



Convention Finance and Sponsorship Review: Final Report

Union of BC Municipalities
November 2019

Background

The Union of BC Municipalities (UBCM) was founded in 1905 and is recognized under a provincial statute as the official representative of local governments in BC. Each year, UBCM hosts a convention to provide an opportunity for its membership (comprised of municipalities, regional districts and First Nations) to meet and develop united positions on matters of common interest to B.C. communities. The Convention also provides a key “meeting place” for bi-lateral engagement between the Province of B.C. and local governments.

UBCM’s Executive appointed an independent Review Panel in July, 2019 to conduct a review of the financing and sponsorship of the annual Convention. In its Terms of Reference (Appendix 1), the Review Panel was asked to evaluate the various sources of revenue, including sponsorship revenue, currently used to fund the Convention; and to prepare a report with recommendations for policies and practices that uphold sound governance, transparency, affordability and accountability.

This report has been prepared by the Review Panel to fulfill its obligations to the UBCM Executive as set out in its Terms of Reference.

Approach

The Review Panel met three times over the course of its mandate. Topics discussed included UBCM’s current operational practices and policies with regard to the financing of the Convention and the rationale for those approaches. The Review Panel also considered convention finance practices of other local government associations along with convention registration fees for those associations. The Review Panel also discussed the overall affordability for individual elected officials to attend Convention, and the use of policies, among some local governments, to cap the number of Council or Board members who may attend each Convention in an order to manage Convention related costs.

The Review Panel focused on the 2019 Convention as a key venue for engaging with UBCM’s membership. In addition to preparing a Backgrounder on Convention finance and sponsorship that was distributed to each delegate, the Review Panel hosted a clinic to share background information and allow for questions. The Review Panel also conducted a live survey with delegates during a Convention plenary session, where the results were shared in real time.

In recognition that some elected officials may not have been able to attend the clinic or the plenary survey session, the Review Panel also provided a dedicated email address to which member elected officials could provide written comments. No submissions were provided by UBCM’s members to the Review Panel.

Current Policies and Objectives

The overarching objective of UBCM’s approach to financing the annual Convention is to minimize registration costs for its members. UBCM’s membership is comprised of 197 local governments and eight First Nations. The annual Convention is the primary means by which the membership meets to identify and discuss issues and provide policy direction to UBCM. Ensuring the broadest possible participation of the membership in the policy formulation process is essential for the credibility and broad applicability of the positions endorsed by delegates.

The Review Panel notes that the most recent data of member attendance (Table 1) demonstrates a consistently high level of participation by UBCM members in the proceedings of the annual Convention regardless of the venue location.

Table 1: Convention Participation by UBCM Members

Year	Vancouver 2015	Victoria 2016	Vancouver 2017	Whistler 2018	Vancouver 2019
Member Attendance	195/196 = 99%	192/196=98%	196/196=100%	192/197=97%	194/197=98%

In order to minimize the financial barrier posed by registration fees, UBCM delivers the Convention on an “at cost” basis and relies on two additional revenue sources: a tradeshow and sponsorships. The respective balance between the various revenue sources for the Convention varies by location since the Vancouver venue is the only one capable of hosting a tradeshow (Table 2). The Review Panel notes that tradeshow revenues in Vancouver serve to offset the higher costs that are unique to Conventions held in Vancouver.

Table 2: Five-year Revenue (as a Percentage of Total Revenue)

	Whistler 2014	Vancouver 2015	Victoria 2016	Vancouver 2017	Whistler 2018
Registration	75%	65%	74%	62%	77%
Sponsorship	24%	17%	22%	19.5%	19.5%
Interest Income	1%	1%	1%	1%	3%
Tradeshow	0%	16%	2.5%	16.5%	0%

Policies & Practices of Other Local Government Associations

The Review Panel solicited information on the policy and practices of the Federation of Canadian Municipalities (FCM), the Alberta Urban Municipalities Association (AUMA) and the Association of Municipalities of Ontario (AMO). Each of these associations host annual conventions that are financed with a mix of registration fees, a tradeshow and sponsorships, and each have developed policies and practices for managing these revenue sources that have evolved over the course of the century-plus history of each association.

