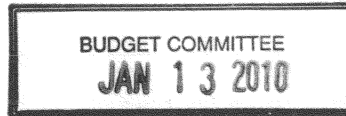




# Corporate Report



Clerk's Files

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Originator's  
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**DATE:** January 6, 2010

**TO:** Chair and Members of Budget Committee  
Meeting Date: January 13, 2010

**FROM:** Paul A. Mitcham, P.Eng., MBA  
Commissioner of Community Services

**SUBJECT:** **Additional Funding Revenues – Pepsi Contract**

**RECOMMENDATION:** That pursuant to the December 23, 2009 execution of the Pepsi procurement contract, it is recommended that \$75,000 in new net revenues, be allocated towards reducing the cost of the existing programs within the Community Services 2010 operating budget, in accordance with the report from the Commissioner of Community Services dated January 6, 2010.

**BACKGROUND:** **Supply/Sponsorship Agreements**  
The sponsorship unit worked closely with materiel management and legal services to complete a Request for Proposal for the supply and sponsor of soda beverage. The agreement was finalized late in 2009 and executed on December 23, 2009 following lengthy deliberations with legal representatives from the Pepsi Bottling Group. The contract has been awarded to Pepsi.

**PRESENT STATUS:** The contract is now in force and provides additional funding in the amount of \$110,000 as outlined in Appendix 1.

**COMMENTS:** According to the agreement new funds are to be allocated in a manner which provides recognition and value to the Pepsi Bottling Group, drives additional soda beverage volume and provides value to the community.

Execution of the contract allows for the expansion of the Walmart at Play Mississauga Program (\$5,000) and expansion of the Enersource Got Skates Program to the North West (\$10,000). Pepsi is an active sponsor on both programs.

As we have done previously the cost to develop recognition and/or promotional material shall be funded from the revenue stream in the amount of \$20,000, leaving a net balance of \$75,000.

Staff propose to allocate the net balance to the 2010 Budget in a manner that reduces the cost of existing programs namely My Mississauga (\$40,000) and Community Recreation Programs (\$10,000), and provides signage and rink boards in the amount of \$25,000. The overall impact of the proposed allocation is favourable to the 2010 Budget in the amount of \$75,000.

**STRATEGIC PLAN:**

The additional funding represented by the Pepsi contract allows further progress by funding direct programming services within Walmart At Play and the Enersource Got Skates programs.

These programs directly supply the City's Strategic Plan under the Overall Category of Ensuring Youth, Older Adults and New Immigrants Thrive by "completing our neighbourhoods" and "building vibrant communities that celebrate community and complete neighbourhoods which is accomplished through increasing accessibility to recreation programming.

**FINANCIAL IMPACT:**

Additional funding after absorbing the related sponsorship expense and the expansion of the Walmart at Play and Got Skates program, funding of \$75,000 is available towards other city priorities. It is recommended that the funding be used towards reducing the cost of the existing program, as currently funded in the 2010 budget.

**CONCLUSION:**

This report recognizes new additional funding revenues that have come forward as a result of the execution of the Pepsi supply agreement on December 23, 2009.

The recommendations provide potential for a net \$75,000 new revenue contribution to the City Community Services budget, noting a recommended allocation of \$5,000 to augment current Pepsi

contributions to the Wal Mart At Play program, \$10,000 to augment the Enersource Got Skates Program and \$20,000 for sponsorship expenses for fulfillment activities by the Sponsorship Unit.

**ATTACHMENT:**

Appendix 1: Pepsi Sponsorship Summary



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Paul A. Mitcham, P.Eng., MBA  
Commissioner of Community Services

*Prepared By: John Lohuis, Director of Recreation and Parks*

JL/PM/as:

JAN 13 2010

## Pepsi Sponsorship Summary

### Pepsi Sponsorship and Advertising Support as Contained in 2010 Operating Budget

	Budget
Pouring Rights	\$50,000
Hershey Suite	35,000
Walmart At Play Mississauga	15,000
Signage	15,000
Concession Uniforms	3,000
Total	\$118,000

### Budget Allocation Additional Pepsi Funding – Subject to Council Approval

	Amount
Total new funding	\$132,000
In kind product	(22,000)
New Cash funding	\$110,000
Expand Walmart at Play Mississauga	(5,000)
Expand Got Skates	(10,000)
Sponsor expense	(20,000)
Net Remaining (use to reduce cost of existing programs)	\$75,000
Signage and Rink Boards	25,000
My Mississauga	40,000
Community Recreation Programs	10,000
Net Budget Adjustment	\$75,000