



TOWN OF APPLE VALLEY

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council Date: January 22, 2013

From: Kathie Martin Item No: 7
Marketing & Public Affairs Officer
Public Information Department

Subject: ADVERTISING POLICY FOR TOWN PUBLICATIONS

T.M. Approval: _____ Budgeted Item: Yes No N/A

RECOMMENDED ACTION:

That the Town Council approve a policy to allow advertising in the *Our Town* newsletter and to designate that funds from the advertising be earmarked for cost recovery for special events.

SUMMARY:

The *Our Town* newsletter is published quarterly, and mailed to approximately 30,000 homes and businesses. This includes every address in the 92307 and 92308 zip codes, including our sphere of influence. The proposed policy offers a plan to allow paid advertising in the newsletter.

Key points of the policy include:

- Process of ad acceptance consistent with the recently adopted naming rights policy
- Review of ad content to fit with the Town's municipal goals and objectives and its ongoing efforts to promote a "Better Way of Life."
- Limitation of ad space to 25% or less of entire publication
- Consideration of future advertising opportunities in other publications (i.e., Recreation Activity Guide)
- Option to use an outside, commission-based salesperson to solicit ads.

The advertising policy itself does not prescribe to where to allocate proceeds, instead allowing flexibility to assign the funds where they are most needed. At this time, we are requesting they benefit special events, to help meet the Parks and Recreation ad hoc committee recommendation on cost recovery.

Cost vs Revenue Analysis

We currently produce a 10-page publication quarterly. The following analysis is based on the assumption that the cost of the 10-page *Our Town* continues as an approved expense. Additional production costs and revenue beyond that are treated as separate.

We sometimes have difficulty fitting in all of the content we have, so it is recommended to increase the size of the publication to 16 pages to accommodate advertising. Depending on ad sales, we could scale to a 12-page newsletter as an intermediate size.

Our Cost:

Publication size	Production Cost	Cost per Page
10 pages*	\$5800	\$580
12 pages	\$6500	\$542
16 pages**	\$6800	\$425

*Current size

**Recommended size for inclusion of ads

Ad Cost:

Ad Size	Suggested Cost
Full page	\$950
Half page	\$495
Quarter page	\$295
Business card	\$195

The policy proposes a maximum 25% ad coverage. Below are some sample outcomes based on varying levels of ads in a 16-page newsletter. At \$6800, the additional cost of 16 pages over our current 10 pages is \$1000.

Potential Revenue:

Coverage	Pages	Total income*	Ad revenue**
15%	2.4	\$2400	\$1400
20%	3.2	\$3550	\$2550
25%	4.0	\$4680	\$3680

*Approximately (Depends on size of ads.)

**Before commission, should outside sales be used?

BACKGROUND:

In January 2012, the Parks and Recreation Ad Hoc committee recommended a target of a 60% cost recovery in special events. In Fiscal Year 2012/13, this equates to approximately \$92,000. One option in the cost recovery plan is to raise income by offering paid advertising in the *Our Town* newsletter and potentially other publications.

Other ongoing efforts include sponsorships, grants, online and on-site donations.

FISCAL IMPACT:

Potential revenue to offset general fund support of special events.

ATTACHMENT:

Proposed Advertising Policy

POLICY & PROCEDURE Public Information Department

TITLE: Advertising opportunities in <i>Our Town</i> newsletter and other Town publications and material	NO: PAGE: 1 of 2
APPROVED BY:	DATE:

PURPOSE:

The purpose of this policy is to allow the Town of Apple Valley to actively seek additional revenue sources to maintain or enhance Special Events and Town services through the sale of advertising opportunities in Town publications.

This policy provides guidelines that shall apply to the Town’s acceptance and allowance of advertising in publications such as the *Our Town* newsletter, recreation activity guide or other publications or materials as deemed appropriate by Town staff. Advertising would require an Advertising Agreement, which would be a binding contract, between the Town of Apple Valley (“Town”) and the advertising party, which could be an individual, corporation, partnership, or other business entity or organization (“Advertiser”).

This policy also establishes a consistent approach, criteria and guidelines specific to gathering advertisers and publishing their information.

POLICY:

Section 1. Advertising Opportunities

Opportunities for advertisement placements include, but are not limited to:

1. Our Town quarterly newsletter
2. Recreation Activity Guide
3. Program brochures and promotional materials

Section 2. Advertising Solicitation & Agreements

1. Town staff may actively solicit advertising for publications with the prior approval of the department manager under whom the publication falls.
2. The Town may elect to use an external advertising sales representative who would be paid on an agreed upon commission basis established by contract.
3. Advertising Agreements must safeguard the Town’s assets and interests, and result in benefits to the Town and its residents.
4. All Advertising Agreements shall be subject to all state, federal and local laws, ordinances, rules, and regulations.

5. The Town shall always have the right in its sole and absolute discretion to reject any submitted advertisements based on its selection of advertising criteria.
6. The Town shall also have the right at any time to suspend or terminate an Advertising Agreement if circumstances arise in the Town's opinion whereby the continued arrangement would no longer satisfy the selection criteria by which the advertising was initially evaluated and accepted.
7. Advertising Agreements shall define the size, cost, and placement dates of the advertisements placed.

Section 3. Acceptance of Advertising

1. The Town will consider the following criteria in evaluating a prospective advertisement for acceptance to publish:
 - (a) The advertisement's consistency with the Town's municipal goals, objectives, and ongoing efforts to promote a "better way of life" and the Town's Vision 2020; and
 - (b) The advertisement's consistency with the Town's efforts to promote community-based activities offered within the Town, including recreational, educational, culinary, and artistic opportunities.
2. The Town does not wish to open its publications to the public for discourse or to appear to support particular positions or beliefs, thus the Town will not enter into Advertising Agreements with any religious or political organizations (and/or campaigns) that wish to advertise religious or political messages.
3. The Town will not enter into any Advertising Agreement that will or may promote products or services that are contrary to public health, safety or welfare.

Section 4. Procedure

The general procedures for the Town's participation in Advertising Agreements are as follows:

1. The department securing an Advertising Agreement will prepare an advertising contract defining the ad size, frequency and cost to the advertiser and submit it to the Public Information Office for approval.
2. Once accepted, advertisers should submit camera-ready art with the advertising fees in care of the department that is responsible for the publication.
3. The Town may choose to provide graphic design service in-house or through an outside consultant on a cost-per-service basis.
4. The Town retains sole and absolute control over the advertisement for the publication's layout.
5. The Town retains the right in its sole and absolute discretion to reject any submitted advertisements. The Town shall also have the right at any time to suspend or terminate an Advertising Agreement.
6. Advertising may be limited to 25% of the space within multi-page printed publications and be accepted on a first come, first served.