Practices in AUMA and AMO follow a balance of general principles that may be summarized as follows:

- An aim to offset registration fees through the use of funding sources such as sponsorships and tradeshow operations.
- The acceptance of sponsorships from a broad range of governmental, crown corporation, union and corporate sources that have general dealings with the local governments.
- A recognition that the diversity of sponsors or tradeshow participants should reflect the diversity of views /interests amongst their association memberships. There are internal procedures that enable senior staff to reject any sponsorship or exhibitor proposal where it may affect the brand of the organization or result in conflict or controversy.

FCM advised that it does have a formal sponsorship policy that speaks to sponsorships generally; it is not specific to their Convention. An excerpt of the principles that FCM uses when evaluating prospects is appended to this report as Appendix 3.

As previously stated UBCM budgets for its convention on a break-even basis and does not achieve any substantive profits from the event that are used to offset our membership dues. AMO and AUMA also prepare a balanced budget for their conventions but it is the norm to achieve a profit that can be used to offset membership dues. This approach is reflected somewhat in the table below that outlines convention registration fees:

Table 3: Comparison of Local Government Association Registration Fees (2019)

	UBCM	Federation of Canadian Municipalities	Alberta Urban Municipalities Association	Association of Municipalities of Ontario
Member Registration	\$475	\$869	\$575	\$735
Convention Length (days)	2.5	3.5	2.5	3
Pre-conference	2 days (\$75/day)	None	1 day (½ day \$250, full day \$395)	1

The scan of local government associations in other jurisdictions confirmed that their procedures for the management of convention finance and sponsorship generally align with UBCM's. However, each association makes different determinations around the limits to potential sponsorships or the balance among the different funding sources, that reflect regional economic interests, historic precedent and member considerations.

Summary of Member Survey Responses

The survey conducted by the Review Panel solicited scaled responses to a series of questions designed to gauge the membership's comfort level about the current policies that guide UBCM's convention finance and sponsorship practices. Delegate responses are provided in Appendix 2.

Delegates indicated strong support for UBCM's current overall priority of keeping registration fees as low as possible in order to maximize member attendance, with 85% of respondents indicating they "strongly agree" or "agree" with this principle. Similarly, there was strong support (over 70% "strongly agree" or "agree") with the practice of using other sources of funding, in addition to registration fees, to offset the costs of holding the Convention. An almost identical number (71%) supported using sponsorships to offset Convention costs. Delegates were mixed, though, on the question of increasing membership dues as an option for reducing registration costs with just over 54% indicating they "agree" or "strongly agree" with the statement that membership dues should not be increased to subsidize convention.

The questions also explored the uses and sources of sponsorship funds. Over 66% of those surveyed indicated they "strongly agree" or "agree" with the use of sponsorship revenue to fund evening receptions. A clear majority of respondents (65%) indicated that they "disagree" or "strongly disagree" with sponsorship by foreign governments. When asked to indicate views on corporate and union sponsorships, 60% indicated they "strongly agree" or "agree" with UBCM continuing to allow for sponsorships from both.

Analysis of Survey Responses

The live survey conducted with Convention delegates at the 2019 Convention indicates support for continuing current policies in the following areas:

- An "at cost" approach to financing the annual convention that seeks to keep registration fees as low as possible;
- The use of revenue sources, other than registration fees, including the use of sponsorships as a means to keep registration fees low; and
- Accepting sponsorships from corporations and unions for all aspects of the Convention, including receptions.

A mixed response was provided with regard to a potential change to how Convention is financed through the increase of membership dues in order to maintain lower registration fees. Nearly a quarter of respondents, though, indicated they were "neutral or uncertain" about this

proposal. The Review Panel sees this response as an indication that further engagement and information would be required in order to make a clearer determination of membership views on this topic.

The one area where UBCM members indicated a desire for change in Convention finance practices was with regard to sponsorship by foreign governments, whereby 65% strongly disagreed/disagreed. Since 2012, the Chinese Consulate in Vancouver has sponsored a well-attended reception that has been part of the Convention program.

The Review Panel notes that the cost implications of removing the sponsorship opportunity from foreign governments is negligible, affecting less than half of a percent of the total cost to host the annual convention on average.

Recommendations: Guiding Principles for UBCM Convention Financing and Sponsorship

The Review Panel is recommending to the UBCM Executive that the following guiding principles be adopted to support Convention finance and sponsorship decision-making for the 2020 Convention and beyond.

The guiding principles are designed to provide flexibility and direction to decision-makers in their deliberations around UBCM Convention financing and sponsorship, along with clear guidance to support sound governance, transparency, affordability and accountability.

