

Town of Whitby

Staff Report

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Report Title: Amendments to Advertising and Sponsorship Policies

Report to: Committee of the Whole

Date of meeting: April 13, 2026

Report Number: CAO 09-26

Department(s) Responsible:

Office of the Chief Administrative Officer

Submitted by:

Sarah Klein, Deputy Chief Administrative Officer

**Acknowledged by M. Gaskell,
Chief Administrative Officer**

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1. Recommendation:

1. That Council approve amendments to the Paid Advertising and Sponsorship Policy (Policy MS 390) and the Municipal Property and Facility Naming Policy (Policy MS 250) as outlined in Report CAO 09-26 as it relates to delegated authority for renewal agreements and updated insurance requirements; and,
2. That staff be directed to update all related administrative procedures and documentation to align with the revised policies, and that the updated policies be posted to the Town's website and incorporated into current Sponsorship Packages.

3. Highlights:

- The Advertising and Sponsorship Division of Economic Development actively solicits the community for sponsorship participation in Town recreational facilities.

Top-level sponsorship packages including 'Naming Rights' to facilities are subject to Council approval.

- This report seeks Council approval for amendments to the Paid Advertising and Sponsorship Policy (Policy MS 390) and the Municipal Property and Facility Naming Policy (Policy MS 250) to clarify and align approval authorities: all new naming rights sponsorship agreements would continue to require Council approval, while renewals of existing naming rights agreements would be delegated to the CAO, or delegate, for approval.
- This report also seeks Council approval for the removal of mandatory insurance requirements for parties entering into paid advertising agreements where they do not have staff on-site for activations.

4. Background:

Advertising and Sponsorship, part of the Economic Development Division, Strategic Initiatives, is responsible for sponsorship sales initiatives, which include naming rights (title) to certain Town property features.

Under the current Municipal Property and Facility Naming Policy (Policy MS 250), staff are required to report to Council for approval of all corporate naming rights agreements including new and existing renewals.

The Paid Advertising Sponsorship Policy (Policy MS 390) creates a clearly defined environment and criteria for all types of paid advertising or sponsorship opportunities the Town offers. This policy serves as a guide relating to sponsoring Town events, projects, services and/or programs. The policy ensures that all paid Advertising and Sponsorship opportunities support a safe and welcoming environment for the community while on Town Property. The policy is intended to protect the Town's integrity, as well as to safeguard the Town's corporate values, image, assets and interests, while increasing opportunities for revenue generation.

Currently, individuals and organizations seeking to enter into paid advertising agreements with the municipality are required to obtain and provide proof of Commercial General Liability Insurance with coverage of two million dollars. The Client is responsible for providing a current Certificate of Insurance in a form satisfactory to the Town. While this requirement was originally intended to mitigate risk, it has created unintended barriers for small businesses, community groups, and individual advertisers. Removing insurance requirements for paid advertising agreements represents a balanced approach that reduces barriers, improves efficiency, and supports local economic activity while maintaining appropriate safeguards.

5. Discussion:

The updates to the policies focus streamlining processes by delegating authority for renewal agreements and updating insurance requirements.

The first recommendation is to transfer signing authority for naming rights renewals from Council to the CAO, or delegate. This will improve administrative efficiency, align with

good governance principles, clarify accountability, and enhance business responsiveness. Delegating signing authority to the CAO, or delegate, presents low risk, as Council has approved the original naming rights sponsors and only routine renewals are being recommended to be delegated. Under the current process, staff are required to prepare Council reports for renewal agreements, creating unnecessary administrative process as the sponsorship portfolio continues to grow. Allowing the CAO, or delegate, to execute standard renewal agreements will streamline operations, reduce report-writing, meeting preparation, and increase overall efficiency. This enables staff to focus on revenue generation and portfolio growth rather than repetitive administrative tasks, while allowing the program to expand without a proportional increase in reporting requirements. Under the proposed policy amendments, new naming rights agreements or renewals with material changes to terms or rights would require Council approval, maintaining strong governance and clear accountability.

Streamlining approvals enhances relationships with sponsors, who expect timely negotiations, clear decision-making authority, and professional contract execution. Council will be updated on renewals of naming rights through a Council Information Index memo. This process ensures that Council remains informed about all routine renewal agreements.

Updating signing authority for Naming Rights renewals to the CAO, or delegate, aligns the Town of Whitby with common municipal practice across the Region. Many Ontario municipalities delegate signing authority for sponsorship and naming rights agreements to senior administrative staff once Council has approved the governing policy and financial framework. For example, the City of Oshawa delegates execution of sponsorship and naming rights agreements to the City Manager or appropriate senior staff under its policy framework. Similarly, municipalities such as the Town of Ajax and the City of Pickering rely on delegation by-law structures that authorize senior administration to execute agreements that fall within approved parameters, while Council retains authority over policy direction and high-value or materially altered agreements.

The recommendation to remove the insurance coverage requirement when the advertiser is not present on site serves to lessen administrative complexity with minimal risk to the Town. The original insurance provision was established to safeguard the Town from liability risks linked to activities or events taking place on municipal property. However, in instances where advertisers do not physically access Town facilities for activations, the risk of such liability is substantially diminished or negated. Accordingly, staff recommend that insurance coverage is unnecessary for agreements where there is no on-site presence, ensuring that policy requirements align appropriately with the actual level of risk. Simplifying the process supports local economic growth by making municipal advertising opportunities more accessible and attractive, particularly for emerging and local enterprises. Many municipalities and organizations no longer require insurance for low-risk advertising agreements, relying instead on clear contractual terms, content guidelines, and indemnification clauses. This new approach will optimize revenue generation by removing unnecessary red tape.

6. Financial Considerations:

Not Applicable.

7. Communication and Public Engagement:

Staff will update the policies as needed and ensure that the Town's website and Sponsorship Packages reflect these revisions.

8. Input from Departments/Sources:

This report was developed in collaboration with internal departments, including Community Services, Legal and Financial Services.

9. Strategic Priorities:

This initiative is consistent with the Town's Community Strategic Plan, specifically Pillar 4 – Accountable & Responsive. Implementing these approval changes will enhance efficiency and effectiveness while reinforcing our commitment to continuous improvement.

10. Attachments:

Attachment 1 – Amendments to Paid Advertising Sponsorship Policy (MS-390 Policy)

Attachment 2 – Amendments to Municipal Property and Facility Naming Policy (MS-250 Policy)