



Staff Report for Budget Committee of the Whole Meeting

Date of Meeting: November 26, 2019

Report Number: SRCFS.19.052 – Deferred to the January 28, 2020 Budget Committee of the Whole meeting

Department: Corporate and Financial Services
Division: Office of the Clerk

Subject: SRCFS.19.052 – Liberal Advertising Contract and Notice Policy (Additional Information)

Purpose:

To provide additional information and options related to the City's approach to advertising in the Richmond Hill Liberal as a result of Budget Committee of the Whole's motion to refer staff report SRCFS.19.044 back to staff.

Recommendation(s):

- a) That Council approve the changes to the manner in which the City provides public notices and advertises services and events, as generally described in staff reports SRCFS.19.052 and SRCFS.19.044 (Attachment A to staff report SRCFS.19.52).
- b) That the Office of the Clerk's 2020 Operating Budget for Advertising expenses be reduced to reflect the approved changes to the manner in which the City provides public notices and advertises services and events, as described in staff reports SRCFS.19.052.
- c) That a By-law to repeal and replace Notice By-Law 170-07, being Chapter 278 of the Municipal Code, as generally described in staff report SRCFS.19.052, be enacted.
- d) That all Council approved policies requiring newspaper notices be deemed amended to only require website and other digital media notices.

Contact Person:

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Meeta Gandhi, Director, Strategy, Innovation and Engagement, extension 6311
Kathleen Graver, Manager, Communications Services, extension 2418

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Report Approval:

Submitted by: Mary-Anne Dempster, Commissioner of Corporate and Financial Services

Approved by: Neil Garbe, City Manager

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner and City Manager. Details of the reports approval are attached.

Background:

Staff report SRCFS.19.044 (Attachment A) was included on the Budget Committee of the Whole (BCW) agenda for October 22, 2019. This report recommended changes to the City's approach to advertising in the Richmond Hill Liberal, including necessary budget, policy and by-law amendments. BCW referred the report back to staff when it adopted the following resolution:

"That staff report SRCFS.19.044 be referred back to staff for additional information to be presented at the Budget Committee of the Whole meeting on November 26, 2019, including information in respect to not entering into sole source contracts for media including print media advertising."

This report provides additional information for Council's consideration.

Advertising in other municipalities

Staff have canvassed other GTA municipalities, including all municipalities in York Region to understand their approaches to advertising in community papers. In York Region East Gwillimbury, Georgina, Markham and Newmarket publish a weekly community page similar to the Bulletin Board. King, Vaughan and Whitchurch-Stouffville do not publish a community page, or do not publish a community page weekly, in their local newspaper. In other words, 55% of York Region municipalities, including Richmond Hill, currently publish a weekly community page. Other GTA municipalities that publish a weekly community pages include Ajax, Brampton, Burlington, Oshawa, Pickering and Whitby. GTA municipalities that do not publish a community page, or do not publish a community page weekly, includes Milton, Mississauga and Oakville.

Liberal Advertising Rates

The Liberal currently charges the city the following rates (not including tax) for the Bulletin Board:

- | | |
|---------------------|--------------|
| 1. Two full pages | = \$2,746.80 |
| 2. One full page | = \$1,956.00 |
| 3. Extra third page | = \$1,400.00 |

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4. Print to web (per page) = \$ 20.00

The Liberal has advised that this amount is consistent with their 2013 rates. Current “rate card” colour advertising rates (not including tax) are:

1. One full page (52 times per year): \$1,830.00
2. One-half page (52 times per year): \$1,120.00

These rates include the cost of colour print (\$200 for a full pages and \$175 for half pages) and are based on publishing 52 weekly Bulletin Boards. If the frequency of publication decreases in a year the rate increases (i.e. if the Bulletin Board is published only 12 times per year the full page rate including colour would be \$2,085.00 per month).

In addition to the Liberal rates, staff have requested information on advertising rates for two other regular publications in Richmond Hill. Twelve monthly half-page advertisements in SNAPd would be approximately \$8,000 (or \$667 per month). Twelve monthly half-page advertisements in the Richmond Hill Post would be approximately \$16,000 (or \$1,334 per month).

