



Sponsorship Policy Revised March 2021

POLICY STATEMENT:

The City of Elliot Lake welcomes and encourages sponsorships to assist with the provision of a City facility, service or event. These initiatives will be consistent with the City's vision and values, and not compromise or contradict any by-law or policy, or reflect negatively on the City's public image. All sponsorship agreements shall ensure that both the interests of the City of Elliot Lake and the other party will be considered, equally.

PURPOSE:

This policy is meant to provide transparent guidelines to staff, council and the residents of Elliot Lake in regards to sponsorship programs where the City is a recipient of funds or In-kind products or services in exchange for sponsorship of a City facility, service or event. This policy will outline:

- Sponsorship agreements including termination clauses.
- The fee framework for agreements.
- Outlines for sponsor recognition and naming rights.
- Solicitation of requests.
- Avoidance of conflict of interest.
- Protection of the integrity of Municipal assets.

DEFINITIONS:

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

City - The term city refers to the Corporation of the City Elliot Lake.

Donation(s) - A cash and/or in-kind contribution made to the City of Elliot Lake with noreciprocal commercial benefit expected or required from the City. Donations do not involve a business relationship and are distinct from sponsorship and/or advertising initiatives.

External party – An organization, company, or individual who is interested in providing cash, and/or in-kind goods and/or services to the City in return for access to the commercial marketing potential associated with a City facility, program, service or event.

In-kind – A contribution sponsorship received in the form of goods and/or services rather than cash.

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.

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 City of Elliot Lake.

Sponsorship - A mutually beneficial business arrangement between the City 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 City in return for access to the commercial marketing potential associated with a City facility, program, service or event.

Sponsorship recognition - Refers to the agreed upon terms of publicity and/or promotion that reflects the sponsorship impact.

SCOPE:

This policy applies to the relationships between the City of Elliot Lake and businesses, organizations, and individuals that contribute either financially or in-kind to a City facility, program, service or event in return for the recognition, public acknowledgement, or other promotional considerations. This applies, but is not limited to:

- Program and event sponsorship including City-endorsed or owned programs or events.
- Naming or renaming of City owned assets or portions thereof.

This Policy shall not apply to:

- Grants received from federal or provincial governments, foundations, trusts, etc.
- Sponsorships that pre-date this policy (renewals will be dealt with through this policy).
- Advertising in print or through City owned electronic platforms.

POLICY COMMUNICATION:

This policy will be communicated by:

- A posting on the City of Elliot Lake website.
- Availability on the internal policy drive accessible by staff.
- Printed copies will be made available at City Hall for those without access to the internet.

POLICY:**1. GENERAL PRINCIPLES:**

The following principles will serve as a guide in regards to the decision-making and operational process related to sponsorship relationships with an external party.

Decision-Making

- 1.1. All sponsorship agreements must comply with federal and provincial acts, statutes and regulations and municipal by-laws and must not interfere with existing contractual obligations of the City.
- 1.2. No sponsorship agreements shall diminish the reputation of the City of Elliot Lake or reflect negatively on the municipality.
- 1.3. All sponsorship agreements must be consistent with the mandate, policies and objectives of the City of Elliot Lake.
- 1.4. Sponsorship agreements must benefit the City, and should also benefit the community, and the sponsor.
- 1.5. Sponsorships must not create an ongoing financial obligation for the City.
- 1.6. The sponsorship should not cause unplanned operational or capital expenditure or significant administrative burden.
- 1.7. The sponsorship agreement cannot cause a municipal employee or elected official to receive any product, service, or asset for personal use or gain, either directly or indirectly.
- 1.8. The sponsorship opportunity should be appropriate to the identified target audience.
- 1.9. Any item used to denote the sponsor must not impact the quality and integrity of the City's properties, buildings, recreational experiences, and provide no added risk to safety. This will be determined by the City of Elliot Lake.
- 1.10. Agreements shall not in any way invoke future considerations, influence, or be perceived to influence the day-to-day business of the City of Elliot Lake.

- 1.11. A sponsorship cannot be used to influence the outcome of an outstanding approval, permit or license application or award of a procurement call. A sponsor must advise the City in writing if they, their organization or company is currently involved in a planning approval or procurement process with the City or one of its agencies, boards and commissions (see Conflict Of Interest).
- 1.12. Where there is a competition for a limited sponsorship opportunity, staff will seek to make the best match, based on the criteria set out in this policy.
- 1.13. City facilities, services or events will be available for multiple sponsors should the opportunity present itself. Options for exclusive sponsorships may be negotiated as part of the administration of sponsorship agreements and shall be priced accordingly.

