

To: Board of Management

From: Shanna Young  
Executive Director  
Marketing & Communications

Subject: **FEE CHANGES DUE TO HARMONIZED SALES TAX**

Date: 2010-05-26

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**Summary:**

This report recommends the proposed price changes to user fees effective 2010-07-01, due to the new Harmonized Sales Tax.

**Recommendations:**

**It is recommended that the Board approve the attached user fee changes for implementation effective 2010-07-01.**

**Financial Impact:**

The approval of the revised fee schedule (Schedule 1) will have minimal impact on the 2010 Operating Budget, as in the aggregate, the changes are essentially revenue neutral based on the estimated volume of sales.

**Background:**

Effective 2010-07-01, the province of Ontario will implement the Harmonized Sales Tax (HST). Ontario will merge its 8% Retail Sales Tax (PST) with the 5% Goods and Services Tax (GST). In view of the impending change, a review of the pricing was undertaken with the various fee categories (admissions, membership, rides, rentals and education).

**Comments/Discussion:**

On 2010-01-01, the Zoo began showing the sales tax included in the fees. This was done so that with the implementation of the HST, the public will be able to see the effect of the new tax and the reason behind the increased fees.

In undertaking the review of the user fees, staff attempted to ensure that the pricing would be as consistent with previous years pricing as possible, while at the same time reflecting the impact of the new tax. The pricing was also rounded to the nearest dollar to facilitate payment in cash by the visitors and to provide for staff to make fast and accurate change.

In order to calculate the revenue impact, the change in incremental revenue was determined and this was then multiplied by the 2010 anticipated sales volume for each fee category. The breakdown by each type of fee is shown in the attached Schedule of User Fees Due to HST (Schedule 1).

### Admission Fees

Admission fees have the greatest impact on the overall revenue so the General Admission fee was increased by \$2.00 in order not to sustain a significant loss to the Zoo. The admission fee for Seniors was also increased by \$2.00 as our fees in this category have not changed recently and are therefore lower in relation to our competition. The fee for Children was not increased to reduce the impact on families and to offset the increases in the other fees. All fees were rounded to the nearest dollar as these transactions are often cash based.

### Rides & Rental Fees

Only the Zoomobile ride was increased by \$1.00, which is still good value as the purchase of a wrist band allows the visitor to ride the Zoomobile for the whole day. All the other fees in this category remain constant.

### Membership Fees

The main categories (family and dual) one year memberships were increased by \$10.00 and the next two most popular categories (single family and individual) were increased by \$5.00 to offset the new tax. The remaining three one-year memberships (senior couple, senior single and student) were not increased.

The two-year memberships are approximately the same price as before with a few categories (family, single family & senior couple) resulting in a net fee decrease (\$11.00 less). The rationale for the reduced fees is to try and increase market penetration and advance revenue for the Zoo and to provide a larger audience of loyal members for our many educational programs.

### Camp Fees

The fees for the Zoo Camps increased by the amount of the new tax rounded to the nearest dollar so the increase is approximately revenue neutral.

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Executive Director  
Marketing & Communications