Elimination of the Bulletin Board in the Liberal

As discussed in Staff Report SRCFS.19.044, staff recommend reducing the amount of advertising expenses by ceasing to publish the weekly Bulletin Board in the Liberal, and approving the following policy changes:

1. The City stop publishing the Bulletin Board.
2. Individual Departments may purchase discretionary newspaper advertisements on an as needed basis subject to available departmental budgets.
3. For mandatory statutory and other public newspaper notices, and for statutory notices (e.g. City-wide Development Charges notices) where no other reasonable or cost effective alternative to a newspaper advertisement exists, the City purchase individual advertisements on an as needed basis.
4. For non-mandatory statutory and other public newspaper notices, the City cease to publish these in the Liberal and utilize the City’s website to publish the required notices.

Staff continue to recommend this approach for all of the reasons discussed in Staff Report SRCFS.19.044, including:

1. To take advantage of changes in provincial legislation that are an opportunity to reduce costs.
2. There is no way to measure the effectiveness of the newspaper advertisements and the annual investment of \$160,000 in advertising expenses. While the number of newspapers produced and delivered is a known factor, it is not possible to

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measure how many residents actually refer to the Bulletin Board on a regular basis.

3. By shifting focus to the website, the City would be taking advantage of its investments in digital platforms and could explore opportunities to use other digital marketing tools to drive website traffic.

As discussed in staff report SRCFS.19.044, this approach would generate savings of \$101,200 in 2020. The current advertising expense budget is \$166,200, off set by \$55,000 in advertising revenue collected as part of various development applications. Both the advertising expense and advertising revenue budgets would be further reduced over time as development application charges are adjusted to account for the change in notification practices.

Sole Source Contracts

BCW's motion requested information on not entering into a sole source contract for media including print media advertising. Under the procurement policy (By-law 113-16) a sole source acquisition can be made "where there is an absence of competition for technical reasons and the Goods and/or Services can be supplied only by a particular Supplier and no alternative or substitute exists." Essentially, if only one supplier is able to meet the technical requirements then a sole source contract can be awarded.

The Liberal was awarded a sole source contract given that it was the only publication able to meet the City's technical requirements for statutory public notices. Per existing policies, statutory public notices under the *Planning Act* and other provincial legislation need to be placed in newspapers with sufficient general circulation and within a minimum time frame (e.g. 20 days prior to a CPM meeting, or 15 days after Council adopting a zoning by-law). These are two technical requirements for regular newspaper notices under the current policy. If Council approves the recommended change to stop publishing non-mandatory statutory notices the technical requirement to meet legislative time frames will end and a sole source contract would not be warranted.

Notice By-law and Policy Amendments

Staff continue to recommend that the City's Notice By-law, Chapter 278 of the Municipal Code ("Notice By-law"), and any other City policies requiring newspaper advertisements be amended to require notices to be published on the website only. Amending these policies does not mean that the City cannot provide public notice in a newspaper. It simply means that it will be mandatory for public notices to be placed on the City's website, subject to the proposed policies discussed above.

As discussed in staff report SRCFS.19.044, staff are specifically recommending that Article 3 of the Notice By-law be amended to delete the current section 278.3.1 that requires newspaper notices. It is also recommended that the Notice By-law be updated to include the publishing of notices that the City is required to give under Part IV of the *Ontario Heritage Act* ("Heritage Act") on the website. If the Notice By-law is updated to

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include applications under Part IV of the Heritage Act, the City will no longer be required to publish these notices in the newspaper.

Alternatives

As alternatives to Staff's recommendation, Council could direct that the City's Bulletin Board page be maintained for 2020 at a reduced frequency and footprint. This would require Council to approve one of the following approaches:

Alternative 1- Reduced Size and Frequency of Bulletin Board in the Liberal

In Alternative 1, Council could direct staff to continue publishing the Bulletin Board, including discretionary notices and advertisements, in the Liberal for a one-year period with a reduced footprint and frequency. In this alternative, staff would continue to publish the Bulletin Board in the Liberal in 2020. The size of the Bulletin Board would be capped at one full page, with a focus on advertising City services and events not statutory notices. The Bulletin Board would be published at least once per month with additional publications determined based on the number of discretionary advertisements required.

