

People Serving
People

CITY OF RIVERSIDE

CITY COUNCIL MEMORANDUM



HONORABLE MAYOR AND CITY COUNCIL

DATE: April 20, 1999

ITEM NO: 29

SUBJECT: PUBLIC UTILITIES DEPARTMENT POLICY FOR SPONSORSHIPS OR PARTICIPATION IN COMMUNITY EVENTS

Background:

Riverside Public Utilities' (RPU) sponsorship guideline policy was established by the Department and approved by the Board in 1996. In consideration of future competition and in accordance with implementing the marketing plan recommendations made by Stone & Webster to "place special emphasis on educating and advancing the utility-customer relationship," the Utility finds it necessary to revise and expand the existing guidelines to move forward with its marketing efforts by:

1. Pursuing direct public contact opportunities to communicate with the public as a form of advertising congruent with current media campaign messages about the Utility and the extensive benefits to the community;
2. Developing a higher degree of visibility within the community. A more community-rooted presence and image type of marketing will result in customer loyalty. Image marketing builds Brand that can also help broaden the Utilities influence in adjoining markets as RPU considers off-system sales strategies; and
3. Educating the public on their Utility and the future impact of deregulation. RPU can generate positive exposure by furnishing the public with a basic understanding of the different components of their bill (generation, distribution, and transmission) and explaining possible savings potential.

Sponsorship effectiveness will be tracked and measured in each of the marketing areas noted and in accordance with the focus areas proposed in the revised Community Event Participation and Sponsorship Policy. An evaluation of the following courses of action will be completed during and after each event to determine future sponsorship or event participation:

- Tracking will consist of collecting data from all sources in connection with the event. Customer inquiries generated from all publicity will be documented. On-site public response will be documented via written or verbal surveys. City officials, board members, city employees, and other community leaders will be surveyed for their feedback. A summary of each event will include this tracking information to measure the degree of success, or identify and modify RPU's future participation.

Measuring will include assessing the initial request, reviewing RPU's objectives, and comparing the tracking information with specific relevant and reasonable expectations.

To pursue the marketing goals as proposed, staff considered the following:

1. Reviewed level of expenses for fiscal year 1997-98;
2. Reviewed the anticipated level of sponsorships for fiscal year 1998-99 which currently has a budget of \$30,000; and
3. Determined that it is necessary to reallocate funds in the FY 1998-99 budget to a sponsorship level to \$100,000. The additional \$70,000 is available by reallocating funds from other Marketing Services Accounts. Currently the Orange Blossom Festival, Riverside Wednesday Night, and the Festival of Lights Sponsorships total \$70,000 annually.

The Board of Public Utilities approved the Department Sponsorship Policy at its regular meeting on November 6, 1998.

Fiscal Impact:

Although the sponsorship budget has increased, due to the reallocation of funds there is no fiscal impact to the utility.

Alternatives:

One alternative would be not to support the sponsorship policy as proposed. However, it should be noted that the Utilities' marketing strategy includes increased direct contact with the public and therefore our support and participation in community events are a necessary element if we are to be successful.

Committee Recommendation:

This item was reviewed and approved by the Governmental Affairs Committee on March 4, 1999.

RECOMMENDATION:

That the City Council:

1. Approve the Public Utilities Department Sponsorship Policy and increase funding for sponsorship and/or participation in community events.
2. Authorize the City Manager, or his designee, to execute the necessary documents.

Prepared by:

Approved by:



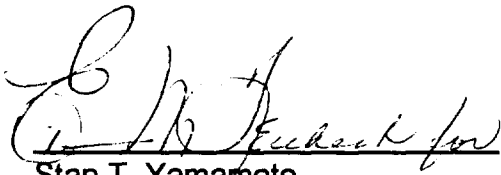
Bill D. Carnahan
Public Utilities Director



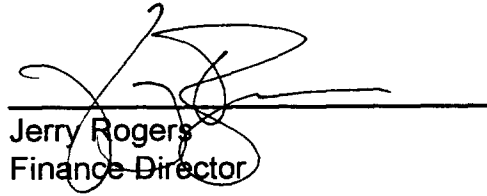
John E. Holmes
City Manager

Approved as to form:

Certified as to fund availability:

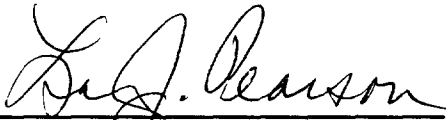


Stan T. Yamamoto
City Attorney



Jerry Rogers
Finance Director

Concurs with:



Councilmember Laura Pearson
Chair, Governmental Affairs Committee

BDC/DHW/mja

Attachments: Community Event Participation and Sponsorship Policy
Board of Public Utilities minutes of November 6, 1998

cc: City Attorney
City Clerk

G:\USER\Worones\DOCUMENT\CCMEMOS.99\sponsorpol4.20.99.doc

RIVERSIDE PUBLIC UTILITIES

COMMUNITY EVENT PARTICIPATION AND SPONSORSHIP POLICY

Riverside Public Utilities recognizes that community events and sponsorships are a necessary element in supporting our community to market and promote our products and services to the public. Acknowledging this, the policies herein pertaining to events and sponsorship guidelines have been established and the following criteria must be met for any and all participation considered by Riverside Public Utilities.

COMMUNITY EVENTS DEFINED

Community events shall be considered as special occurrences, events or activities that are generally planned on a periodic basis and feature information, entertainment or educational materials of general or specific interest and benefit to the community or a targeted audience. Upon meeting this definition of a community event, two questions must be answered "Yes" and the benefits must be stated and approved accordingly.

