



To: Board of Management
From: Robin D. Hale
Chief Operating Officer
Subject: **2010 OPERATING PLAN AND BUDGET - COUNCIL APPROVED**
Date: 2010-04-23

Summary:

This report is provided to update the Board on the approval of the 2010 Operating Budget by City Council.

Recommendations:

It is recommended that the Board receive this report for information.

Background:

The 2010 Operating Plan and Budget, approved by the Board on 2009-10-29, was submitted to the City Budget Division and the Budget Committee for consideration. Although Toronto Zoo staff presented a budget that met the 5.0% reduction guidelines established by the City, the Board actually approved a 3.2% increase versus the 2009 Council Approved plan. The budget was subsequently adjusted by the City prior to the Budget Committee recommendation to Council, effectively resulting in the recommended budget being 5.8% below the 2009 Council Approved plan and 0.8% below the target established by the City. As such, for a fourth consecutive year the Toronto Zoo's budget has not received an increase (or has been decreased) and has been required to absorb inflation.

The 2010 Operating Budget received final approval by City Council on 2010-04-15. It was adopted as recommended by the Executive Committee, as follows:

- 1) *Council approve the 2010 Recommended Operating Budget for the Toronto Zoo of \$44.940 million gross and \$11.000 million net, comprised of the following services:*

<i>Service:</i>	<i>Gross (\$000s)</i>	<i>Net (\$000s)</i>
<i>Conservation, Education & Research</i>	<i>6,037.9</i>	<i>4,279.2</i>
<i>Marketing & Communications</i>	<i>11,777.9</i>	<i>(190.8)</i>
<i>Operations & Administration</i>	<i>23,624.4</i>	<i>23,315.5</i>
<i>General Management</i>	<i>3,364.1</i>	<i>1,946.9</i>
<i>Animal & Endangered Species Reserves</i>	<i>136.1</i>	<i>0.0</i>
<i>Revenue and Recoveries</i>	<i>0.0</i>	<i>(18,350.4)</i>
<i>Total Program Budget</i>	<i>44,940.4</i>	<i>11,000.4</i>

- 2) *City Council request the Toronto Zoo Board not to reallocate any funds within the 2010 Operating Budget in-year for travel by Board members.*

Comments/Discussion:

The City Council approved budget of \$11,000.4 thousand for 2010 represents a decrease of 5.8% (\$676.1 thousand) in Net Expenditures from the 2009 approved budget, surpassing the 5.0% reduction target initially established by the City. In order to meet the City's target, significant reductions in expenditures were required. In consideration of this issue, the Zoo completed a detailed line item review of expenditures to determine if reductions were possible while attempting to mitigate the resulting impact on activities necessary for maintaining adequate Zoo operations. As well, revenue changes for parking fees and the new carousel ride were approved. Several new initiatives were also approved in the 2010 budget related to projects that are revenue generating, resulting in either a positive or neutral impact on net expenditures in 2010.

Total attendance expected in 2010 is 1,300,000 visitors, reflecting the five year average. Revenue has increased by \$1,373.8 thousand for 2010. The volume increase in attendance accounts for \$238.0 thousand in revenue while a parking fee increase of \$2.00 per vehicle included in the recommendations resulted in \$611.9 thousand. The new Carousel Ride will yield net revenue of \$120.0 thousand. Development campaign revenues account for an incremental amount of \$407.1 thousand. The Stingray and Shark exhibit is anticipated to be as successful as it was in 2009 to maintain the solid base of revenue.

Gross expenditures in 2010 have increased by a total of \$697.7 thousand versus the approved 2009 budget. This is primarily comprised of annualizations from 2009 related to the collective agreement obligations and costs related to the Development campaign offset by budget savings in Utilities. All of the business case related expenditures are more than offset by anticipated revenue from the initiatives.

Although the net expenditures have actually declined, with the support of the Board of Management, the Toronto Zoo received approval for several key revenue generating business cases in 2010 to improve services to our visitors. These included the addition of 4.0 FTE's to the staff complement in Education, Animal Outreach, and Curatorial Units.

The Coordinator – Sustainable Development position was approved and will be shared between the Education Branch and Conservation and will be responsible for running the Toronto Zoo School high school credit program and the Eco-Executive Program. In 2010, the position is expected to generate \$31.8 thousand in revenue to completely offset the incremental first year costs.

In the area of Animal Outreach, two full-time positions were approved to increase the potential for additional off-site events. Incremental revenues of \$120.0 thousand and first year costs of \$113.8 thousand will be realized in 2010, with greater revenues anticipated in future years.

Finally, a grant funded non-permanent staffing addition of 1.0 FTE was approved for a Curatorial Assistant – Fishes. This grant position (\$30.0 thousand) is responsible for delivering the Great Lakes Outreach Program to increase awareness of the Great Lakes eco-systems, and is net expenditure neutral.

The implementation of the Council Approved 2010 Operating Budget including the new initiatives will assist the Toronto Zoo in achieving another successful year in 2010.

Robin D. Hale
Chief Operating Officer

List of Attachments:

Schedule I - 2010 Council Approved Operating Budget

Toronto Zoo
2010 Council Approved Operating Budget

(\$000's)

	Expenditures	Less: Revenues & Recoveries	Net Expenditures by City	% Increase/ (Decrease) to 2009 Budget
2010 Adjusted Base Budget	44,510.1	32,566.2	11,943.9	2.3
Adjustments resulting from the Budget process:				
Expenditure Changes	200.3	369.2	(168.9)	
Revenue Changes	4.4	40.9	(36.5)	
Service adjustments:				
Rainforest Carousel Ride	50.0	170.0	(120.0)	
Parking fees	-	611.9	(611.9)	
Animal Outreach Program	113.8	120.0	(6.2)	
Coordinator – Sustainable Development	31.8	31.8	0.0	
Curatorial Assistant - Fishes	30.0	30.0	0.0	
Net adjustments from the Budget process	430.3	1,373.8	(942.6)	(8.1)
2010 Operating Budget-Council Approved	44,940.4	33,940.0	11,000.4	(5.8)
2009 Operating Budget - Council Approved	44,242.7	32,566.2	11,676.5	
2009 Actual Operating Results	44,302.7	32,852.2	11,450.5	