



City of  
**Peterborough**

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**To:** Members of the General Committee

**From:** Sandra Clancy, Chief Administrative Officer

**Meeting Date:** July 5, 2021

**Subject:** Report CAOCS21-002  
Sponsorship Policy and update on the Corporate Sponsorship Program

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## **Purpose**

A report to recommend approval of an updated Sponsorship Policy that will direct and support the City's sponsorship activities and objectives, generating non-tax revenue to support City services.

## **Recommendations**

That Council approve the recommendations outlined in Report CAOCS21-002, dated July 5, 2021, of the Chief Administrative Officer as follows:

- a) That the Sponsorship, Naming Rights and Advertising Policy attached as Appendix A be repealed;
- b) That the Sponsorship Policy attached as Appendix B be approved; and
- c) That the Sponsorship Asset Inventory List attached as Appendix C be approved.

## **Budget and Financial Implications**

There are no direct financial implications associated with the approval of the Sponsorship Policy that will replace the City's current Sponsorship, Naming Rights and Advertising Policy. The new policy is expected to facilitate further growth of sponsorship activities to generate non-tax revenue respecting the principles as outline in the policy.

## Background

The current Sponsorship Policy, which Council approved in December 2015, has a scheduled review date of January 2021.

As part of the scheduled review of the Policy, City staff consulted internally with program areas that are active in corporate sponsorship, City divisions that may be part of new sponsorship opportunities going forward, as well as Advisory Committees to get community input into the update of the policy, including:

- Arenas, Parks and Recreation Advisory Committee
- Arts, Culture and Heritage Advisory Committee
- Museum Advisory Committee

Sponsorship staff also engaged with the Art Gallery of Peterborough and the Peterborough Public Library.

In addition to the scheduled review of the Sponsorship, Naming Rights and Advertising Policy, the recommended new Sponsorship Policy addresses the following motion that Council approved at its meeting on March 27, 2017:

- a) That Report OCS17-004 be received for information.
- b) That staff proceed with Option 2, as outlined in Report OCS17-004, to revise the Advertising Policy to include a provision for a community standard.

The scheduled review was timely for this policy as the City's Corporate Sponsorship Program has gone through substantial transition since Council approved the policy in 2015.

Subsequent to creating the City's first Sponsorship Policy, a Corporate Sponsorship Co-ordinator position was created in 2016 to help guide the development and growth of the City's sponsorship activities; corporate sponsorship was organized under the newly created Communication Services Division in 2018; and an existing Sponsorship and Marketing position in the Arena Division was moved to Communication Services in 2019 to enhance coordination of sponsorship activities.

Through the development of the Corporate Sponsorship Program, the following program tools have been a focus of development to support sponsorship activities for continued success:

- Developed financial processes, mechanisms and coding to support sponsorship reports, analysis, budget forecasts, and revenue tracking within the City's enterprise software.
- Web page development of a Corporate Sponsorship profile on the City website to communicate and promote sponsorship opportunities.

- Program area engagement to identify and capture sponsorship opportunities and activities that may be supported by Corporate Sponsorship.
- Development of data management processes and software tools to support sponsorship asset inventory, sponsorship sales, contracts and customers.

Since 2017, sponsorship activities throughout the Corporation have generated more than \$2 million in gross revenues and achieved an annual revenue of over \$800,000 in 2019. In 2020, sponsorship revenues experienced a decline of more than 50% as a result of the global COVID-19 pandemic. Closures to City facilities, disruption to City services, and provincewide shutdowns to private business activity all contributed to an immediate and unexpected impact on sponsorship operations. Sponsorship revenues in 2021 will depend on how quickly public health restrictions can be eased, and how the economy recovers when regular activities can resume. Chart 1 lists the gross revenues coordinated by the Corporate Sponsorship Program over the last 4 years.

Chart 1  
Gross Sponsorship Revenues

Year	Gross Sponsorship Revenues coordinated by the Corporate Sponsorship Program
2017	\$510,654
2018	\$772,044
2019	\$828,342
2020	\$389,891

Examples of sponsorship activities include:

- Digital signage (indoor digital signage network and outdoor signs) with Movingmedia
- Airshow sponsorships
- Library Commons Naming Right with LLF, and the support for the Public Art installation, "Your Story"
- Canadian Tire Jump Start Grant to fund accessibility at Peterborough Sport and Wellness Centre – Pool Pod
- Facility naming rights – Healthy Planet Arena
- Arena pad naming rights
  - Leon's Peterborough Pad
  - Freedom Mobile Pad
  - Mr. Lube Pad
- Arena Rink Board program

- Development of an Outdoor Fields sponsorship program
- Enbridge Energy Stage to support PTBOLive Summer Concert Series
- Virtual Art Auction (mid pandemic) presented by George Ripoll at BMO Private Wealth
- Peterborough Transit sponsorship program, such as the Hydro One marketing/awareness campaign on its integration for Peterborough area customers

New sponsorship opportunities are coming on-line, new relationships are being forged, and new sponsorship assets are being developed. Sponsorship activity as an industry will rebound and evolve, and sponsorship revenues in the City will continue to grow and support the City's service delivery. The updated Sponsorship Policy supports a strategic plan and direction for the program going forward.

