of the organizations expressed some concern that the City entering into a more formal sponsorship program could impact their revenues or limit their ability to conduct their own sponsored events within City facilities
- The organizations found this learning opportunity useful and said they could benefit from future opportunities with topics such as prospect development, writing agreements, valuation of assets, networking with the business community, networking with other like-minded organizations
- Organizations requested continued involvement as the policy and program drafts are developed including specific information on how the City could provide community support going forward

This feedback will be addressed while drafting the Sponsorship and Advertising policy and program.

Sponsorship and Advertising Sales Model:

In order to generate accurate revenue projects, the sponsorship policy and program will need to include a finalized asset list and the operational sales model. The asset list will be finalized for Council consideration and brought forward later this year.

In general, there are three models used to sell sponsorship and advertising assets in most municipalities. These include:

- Using a sales agency or contractor to conduct all sales and manage the program
- Using staff to conduct all sales and manage the program

- Using a hybrid model with a base level of staff to manage the program and a sales agency or contractor for sales and other support

Staff will to use the hybrid model of sales for the development of the policy and business case portion of the program plan for the following reasons:

- Staff consistency allows the City of Kelowna to own sponsor relationships
- Using a hybrid model allows flexibility to build the program over a period of time
- Using a hybrid model allows flexibility to incorporate areas such as the Airport and Regional Services that already have a contractor doing advertising sales on their behalf

Next Steps:

The next steps include the development of a draft Sponsorship and Advertising policy and program for Council consideration later this year.

Internal Circulation:

Carla Weaden, Communications and Information Services Divisional Director
Jim Gabriel, Active Living and Culture Divisional Director

Existing Policy:

City of Kelowna Civic Community Facilities Naming Policy Number # 343
City of Kelowna Park Naming Policy Number # 251

Financial/Budgetary Considerations:

There is \$100,000 in the 2016 budget for the sponsorship and advertising project.

Personnel Implications:

If Council approves the program later this year, a staffing request would be submitted for Council consideration as part of the 2017 budget. It is expected that staffing costs would be off-set by program revenue over time.

Considerations not applicable to this report:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

External Agency/Public Comments:

Communications Comments:

Alternate Recommendation:

Submitted by:

J. Foster, Communications Supervisor

Approved for inclusion:



cc:

Carla Weaden, Communications and Information Services Divisional Director
Jim Gabriel, Active Living and Culture Divisional Director

Appendix A - Sponsorship Workshop Attending Organizations May 16, 2016

Attended
Opera Kelowna
Theatre Kelowna Society
Festivals Kelowna
Cool Arts Society
Kiwanis Music Festival Society of Kelowna
Okanagan Men's Sheds Association
Rotary Centre for the Arts
Okanagan Xeriscape Association
Okanagan Gymnastics Centre
Kelowna Falcons
Okanagan Korean Culture and Knowledge Club
Kelowna and District Pony Club
Kelowna United