

Meeting Date: September 16, 2024
Department: Community Services
Report No.: CS-2024-36
Submitted by: Robert Lilbourne, Director of Community Services
Approved by: Trisha McKibbin, Chief Administrative Officer
SUBJECT: **Advertising Agreement – Jr. B Rockets**

RECOMMENDATION: THAT: Council receive report CS-2024-36 Advertising Agreement – Jr. B Rockets for information, and further;

THAT: Council approve an advertising agreement with the Strathroy Jr. B Rockets for a 3-year term, and further;

THAT: Council forward By-law No. 92-24 authorizing an advertising agreement with the Strathroy Jr. B. Rockets to the Consideration of By-laws section of the agenda for approval.

BACKGROUND:

For several years, the Municipality had an advertising agreement with the Strathroy Rockets Jr. B Organization, but some conditions in the agreement made it challenging to administer. After the agreement expired, the Municipality attempted to renegotiate with the team, which was then community-owned, but was unsuccessful. As a result, the Municipality decided to take back the responsibility for selling advertising within the West Middlesex Memorial Arena (WMMC).

Soon after this decision, the Municipality learned that the team had been sold to its current owner, Cory Conacher. Since then, municipal staff have been collaborating with the Rockets' management to create a new agreement that benefits both parties. The aim is to secure consistent revenue for the Municipality while providing the Rockets with opportunities to increase their income, reduce player fees, and cover operating costs.

Previously, the agreement used a percentage-based fee structure, which was difficult to manage due to the complexity of advertising packages and timing of sales. Moving forward, the new program will use a flat fee for exclusive advertising rights at WMMC.

COMMENTS:

The new agreement (attached) will be for a three-year term, with an escalating flat fee each year. This structure allows the Rockets to gradually build their inventory of sponsors and expand advertising beyond the rink board area.

Under this agreement, the Rockets will have the exclusive right to sell advertising on the rink boards, west glass railing, rink glass, and wall boards within the refrigerated section of the West Middlesex Memorial Centre (WMMC). In return, the Rockets will pay the Municipality \$4,000 for the 2024-2025 season, unless they realize \$25,000.00 in gross sales; if this occurs they would then pay \$5,000. Rates for the remaining years would be set at \$6,500 for the 2025-2026 season and \$8,500 for the 2026-2027 season.

The Municipality reserves the right to approve all signage to ensure it complies with applicable laws, is in good taste, and meets the standards set by the Advertising Council of Canada.

Both staff and the club are eager to move forward with this agreement and look forward to building a long-lasting, positive relationship.

CONSULTATION:

MOSC - Supervisor of Recreation, Programs and Community Liaison

Rockets - General Manager

Rockets - Director of Sponsorship

FINANCIAL IMPLICATIONS:

Revenue of \$4,000 for the 2024-2025 season (unless the Rockets realize \$25,000 in gross sales, then \$5,000); \$6,500 for the 2025-2026 season; and \$8,500 for the 2026-2027 season.

ALTERNATIVE(S) TO THE RECOMMENDATION:

1. Council to provide alternate direction.

STRATEGIC PLAN ALIGNMENT:

This matter is in accord with the following strategic priorities:

Community Well-being and Quality of Life: Residents of all ages in Strathroy-Caradoc will have access to community amenities and activities that are accessible and support active lifestyles and wellbeing.

Municipal Customer Service: The Municipality offers seamless, responsive service and an exceptional experience for every customer.

ATTACHMENTS:

Draft Advertising Agreement with the Strathroy Junior B. Rockets