1. UBCM shall endeavour to keep annual Convention registration fees as low as possible to encourage and facilitate member attendance.
2. The UBCM Convention shall be delivered on a “cost-recovery” basis.
3. Sponsorship and tradeshow revenues will be sought to assist in offsetting the costs associated with holding a UBCM Convention.
4. UBCM’s Executive will delegate vetting, assessing and approving all sponsors and tradeshow participants to Corporate Operations. UBCM’s Corporate Operations will take into consideration the diversity of interests and issues within the UBCM membership as it considers the approval of sponsors and tradeshow participants.
5. Unions and corporations will be permitted to sponsor/finance any element of the UBCM Convention.
6. Foreign governments will not be permitted to sponsor/finance any UBCM Convention events such as receptions and other networking opportunities.
7. UBCM’S Convention Committee will receive these guiding principles each year.

Members of the Review Panel¹

The members of the Review Panel are as follows:

- **Frank Leonard** (Chair), Consultant; formerly the Mayor of Saanich and UBCM President
- **Wendy Booth**, Consultant; formerly Area F Director with Regional District of East Kootenay and UBCM President
- **Chair Sav Dhaliwal**, Chair of Metro Vancouver; Councillor, City of Burnaby; and formerly UBCM President
- **Chair Rhona Martin**, Chair of Columbia Shuswap Regional District and formerly UBCM President

¹ In September of 2019, Greg Moore was appointed interim President and CEO of BC Lottery Corporation (BCLC) while the current President is on medical leave. BCLC is a sponsor of UBCM's Convention, and Mr. Moore resigned from the Review Panel following his appointment.

Appendix 1: UBCM Convention Finance and Sponsorship Review Terms of Reference

Background

The Union of BC Municipalities (UBCM) was founded in 1905. UBCM's annual convention provides an opportunity for its membership (municipalities, regional districts and member First Nations) to meet and develop united positions on matters of broad interest to BC communities.

As a matter of long-standing practice, UBCM has developed a sponsorship program to offset the cost of hosting its annual convention. The sponsorship program contributes approximately 20% of the total revenue for each convention and effectively serves to reduce registration fees for convention delegates.

Purpose of the Review

The purpose of this review is to evaluate the various sources of revenue, including sponsorship revenue, currently in use for funding UBCM's annual convention. A newly established Review Panel will solicit input from local governments in British Columbia and draw upon best practices from local government associations in other jurisdictions. The Review Panel will make recommendations on policies and practices that uphold sound governance, transparency, affordability and accountability for the annual convention.