### **List of Attachments:**

Schedule 1 - 2010 User Fees Change due to HST



**SCHEDULE 1**

**2010 USER FEES CHANGES DUE TO HST**

User Fee	Fee Basis	Existing Fee	New Fee with HST	Existing Fee Excluding GST	New Fee Excluding HST	Incremental Revenue	Number of sales	Revenue Impact \$
Admission	General (13-64)	21.00	23.00	20.00	20.35	0.35	496,292	175,679
Admission	Senior (65+)	15.00	17.00	14.29	15.04	0.75	23,699	17,875
Admission	Children (4-12)	13.00	13.00	12.38	11.50	(0.88)	174,916	(153,152)
Admission	Children (3 and under)	-	-	0.00	0.00	0.00	169,512	0
Admission	Sharks @ Stringray Bay	3.00	3.25	2.86	2.88	0.02	305,950	4,928
								<u>45,329</u>
Ride	Zoomobile	7.00	8.00	6.67	7.08	0.41	129,000	52,890
Ride	Camel Rides *	6.00	6.00	5.71	5.31	(0.12)	40,833	(4,900)
Ride	Pony Rides *	5.00	5.00	4.76	4.42	(0.10)	18,200	(1,856)
		-	-	-	-	-	-	0
Rentals	Wagon	6.00	6.00	5.71	5.31	(0.40)	6,140	(2,456)
Rentals	Single Stroller *	5.00	5.00	4.76	4.42	(0.19)	162,272	(30,345)
Rentals	Double Stroller *	8.00	8.00	7.62	7.08	(0.30)	10,142	(3,012)
Rentals	Locker	1.00	1.00	0.95	0.88	(0.07)	5,250	(368)
		-	-	-	-	-	-	0
Novelties	Face Painting *	6.00	6.00	5.71	5.31	(0.12)	10,500	(1,274)
Novelties	Tattos *	5.00	5.00	4.76	4.42	(0.20)	5,250	(1,071)
Novelties	Penny Press *	1.00	1.00	0.95	0.88	(0.04)	73,500	(2,573)
Novelties	Viewers *	1.00	1.00	0.95	0.88	(0.04)	10,500	(368)
		-	-	-	-	-	-	<u>4,668</u>
1 Year Membership	Family	135.00	145.00	128.57	128.32	(0.25)	16,363	(4,091)
1 Year Membership	Dual	115.00	125.00	109.52	110.62	1.10	7,672	8,439
1 Year Membership	Single Family	105.00	110.00	100	97.35	(2.65)	1,451	(3,845)
1 Year Membership	Individual	65.00	70.00	61.9	61.95	0.05	2,618	131
1 Year Membership	Senior Couple	80.00	80.00	76.19	70.80	(5.39)	461	(2,485)
1 Year Membership	Senior Single	45.00	45.00	42.86	39.82	(3.04)	641	(1,949)
1 Year Membership	Student	45.00	45.00	42.86	39.82	(3.04)	1,212	(3,684)
2 Year Membership	Family	260.00	249.00	247.62	220.35	(27.27)	1009	(27,511)
2 Year Membership	Dual	220.00	219.00	209.52	193.81	(15.71)	457	(7,182)
2 Year Membership	Single Family	200.00	189.00	190.48	167.26	(23.22)	80	(1,858)
2 Year Membership	Individual	120.00	119.00	114.29	105.31	(8.98)	292	(2,622)
2 Year Membership	Senior Couple	150.00	139.00	142.86	123.01	(19.85)	115	(2,283)
2 Year Membership	Senior Single	80.00	79.00	76.19	69.91	(6.28)	270	(1,695)
2 Year Membership	Student	80.00	79.00	76.19	69.91	(6.28)	128	(804)
								<u>(51,438)</u>
Zoo Camp	Member	225.00	243.00	214.29	215.04	0.75	1331	998
Zoo Camp	Non-Member	245.00	264.00	233.33	233.63	0.30	732	220
Zoo Camp	overnight	50.00	54.00	47.62	47.79	0.17	387	66
Zoo Camp	Before/After care	5.00	6.00	4.76	5.31	0.55	1836	1,010
Family Bush Camp	Adult Member	90.00	97.00	85.71	85.84	0.13	266	35
Family Bush Camp	Adult Non Member	100.00	108.00	95.24	95.58	0.34	383	130
Family Bush Camp	Child Member	80.00	86.00	76.19	76.11	(0.08)	230	(18)
Family Bush Camp	Child Non-Member	90.00	97.00	85.71	85.84	0.13	311	40
Family Bush Camp	Youth Group	70.00	76.00	66.67	67.26	0.59	1495	882
								<u>3,362</u>
								<u>1,921</u>
<b>Total Estimated Revenue Impact</b>								<b>1,921</b>

\* Note: Ride, Rental & Novelty revenue impact is net of vendor commissions.