### **Highlights of updated Sponsorship Policy**

To update the policy, staff undertook a complete review of the entire policy in the context of sponsorship industry best practices and sponsorship programs in other municipalities. Corporate sponsorship is a growing and ever-changing industry, including in the municipal sector. Sponsorship needs to be responsive to private sector trends in marketing, communications, business development, economics, technology, and creative services. The updated policy will help position the City to remain competitive and to continue to grow its sponsorship revenue streams.

The development of the policy focuses on six key objectives of the Corporate Sponsorship Program.

- Drive revenue growth through increased sales, increased contract lengths, increased sponsorship asset values, and consistent sponsorship renewals
- Maximize program efficiency and return on the City's investment
- Promote the culture of sponsorship and relationship building within City program areas and the broader community
- Expand the City's inventory of sponsorship assets when it is in alignment with the City's overall Corporate Sponsorship Program
- Mitigate risks
- Establish program metrics
- Ensure fit between the City, the audience and the sponsor

The updated Sponsorship Policy adds language supplied by a third-party legal consultant to address Standards and Limitations on sponsors and sponsor messages. The policy emphasizes the City's intent and rights to refuse a sponsorship.

The language in the policy establishes a standard of "audience fit" requiring sponsors and their messages to be aligned with a City asset and the audience. All sponsorships are developed with the intention to create a positive, mutually beneficial relationship between all three parties - the City, the sponsor, and the audience (users of a City program or service).

The updated Policy includes an Appendix A - “Asset Inventory”, intended to increase program transparency, structure, accountability and support streamlined approvals. Assets intended to be used for sponsorship activities must first be approved to be added to the Sponsorship Asset Inventory before they can be offered as part of any potential sponsorship. The recommended Sponsorship Asset Inventory includes assets that have traditionally been available for sponsorship activities as well as new assets that have been added for approval after discussions with program areas as part of the policy development. Assets may be added to the inventory in the future subject to approvals as outlined in the policy. Sponsorship asset information on the inventory list includes:

- Asset name
- Brief description
- Location or program that operates the asset
- Estimated value. Values will be assigned to assets as an estimate. Actual value received from the sale of an asset is subject to market demand, economic conditions, available inventory, sponsor objectives, budgets and timing.
- Minimum term lengths: Timing and length requirements assigned to an Asset to support program structure, process and to maximize the City’s return on investment.
- Asset level – A numeric level between 1 – 4 assigned based on estimated value. Asset levels will play a role in approval processes.

The addition of the Sponsorship Asset Inventory is supported by a new two-phase approval process. Separating asset approvals (Phase 1 of the approval process) from agreement approvals (Phase 2), reduces complexity in the City’s process and eliminates uncertainty when soliciting assets before they are approved to be used for sponsorship activities. By approving assets up front, the Corporate Sponsorship Program is better positioned to focus on solicitation and managing the assets that are intended to support City revenue objectives.

The two-phase approval process includes:

- Phase 1 Asset Approval: Any asset that is identified for sponsorship activities will need to be approved through the Phase 1 approval process to be added to the Sponsorship Asset Inventory before it can be made available for sponsorship. This approval helps ensure corporate sponsorship activities are aligned with corporate direction on the use of specific assets to generate sponsorship revenues. It aligns approval authorities with assets based on value thresholds as well as with prominence, such as with the requirement for the naming of facilities to be subject to Council approval before being added to the Sponsorship Asset Inventory. All approved assets will be publicly made available through the Sponsorship program sales efforts, including profile on the Corporate Sponsorship webpages on the City website.

- Phase 2 Sponsorship Approval: Any proposed sponsorship agreement requires a Phase 2 Approval. Phase 2 only occurs where the sponsorship rights to be sold are already approved through a Phase 1 approval. Phase 2 approval process begins once a sponsorship has been negotiated and confirmed. The approval authority for sponsorship agreements are stipulated in the Sponsorship Policy.

The addition of a two-phase approval process and Sponsorship Asset Inventory supports changes to the sponsorship solicitation process. Requirements for a Request for Proposals solicitation process have been removed from the policy and replaced with the Phase 1 Approval and Sponsorship Asset Inventory as mechanisms to enhance transparency while at the same time providing opportunity to respond to the market. Sponsorship is a competitive industry and to ensure the City is positioned to be successful the policy aligns with industry practices.

## Summary

A new Sponsorship Policy is being recommended based on the scheduled review of the Sponsorship, Naming Rights, and Advertising Policy, the evolution of the City's Corporate Sponsorship program, and industry best practices. The new policy introduces a Sponsorship Asset Inventory list and requires any sponsorship asset to be approved to be added to the list before it is made available for sponsorship activities. The Sponsorship Asset Inventory list clarifies the sponsorship solicitation process and improves public transparency by publicly listing assets that are available for sponsorship.

Submitted by,

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Attachments:

Appendix A – Sponsorship Naming Rights and Advertising Policy – Policy #0036

Appendix B – Sponsorship Policy (draft)

Appendix C – Sponsorship Asset Inventory