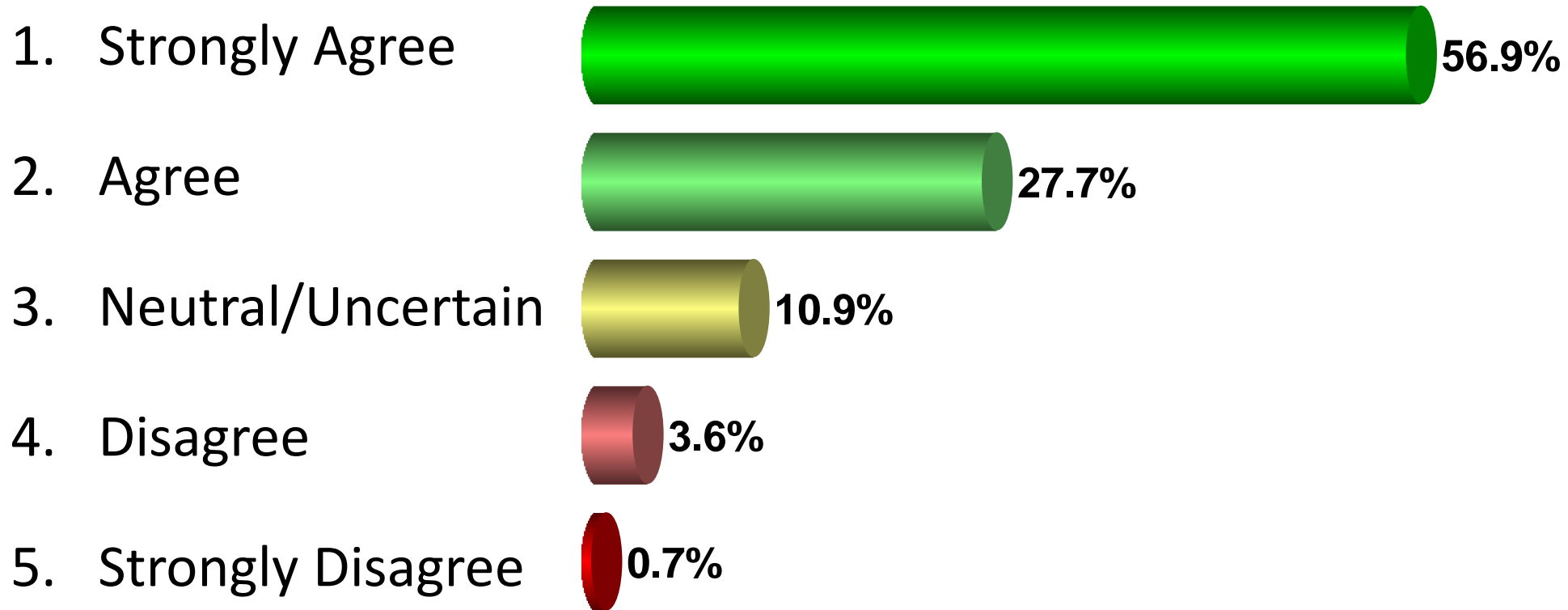
Term

The Review Panel will prepare a report for the consideration by UBCM's Executive by January 15, 2020 to facilitate implementation in advance of the 2020 UBCM annual convention.