Question 1: Is there a benefit to the community? Stated Benefit:

Question 2: Is there a benefit to the Public Utilities Department? Stated Benefit:

Event Participation Parameters

- Event participant, not a sponsor. Limits liability.
- No guarantee of participation or availability.
- Public Utilities booth, display or speaker at event.
- Staffing, displays and materials based on availability.
- Utility reserves the right to include and promote any local business within its booth space.
- Event, registration or booth fees may apply if standard fees are charged to everyone. If booth fees apply, Public Utilities may maintain right to sell utility materials at event (T-shirts, bottled water, etc.), if permitted. Funding of fees is subject to the same limits and approvals as sponsorship contributions, given below. Public Utilities staff should seek waiver of fees if available to governmental agencies.

In accordance with City policy, RPU will not lend its support to efforts involving: groups that discriminate on the basis of race, color, creed, national origin, ancestry, age, sex, sexual orientation, or disability including the medical condition of AIDS or any condition related thereto; activities, organizations or causes that do not advance a public purpose or an RPU corporate purpose.

SPONSORSHIP DEFINED:

A sponsorship endorses an event and/or its purpose and should be carefully examined in this regard. Once selected, sponsorships or events should be evaluated on their effectiveness, with consideration given, in particular, to:

- The number of customers reached.
- The value of our presence versus a competitor.
- Direct feedback received from customers as a result of participation.

Sponsorships involving cash contributions and/or in-kind services in exchange for the following sponsorship privileges/rights should adhere to the criteria stated in the sponsorship parameters.

Sponsorship Parameters

- Event must be sponsored by the City, OR, the requesting agency must provide proof of insurance for the event in accordance with city policy.
- Large Public Utilities banner(s) displayed at the event.
- Prominent Public Utilities display/booth at event.
- Right to distribute information and giveaways at event.
- Right to sell Public Utilities materials at event (T-shirts and bottled water, etc.), if permitted.
- Right to negotiate exclusivity option, such as only electric utility, bottled water supplier, etc.
- Sponsorship mentions over public address system during event.
- Sponsorship listing on all public relations/media materials, such as flyers, posters, press releases, advertisements, invitations, programs, etc. Event planning must include a public relations or marketing effort.
- Limited number of free passes to event (if fee charged).
- Limited number of free parking passes at event (if fee charged).
- Other considerations as deemed appropriate by Public Utilities.

Note: If the sponsorship privileges and criteria established above cannot be met, RPU involvement may be limited to event participation only.

It is not Riverside Public Utilities' policy to purchase or sponsor tables at charitable events. Instead, the Utility may opt to purchase 2 – 4 tickets to these events, if they are deemed appropriate to RPU's overall business plan. These tickets will be utilized for Board members or as employee or volunteer recognition.

Funding and Approvals

A sum of \$100,000 will be set aside each fiscal year and made available on a first-come, first-serve basis. The funds are subject to staff review and the completion of the required approvals, as specified, until the available funds have been exhausted. The spending levels that require City Manager and Council approvals (\$10,000 and Above) concur with existing City policy number VIII-14. The proposed approval levels are:

Up to \$2,500	Approved by Marketing Services Division Manager Minimum Lead Time: <i>One Month</i>
\$2,500 - \$10,000	Approved by Public Utilities Director Minimum Lead Time: <i>Two Months</i>
\$10,000 - \$25,000	Approved by Public Utilities Administration, Finance & Marketing Board Committee, Public Utilities Board and City Manager Minimum Lead Time: <i>Three Months</i>
\$25,000 & Above	Approved by Public Utilities Administration, Finance & Marketing Board Committee, Board of Public Utilities, City Manager and City Council Minimum Lead Time: <i>Six Months</i>

Following clarification on the bid summary and estimated capital expenditure for the work order to construct the proposed gage well, the Board of Public Utilities:

- A) Approved the estimated capital expenditure of \$588,800 for Work Order 703649, which includes all design, construction, inspection, and systems connections for drilling and construction of Gage Well 98-1; and
- B) Approved and recommended that the City Council award a contract for construction of Gage Well 98-1, Bid Award 5600, to the lowest responsive bidder, as determined by the City Council.

Motion – Pevehouse. Second – Newberry, Jr., P.E. All ayes.

INSTALL UNDERFREQUENCY RELAYS AT 11 SUBSTATIONS
WORK ORDERS 682980 – 682990

Following the presentation by Assistant Director Baldwin on the existing and proposed load shedding schedule, the Board of Public Utilities approved 11 Work Orders 682980 through 682990 for the total estimated capital expenditure of \$615,000 to install underfrequency relaying.

Motion – de la Cruz. Second – Macher. All ayes.

DECEMBER 1998, "CALLING CARD" BILL STUFFER

Marketing Communications Manager Bergh highlighted the benefits of providing a magnetized "calling card" to the residential base. She added that this bill stuffer proposal was reviewed by the Finance/Marketing Committee at its meeting on November 4, 1998, and gave an overview of the changes to the sequence of telephone numbers recommended by the Committee.

The Board of Public Utilities approved and recommended that the City Council approve distribution of the "calling card" bill stuffer in the December 1998 billing cycle, or in the next available billing cycle if delayed due to schedule changes.

Motion – Pevehouse. Second – Newberry, Jr., P.E. All ayes.

➔ **DEPARTMENT POLICY FOR SPONSORSHIPS OR PARTICIPATION IN COMMUNITY EVENTS**

Deputy Director Wright gave an overview of the Department Sponsorship Policy and associated expenditures related to sponsorships and/or participation in the community.

The Board of Public Utilities approved and recommended that the City Council approve the Public Utilities Department Sponsorship Policy and increase funding for sponsorship and/or participation in community events.

Motion – Newberry, Jr., P.E. Second – Macher. All ayes.