Operational

- 1.14. The City will maintain control over the planning and delivery of all sponsorship agreements and activities.
- 1.15. The City will retain ownership and control over any sponsored property/asset.
- 1.16. Sponsorships must be valued at a level consistent with the industry practices, using recognized valuation models, comparable examples and standard practices.
- 1.17. The sponsorship agreement must not imply endorsement of the company or its products, services or ideas and must not allow sponsors to make statements which suggest endorsement by the City.
- 1.18. Sponsorship by a product or service does not act as the City's endorsement of any one product or service over another.
- 1.19. The term of all agreements shall not exceed four years unless authorized by Council or Chief Administrative Officer.
- 1.20. 100% of the sponsorship revenue will be allocated to the operating budget of the appropriate facility, program, or special event in connection with the sponsorship received.
- 1.21. The City, as determined by Council and the CAO, reserves the right to terminate an existing sponsorship agreements should conditions arise that makes it no longer in the best interests of the City.

2. RESTRICTIONS:

In keeping with the principle that all sponsorship initiatives must be consistent with the City's vision, mission and values, the following restrictions will apply:

- 2.1. The City of Elliot Lake will not accept sponsorship from companies whose

reputation could prove detrimental to the City's public image and/or whose main business is derived from: 1) the production or sale of tobacco, 2) pornography, adult entertainment, or sexual services, 3) the support of or involvement in the production, distribution, and sale of weapons and other harmful products, and 4) religious and/or partisan organizations.

2.2. Sponsorships will not be accepted from any party that portrays, promotes, or condones the stereotyping of any group or discrimination as defined in the Ontario Human Rights Code.

2.3. Sponsorship will not be accepted from individuals or corporations currently not in good standing with the municipality (i.e., current violation of by-law, under litigation, or in arrears). The standing of individuals and corporations will be confirmed through the City's legal services, finance, and protective services divisions.

2.4. Sponsorship will not be accepted from corporations that produce beer, wine, or alcohol products in the Ontario marketplace, except for special events where no children under the age of 19 will be admitted, and where the sponsor has demonstrated all requirements of the municipal alcohol policy will be met during the event.

2.5. Represents political endorsement of a party, elected representative or candidate from any level of government.

3. DECLARATION OF CONFLICT OF INTEREST

3.1.1. Potential donors and sponsors will be requested to declare no conflict of interest.

3.1.2. Sponsorships will not be accepted from persons who have a concurrent application for a permit or license from the City or an application for planning approval from the City, or from persons who are bidding for a contract from the City through a procurement process.

4. SPONSORSHIP AND ADVERTISING AGREEMENTS:

- 4.1. All sponsorship agreements must be confirmed in writing and all details must be finalized at the time of signing by authorized representatives of both the City and the sponsor.
- 4.2. All sponsorship agreements shall be reviewed by the CAO and City's legal representative if so required to ensure protection from risk and compliance to legislation.
- 4.3. Multiple year sponsorship agreements shall be evaluated on an annual basis to determine continued benefit. The City reserves the right to terminate an existing agreement, should conditions arise that make it no longer in the best interests of the City.
- 4.4. All Sponsorship agreements specifically must outline the following:
 - 4.4.1. The sponsor's contribution and the assessed value of the contribution.
 - 4.4.2. The obligations of both the sponsor and the City.
 - 4.4.3. The duration of the sponsorship.
 - 4.4.4. The dispositions and ownership of any assets resulting from the sponsorship.
 - 4.4.5. The form(s) of recognition available to the sponsor.
 - 4.4.6. The licensing and use of the City's and sponsor's name, trade and service marks and other intellectual property, and any costs associated with its' licensing or use.
 - 4.4.7. A cancellation provision and the remedies available to both parties upon cancellation.
 - 4.4.8. Details of the exchange of benefits and/or recognition, including what the City will receive, and what benefits are to be provided to the other party.
 - 4.4.9. Responsibilities of the City and the sponsor including: insurance coverage, permits, maintenance, replacement, removal from and remediation to the site, taxes of all assets, security, safety and other risk management issues.
 - 4.4.10. Payment terms.
 - 4.4.11. A statement acknowledging that the sponsorship agreement may be subject to provisions of the Municipal Freedom of Information and Protection of Privacy Act.
 - 4.4.12. A waiver of liability and an indemnity clause for damages or losses incurred by the City.

5. SPONSORSHIP FEE FRAMEWORK:

5.1. Internal fees are established for sponsorship of assets using a market-based approach combined with key metrics including visibility, number of impressions, level of exposure, etc.

5.1.1. All negotiation of rates with potential external sponsors are completed through equal application of this framework in addition to the City's Fees and Charges Bylaw.

6. SPONSORSHIP SOLICITATION:

6.1. For City-identified sponsorship opportunities, the City will advertise if there is an estimated value of over \$100,000, the agreement duration is four years or greater or both.

6.2. In order to expedite partnership development, a competitive process is not necessarily required when soliciting sponsorship opportunities.

6.3. The City is open to receiving unsolicited sponsorship proposals. Parties interested in sponsorship opportunities are to contact the Economic Development office.