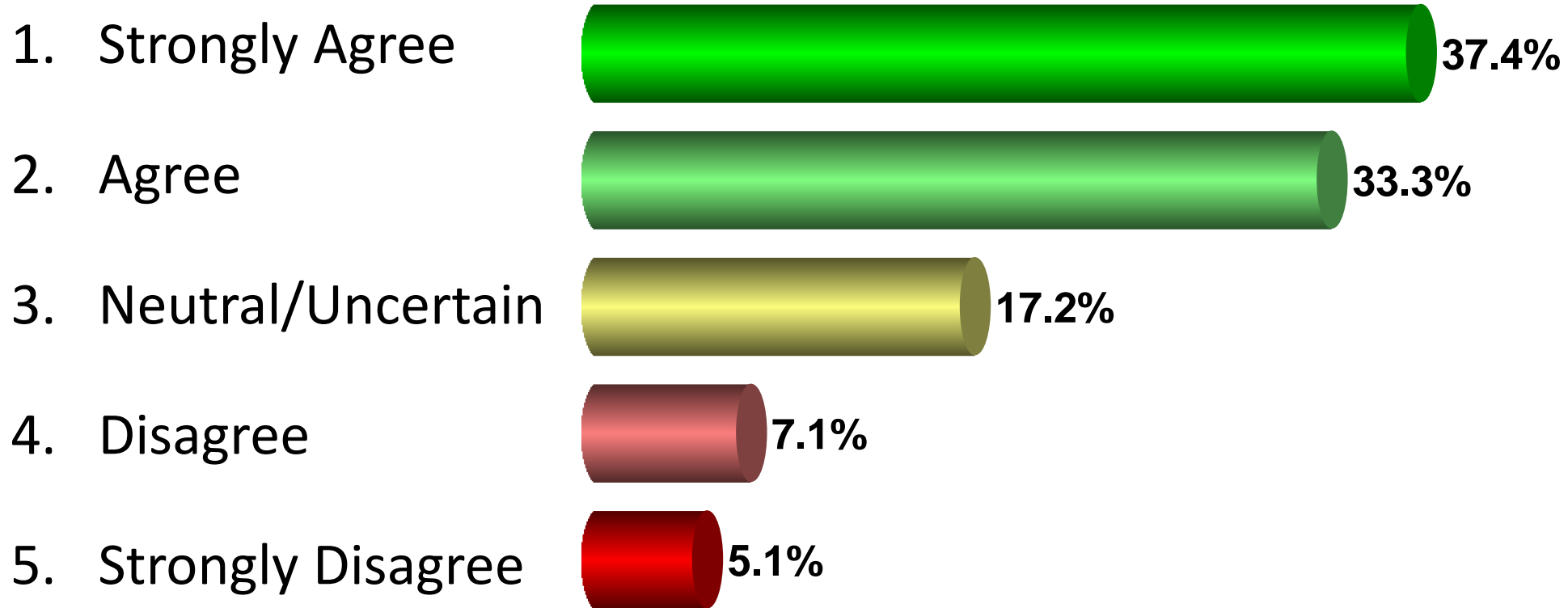
Appendix 2: Delegate Survey Responses

Electronic Voting Survey

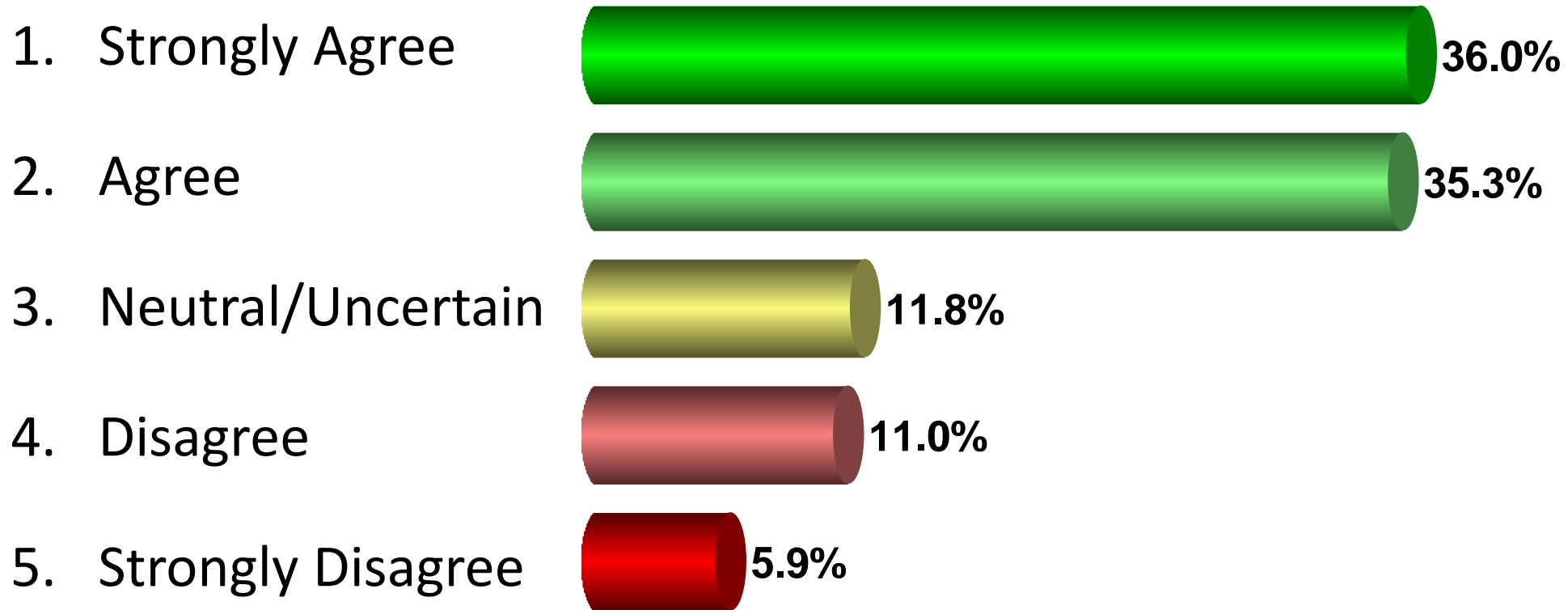
1. Convention registration fees for UBCM members should be kept as low as possible to facilitate member participation.



