



STAFF REPORT

Title: Request for Funding - Cold Lake Public Library

Meeting Date: August 25, 2020

Executive Summary:

Attached is a letter from the Cold Lake Public Library requesting the fees to be waived to advertise on City transit products, including bus shelters and benches, under a marketing partnership with the city.

The library states that it has advertised with Cold Lake Transit with success in the past, and has noticed that not all benches' advertising space is currently being used. They are hoping to advertise on spaces that are seeing little demand, and have the fees waived.

The Transit advertising policy contains a price list for advertising space, and allows for discounts based on the quantity of space rented as well as the duration of the advertising agreement. Pricing includes a 20% discount for not-for-profit groups.

The City of Cold Lake has produced several "place-holder" ads for City programs and facilities that occupy some of the spaces that are not under an advertising contract.

Background:

Benches have proven effective advertising tools according to the companies and organizations that have used them, however, they have proven to be used infrequently. Sales have slowed in general in response to the economy and especially in response to the COVID-19 pandemic, although revenue over all has held steady and even increased slightly with the Transit Coordinator actively pursuing advertising opportunities over the past two years.

In response to the challenging market and economic times, rates for ad spaces have been discounted by 50% (for anyone that is interesting in advertising), excepting spaces that are generally in high demand. Administration feels that this should be value for all organizations in the community including private business owners.

Transit advertising has about 51 standard advertising spaces, ranging from exterior and interior bus ads to benches and shelters. 20 of the spaces are currently under contract, with the exterior and interior bus spaces being the most popular.



At full capacity, transit advertising is capable of generating approximately \$100,000 in revenue annually. Contracting advertising out to a third party would generally net a municipality 10-20% of the ad revenue.

The City of Cold Lake has not waived fees for an advertiser in the past (inclusive of any not-for-profit organizations), save for the City's programs itself. Some not-for profits have had their advertising fees covered by program grants including the City's Family and Community Support Services (FCSS).

Revenue from the Transit advertising program has been as follows:

| | |
|-----------------|-------------|
| 2020 (to date): | \$17,685.68 |
| 2019: | \$16,677.47 |
| 2018: | \$16,928.60 |
| 2017: | \$15,565.00 |
| 2016: | \$29,949.57 |

It is administration's advice to not waive fees for specific groups and/or organizations as we anticipate that this will perpetuate further requests. If necessary council should consider a policy amendment that provides the same opportunity for all organizations.

Alternatives:

- Council may pass a motion entering into a marketing partnership with the Cold Lake Public Library that would see the fees for transit advertising waived.
- Council may respectfully decline the request to enter into a marketing partnership with the Cold Lake Public Library that would see the fees for transit advertising waived.
- Council may pass a motion to provide funding to the Cold Lake Library for advertising their program.

Recommended Action:

That Council respectfully decline the request to enter into a marketing partnership with the Cold Lake Public Library that would see the fees waived.

Budget Implications (Yes or No):

Yes

Submitted by:

Kevin Nagoya, Chief Administrative Officer