

## Administrative Report



MUNICIPALITÉ DE  
**CASSELMAN**  
MUNICIPALITY

Title: Ad Sponsorship Program with KB Media

Report Number: RL-2-2025

Date: 2025-1-24

Supporting Documents:

A - Joint Venture Agreement

B – Service Contract

C – Section 14 – Single Sourcing – Procurement Policy By-Law

Submitted By: Jenna Huisman, Director of Parks and Recreation

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### Recommendation(s)

That Council acknowledges the reception of administrative report RL-2-2025; and

Agrees to approve the sole sourcing process for this project; and

Directs the administration to present an up-to-date service agreement for a public partnership program agreement with KB Media at a future meeting.

### Recommandation(s)

Que le Conseil accuse réception du rapport administratif RL-2-2025; et

Accepte d'approuver un processus de source unique pour ce projet; et

Dirige l'administration à présenter une entente de service à jour pour un programme de partenariat publicitaire avec KB Media lors d'une réunion ultérieure.

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### Objective

To present Council with an opportunity to enhance advertising revenue across municipal facilities by partnering with KB Media Corp.'s Joint Venture Ad Sponsorship Program. This partnership aims to address current resource limitations, streamline the management of advertising opportunities, and maximize revenue generation while maintaining focus on municipal priorities.

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## Analysis

In late 2023, Mayor Lajoie introduced the Ad Sponsorship Program and the replacement of the electronic sign on Principale Road as potential projects eligible for funding through a UCPR program. In 2024, Council approved an application to a UCPR fund for the electronic sign replacement, while the Ad Sponsorship Program was initially explored to some extent. With the recent arrival of the Director of Parks and Recreation, the program has now been examined in greater detail.

The Municipality of Casselman currently offers advertising opportunities across various facilities, including the J.R. Brisson Complex, baseball diamonds, tennis courts, and outdoor rinks. However, due to limited staffing resources—consisting of one Director and a part-time administrative assistant—there is limited to no dedicated effort to proactively seek sponsorships or manage advertising opportunities beyond responding to incoming inquiries and managing the existing agreements. This limitation results in untapped revenue potential and inefficiencies in advertising program management. This reactive approach has resulted in missed opportunities to generate additional revenue and foster partnerships with local and global businesses.

KB Media Corp.'s Joint Venture Ad Sponsorship Program addresses this gap by providing a turnkey solution that includes professional sales, marketing, and management of advertising spaces. Third party outsourcing would shift the administrative load off municipal staff, giving them more capacity to address core objectives. This sponsorship agreement is a separate endeavor from the LED Digital Sign program entirely.

In this program, the Municipality retains control over pricing and existing advertising contracts while leveraging KB Media's network and expertise to expand opportunities. With a commission rate of 10% on gross revenues and no additional upfront costs, this program offers a cost-effective way to maximize the value of underutilized municipal assets. Under the proposed partnership, KB Media would take full responsibility for identifying, securing, and managing advertising opportunities across multiple locations as determined by the Municipality. Their team would handle tasks such as sales outreach, partnership coordination, and advertising material design and installation. Additionally, the partnership ensures that advertising inventory is professionally maintained, providing an up-to-date and accurate representation of available spaces. The program eliminates emotional biases in business decisions by relying on third-party expertise and objective evaluations. By centralizing and streamlining advertising operations, the partnership would enhance the Municipality's capacity to expand into new advertising venues, such as the rink boards, bus stops, bathroom stalls, without requiring additional internal resources. This operational efficiency aligns with the Municipality's goal of sustainable growth and optimized resource allocation.

KB Media's services include the design, printing, and installation of advertising materials, ensuring a professional and consistent presentation. By requiring sponsors to purchase physical signage through them in separate agreements, KB Media secures an additional revenue stream, further enhancing their position in the partnership. Outsourcing to KB Media enables a thorough review of the Municipality's advertising portfolio, effective negotiations, and market research to maximize return on investment. Their expertise ensures a sustainable approach to sponsorship management, aligning with the Municipality's goals of efficiency and revenue generation.

Municipalities, including Clarence-Rockland, La Nation, and Alfred-Plantagenet, are currently a part of the Joint Venture Ad Sponsorship Program with other municipalities presently in the discussion stage. La Nation and Alfred-Plantagenet choose to present directly to council and was approved. Clarence-Rockland posted the service as a bids and tenders opportunity and aside from KB Media only one other Toronto based organization applied. KB Media is the only company in Ottawa and the surrounding region that was created specifically to target municipalities of the Prescott-Russell region. This program is delivered in both official languages, meeting regional demands better than competitors in Toronto, who lack local connections and the capacity for a truly comprehensive service. Partnering with them directly supports local economic growth while leveraging their robust network and resources.

The analysis indicates that this partnership would not only increase revenue streams but also strengthen relationships with local businesses, enhance community visibility, and provide sustainable financial benefits for the Municipality of Casselman.

In accordance with Section 14 of the Procurement By-law, as referenced in Schedule C of this report, the administration recommends sole-sourcing this project to KB Media. Their specialized expertise in this program is, to our knowledge, unmatched by any other professional in the region. Additionally, the program has demonstrated positive results and benefits in other local municipalities. Lastly, KB Media’s proximity to the Municipality ensures seamless program continuity and enhanced local support.

Financial Impact

In 2024, the Municipality of Casselman generated \$1 400 in advertising revenue from playgrounds and tennis courts and \$20 600 from ice and arena advertising, with an additional \$17 000 revenue sitting in deferred for 2025. Of the 2024 total, \$5 000 was attributable to a five-year naming contract for the arena building, reflecting a portion of the annual revenue.

2024		2025	
Playgrounds and Tennis Courts Ads	\$1 400.00	Playgrounds and Tennis Courts Ads	\$1 400.00
Arena Ads	<u>\$20 600.00</u>	Arena Ads	<u>\$15 600.00</u>
Total revenue	\$22 000.00	Total revenue collected and currently in differed	\$17 000.00
		Anticipated total once annual \$5 000.00 is received	\$22 000.00

Currently, 37 companies have signed contracts through the Municipality’s internally managed advertising program. Of these, 36 have committed to a two-year agreement, all set to expire on December 31, 2025. Advertising rates vary based on location and board size, ranging from \$300 to \$650 annually for standard placements. Premium locations, such as rink boards, Zamboni advertisements, and on-ice placements, are priced between \$1,150 and \$1,500 per year. The sponsorship agreement for the J.R. Brisson Complex naming the arena is set to expire in September 2027.

The proposed partnership with KB Media allows the Municipality to retain a level of control over the advertising program while benefiting from their expertise. The service contract can be negotiated for flexibility in decision-making. This can enable the Municipality to specify advertising locations, uphold existing agreements, and negotiate special circumstances. Grandfathered arrangements can be maintained to respect prior commitments, while new opportunities can be tailored to align with municipal priorities.

Additionally, the Municipality will have the opportunity to make amendments to the contract as the program and available spaces evolves. The proposed contract is structured as a three-year term to provide KB Media with the necessary time to establish, develop, and optimize the sponsorship program effectively however, either party may terminate this agreement by providing thirty (30) days written notice to the other party.

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## References

2024-2028 Strategic Plan

Service Excellence: Pursue collaborative partnerships and shared services agreements to improve customer service and increase efficiency.

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## Other Options

Council could deny the partnership and approve an increase in recreation staffing budget to focus on the ad sponsorship program internally.

Approval

Yves Morrissette, Chief Administrative Officer