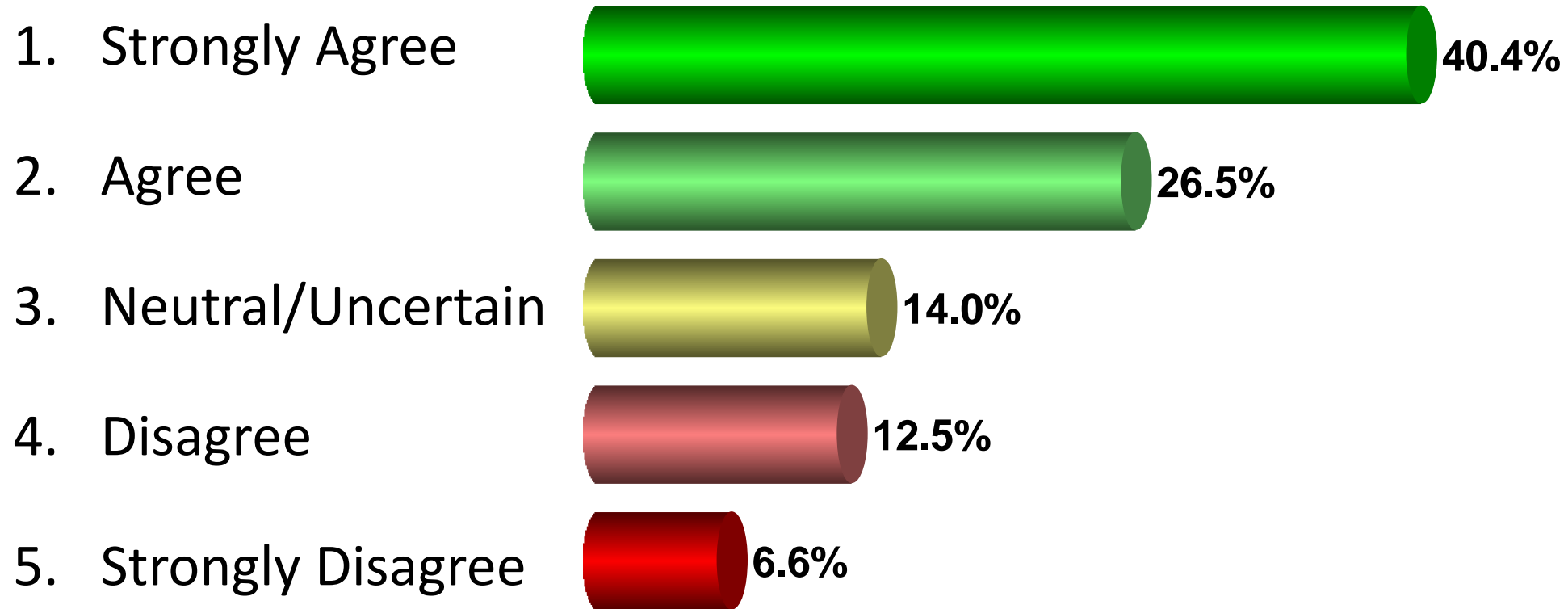
2. UBCM should utilize other sources of funding, in addition to registration fees, to reduce or offset the costs of the annual convention.



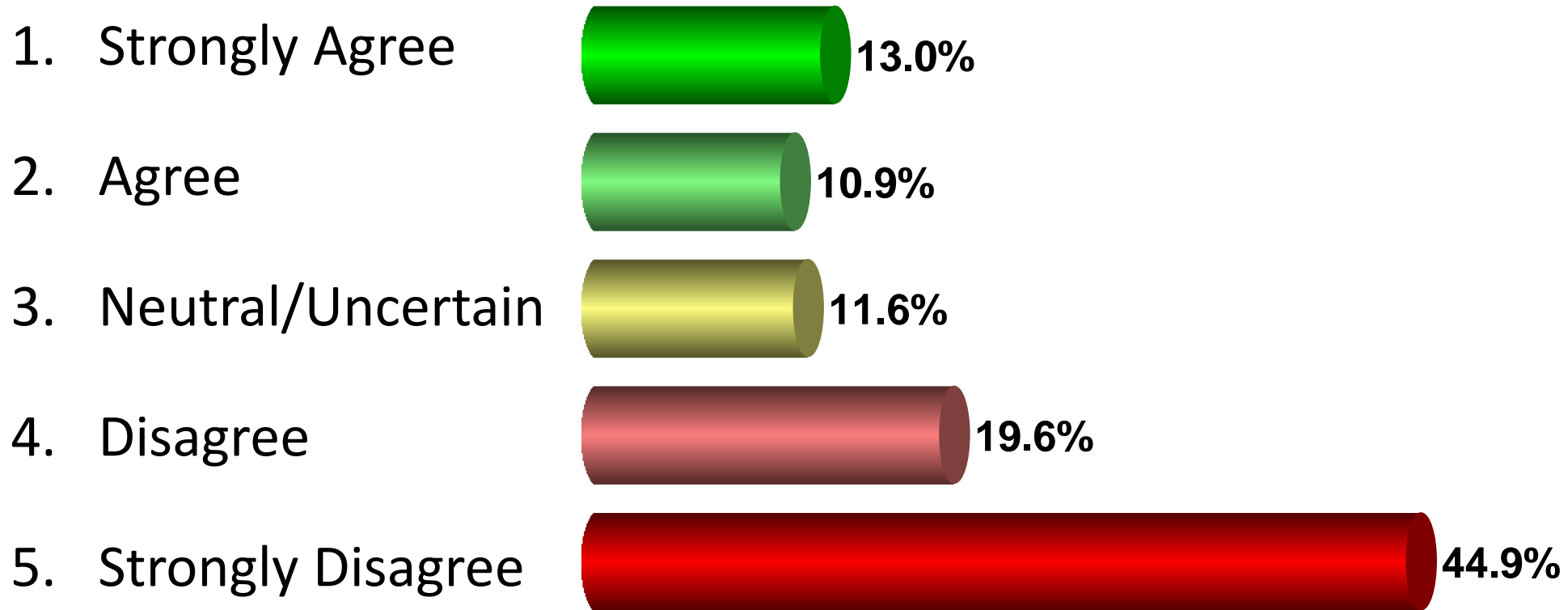
3. Sponsorships should be one of the other revenue sources used to offset some of the costs of the annual convention.



