



## STAFF REPORT

To: Board of Management

From: Robin D. Hale  
Chief Operating Officer

Subject: **2011 OPERATING PLAN AND BUDGET**

Date: 2010-11-09

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### **Summary:**

This report provides an outline and description of the 2011 Operating Plan and Budget and the recommendations of the Management Committee for consideration by the Board.

### **Recommendation:**

**The Management Committee, at its meeting held 2010-11-08, made the following recommendations to the Board:**

- 1. The 2011 Requested Base Operating Plan and Budget be approved;**
- 2. The new and enhanced service requests be approved, and that the two gardeners or two additional fundraising staff be included for consideration by Council;**
- 3. The Business Travel Budget in the amount of \$50,496 (less external funding of \$10,880) and the Conference Travel Budget in the amount of \$71,597, (less external funding of \$1,000) be approved, and that the Chief Executive Officer be authorized to reallocate funds within the 2011 travel budget to meet Zoo priorities.**

### **Financial Impact:**

Approval of the "Requested Base" 2011 Operating Plan and Budget will require net expenditure funding from the City of Toronto in the amount of \$11,390.6 thousand, consisting of gross expenditures of \$45,993.1 thousand and revenues and recoveries in the amount of \$34,602.4 thousand.

### **Background:**

The 2011 Operating Plan and Budget submission, attached for your review and approval, has been prepared in accordance with the budget guidelines of the Financial Planning Division of the City of Toronto including annualization of prior year programs, prescribed inflationary increases, less non-recurring items, as applicable.

### **Comments/Discussion:**

The directives for the 2011 budget process issued by the City Manager outlined a requirement to achieve an operating budget reduction target of 5.0% from the 2009 Net Operating Budget for a second consecutive year. This results in an overall decrease of 10% from the 2009 Net Operating Budget in both 2010 and 2011. The detailed review conducted by management of the Toronto Zoo in preparing the 2011 submission has resulted in 2011 Requested Base Net Operating Expenditures of \$11,390.6 thousand after salary and wage adjustments for contractual obligations, meeting the target established by the City.

Gross Program expenditures of \$45,993.1 thousand have increased by \$664.9 thousand or 1.5% resulting from the annualization of salary and wage increases from 2010 and full integration of the Development office operations, other inflationary increases, offset by other base changes in the business. In compliance with the City guidelines, salary increases for non-union staff have not been included in the submission as this number will be budgeted corporately.

The 2011 operating budget reflects an attendance level of 1,325,000, an increase of 25,000 visitors which is based on the five year average (2006-2010). The new Penguin exhibit will be opening in 2011 and is expected to stimulate visitor interest similar to the popular Sharks at Stingray Bay, which is not currently in the plans for 2011. As outlined in the budget guidelines, user fees have been reviewed and will not be increasing in 2011 as the adult and seniors admission fees changed in 2010 as a result of the implementation of the HST. Based on price comparisons with competitors, parking fees, school groups and ride fees are unchanged for 2011. However, there will be some incremental revenue from parking due to tax exemptions resulting from the charitable status of the zoo.

Program revenues of \$34,602.4 thousand for the Requested Base Budget have increased by 2.0% as a result of increased volume and attendance for 2011, the full integration of the Development office and food services volume. As previously mentioned, user fees have been reviewed and remain unchanged from 2010. Based on the fact that the General admission fee for adults and seniors increased in the 2010 season as a result of the HST implementation, it was decided to not increase these fees in order to remain relatively competitive. A review of the membership fee structure has also been undertaken to assess its position on the market and the potential to reduce the financial pressures to the City.

Each year the Toronto Zoo Operating Budget provides an amount for travel to enable staff to confer directly with their colleagues, to attend animal SSP programs, to present professional and scientific papers, and to review the operations of other zoos. This is captured in two accounts: Business Travel and Conference Travel. The Management Committee has reviewed and approved the detailed travel schedule.

The draft 2011 Operating Budget has been submitted to the Financial Planning Division of the City of Toronto prior to the prescribed deadline. Any amendments by the Management Committee and Board will be communicated to the City.

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Approval of the Operating Plan and Budget will assist in the continued implementation of strategic initiatives as we further the goal of attaining the Zoo Vision as approved by the Board in 2009.

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R. D. Hale  
Chief Operating Officer

**List of Attachments:**  
2011 Operating Plan and Budget