To approve Alternative 1, Council could adopt the following recommendations:

1. That staff continue to publish the Bulletin Board in the Liberal for a one-year period.
2. That the Bulletin Board not exceed one page per publication with a minimum publication frequency of once per month.
3. That Council approve the following policies:
 - a. The City's Bulletin Board (community newspaper page) primarily include discretionary advertisements of City services or events.
 - b. The City publish non-mandatory statutory and other public notices on the City's website only.
 - c. The City publish mandatory statutory and other public notices, including public notices where no reasonable or cost effective alternative exists, in the Liberal on an as needed basis.
4. That staff evaluate and report back to Council on the effectiveness of print advertising as part of the 2021 Operating Budget.
5. That a By-law to repeal and replace Notice By-Law 170-07, being Chapter 278 of the Municipal Code, as generally described in staff report SRCFS.19.052, be enacted.

Alternative 2 – Reduced Size of Bulletin Board with selection of print media by RFP

In Alternative 2, Council could direct staff to continue publishing the Bulletin Board with the selection of print media chosen by competitive procurement (RFP). In this

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alternative, staff would issue an RFP to select a publication in which the notices would be posted (e.g. the Liberal or Richmond Hill Post). The size of the Bulletin Board would be capped at one full page per publication, with a frequency of at least once per month, with a focus on advertising City services and events, not statutory notices.

To approve Alternative 2, Council could adopt the following recommendations:

1. That staff continue to publish the Bulletin Board in a print media selected by RFP.
2. That the maximum size of the Bulletin Board be one page per publication, with a minimum publication frequency of at least once per month
3. That Council approve the following policies:
 - a. The City's Bulletin Board (community newspaper page) primarily include discretionary advertisements of City services or events.
 - b. The City publish non-mandatory statutory and other public notices on the City's website only.
4. The City publish mandatory statutory and other public notices, including public notices where no reasonable or cost effective alternative exists, in the Liberal on an as needed basis That staff evaluate and report back to Council on the effectiveness of print advertising as part of the 2021 Operating Budget.
5. That a By-law to repeal and replace Notice By-Law 170-07, being Chapter 278 of the Municipal Code, as generally described in staff report SRCFS.19.052, be enacted.

Staff estimate that either alternative would generate savings of approximately \$40,000 in 2020. This is based on the fact that in 2018, 70% of the time the Bulletin Board was two pages, 16% of the time it was three pages, and 14% of the time it was only one page.

Financial/Staffing/Other Implications:

The City currently budgets \$166,200 for advertising expenses. Actual advertising expenses were \$156,500 in 2016, \$153,000 in 2017 and \$151,000 in 2018. Advertising Expenses are offset by a \$55,000 advertising revenue budget. The advertising revenue is collected as part of various development applications. Actual advertising revenue from development applications was \$49,500 in 2016, \$56,000 in 2017 and only \$28,000 in 2018.

Staff's recommended approach will result in the Office of the Clerk's 2020 advertising expenses budget being reduced to \$65,000, representing a reduction of \$101,200 or 61%. If Council chooses one of the alternative options, the 2020 advertising expense budget will be reduced to \$126,200, representing a reduction of \$40,000 or 24.5%.

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Staff expect that the advertising revenue budget will be significantly reduced in 2021 as development application charges are adjusted to account for the change in statutory notification practices.

Relationship to the Strategic Plan:

Changes to the City's approach to advertising is related to the strategic plan goal of Wise Management of Resources.

Conclusion:

BCW referred Staff Report SRCFS.19.044 back to staff for additional information. Staff continue to recommend that the City cease publishing the Bulletin Board pages in the Liberal, and that necessary policy and budget changes be approved.

Attachments:

The following attached documents may include scanned images of appendixes, maps and photographs. If you require an alternative format, please call the contact person listed in this document.

- Attachment A – Staff Report SRCFS.19.044

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Report Approval Details

Document Title:	SRCFS.19.052 - Liberal Advertising Contract and Notice Policy (Additional Information).docx
Attachments:	- Attachment A - Staff Report SRCFS.19.044.pdf
Final Approval Date:	Nov 19, 2019

This report and all of its attachments were approved and signed as outlined below:

No Signature found

Meeta Gandhi - Nov 19, 2019 - 9:41 AM

MaryAnne Dempster - Nov 19, 2019 - 11:24 AM

Neil Garbe - Nov 19, 2019 - 11:33 AM