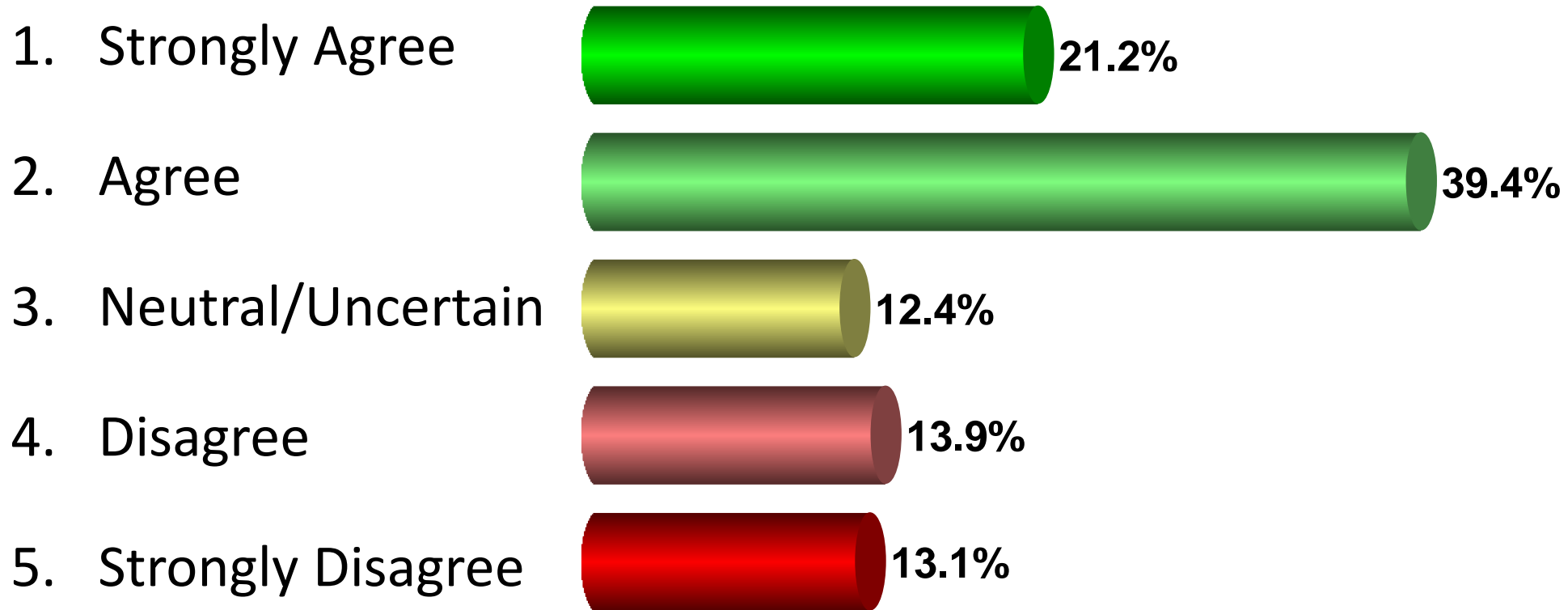
4. Convention policy should allow the use of sponsorships to fund evening receptions.