6.4. Unsolicited sponsorship proposals received by the City will be evaluated by the manager of the relevant department and the CAO, as per the provisions of this policy.

6.5. Sponsorship shall be offered by the City or its agents on a first come, first served basis which meets established valuation criteria.

6.6. The City reserves the right to reject any unsolicited sponsorship proposal that has been offered to the City.

7. SPONSORSHIP RECOGNITION:

7.1. Sponsor recognition can take many forms, including but not limited to:

- a) Signage (with or without logo recognition).
- b) Web site presence (with or without links and/or logo recognition).
- c) Name/logo recognition on activity advertising or promotional materials, either printed and/or media related.
- d) On-site representation or exclusive vending (where appropriate).
- e) Naming Rights (see Section 8).

7.2. Recognition must be relative to the scale of the participant's contribution and will be done in a manner designed not to detract from the attributes of the activity or service delivery.

7.3. Recognition must comply with the City's visual identity and logo policies, if applicable.

8. NAMING RIGHTS

- 8.1.1. The following guidelines are to be read in conjunction with Asset Naming/Renaming policy.
- 8.1.2. Sponsorship naming rights are not necessarily available for all City properties. Council will provide advanced approval of those properties which are open for commercial naming and reserve its right for commemorative or historical naming of City assets as per the Asset Naming/Renaming policy.
- 8.1.3. Naming rights agreements cannot be extended or automatically renewed without Council approval.
- 8.1.4. While the physical display of the naming right shall be negotiated or decided upon on an individual basis, such recognition must not unduly detract from the character, integrity, aesthetic quality, or safety of the property or unreasonably interfere with its enjoyment or use.
- 8.1.5. The City will consider naming rights for City -owned facilities when there is a revenue opportunity for the City and where the proposed naming does not detract from the description or proposed use of the facility.
- 8.1.6. The cost and impact of changing existing signage and rebuilding community recognition must be considered before a property is renamed and any City costs shall be incorporated into the naming rights agreement and not the City's annual operating or capital budget.
- 8.1.7. The costs for promotion of the renaming of a facility shall be incorporated into the naming rights agreement.

9. RESPONSIBILITIES:

- 9.1. The Economic Development Office is responsible for:
 - 9.1.1. General overview of all sponsorship business for the City of Elliot Lake.
 - 9.1.2. Negotiating, and administering sponsorship agreements.
 - 9.1.3. Asset evaluation and pricing of sponsorships in conjunction with the CAO's Office.
 - 9.1.4. Ensuring adherence to all relevant by-laws and policies, appropriate consultation and approval processes, and where applicable, that insurance, indemnification, and necessary permits have been obtained.
 - 9.1.5. Ensuring sponsor relationships abide by the restrictions noted in this policy.

9.2. The CAO's office responsible for:

- 9.2.1. Ensuring that sponsorship opportunities (for value less than \$25,000) are reviewed to ensure that assets are priced accordingly, there is consistency in pricing strategy and recognition, and to reduce any duplicate approaches to corporate partners.
- 9.2.2. Concept approval of sponsorship projects before sponsors are approached or agreements are made and if the agreement involves more than department, that approval will be obtained from the directors of each department involved.
- 9.2.3. Review of sponsorship agreements which impact any City departments.
- 9.2.4. Authorization of sponsorship agreements in accordance with delegated authority.
- 9.2.5. Ensuring that representatives of the City of Elliot Lake entering into sponsorships are aware of, and act in accordance, with sponsorship policy and administrative procedures.

9.3. City Council is responsible for:

- 9.3.1. Approval all agreements that do not comply with the policy.
- 9.3.2. Approval of agreements that are for an amount in excess of \$25,000.
- 9.3.3. Reviewing and/or approval of all sponsorship/advertising agreements that fall outside the delegated authority of staff, as outlined in section 10.

10. DELEGATION OF AUTHORITY:

- 10.1. The CAO, in conjunction with applicable manager(s)/ and/or divisional director(s); and without prior council approval, is authorized to approve and sign sponsorship agreements up to \$25,000 provided they satisfy all provisions of this policy.
- 10.2. The offer of naming or renaming rights will be handled on a case by case basis by the Economic Development Coordinator.
- 10.3. City Council is authorized to approve sponsorship and/or advertising agreements that are greater than \$25,000. the Mayor and CAO shall be authorized to sign such agreements approved by Council.
- 10.4. City Council approval is required for any agreement that does not satisfy the provisions of this policy approval.
- 10.5. Notwithstanding the foregoing, the execution of the agreements would be completed by the Mayor and CAO.

11. POLICY REVIEW:

- 11.1. The Policy shall undergo a review once every four years, or more often as needed.

12. COMPLIANCE:

- 12.1. In cases of policy violation, the City may investigate and determine appropriate corrective action.