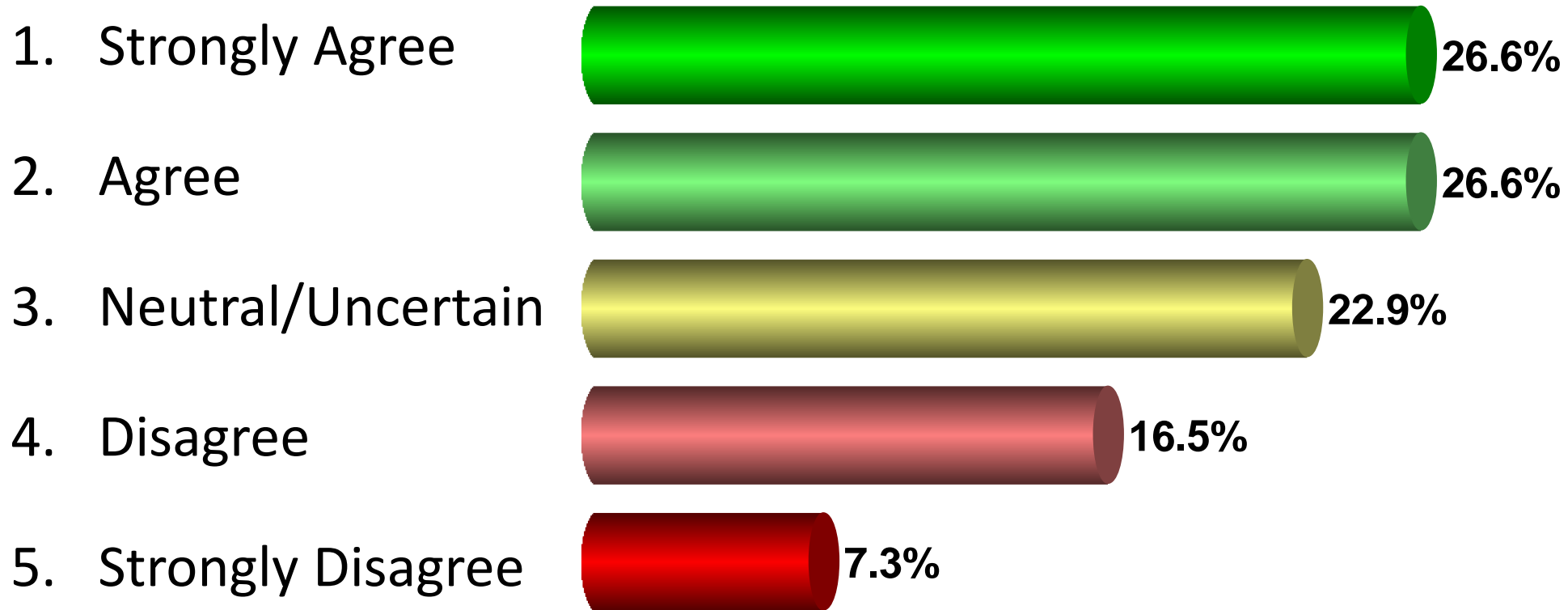
5. Convention policy should allow sponsorship by foreign governments.



6. Convention policy should allow sponsorships by corporations and unions.



7. UBCM membership dues should not be increased to subsidize the annual convention.



Appendix 3: FCM Sponsorship Policy – Excerpt of the Principles to Evaluate Prospects

FCM has a very robust Sponsorship policy, which is specific and proprietary to us, which outlines our internal process for engaging with Sponsors. One of the cornerstones of that policy is prospect clearance, to ensure alignment of sponsors with FCM's mission, vision and values. Here is an excerpt of the principles that FCM uses when evaluating prospects:

- i. FCM will solicit and accept sponsorship support only for projects and activities that are consistent with the Federation's objectives.*
- ii. Acceptance of sponsorships must enhance, and shall not impede, FCM's ability to act in the best interest of their membership (i.e. Municipalities) at all times.*
- iii. The partner must not promote a product/project or service which creates a division within the membership.*
- iv. In terms of "In-Kind" opportunities, if it is not directly offsetting a budget item then it should not occur.*
- v. FCM's name, logo and other intangible intellectual assets must be protected at all times.*
- vi. FCM will be vigilant at all times to avoid any real or apparent conflict of interest in accepting sponsorships.*
- vii. Sponsorship of a FCM property or asset will not entitle any sponsor to influence any policy position or business decision of FCM.*
- viii. FCM will accept funds only when FCM has control of the content of the activity and when FCM has and maintains complete control of all funds*
- ix. Acknowledgments will be limited to company name, logos, slogans/taglines which are an established part of the supporter's identity, trade names, addresses and telephone numbers.*