



STAFF REPORT

To: Board of Management

From: Robin D. Hale
Chief Operating Officer

Subject: **2013 OPERATING PLAN AND BUDGET**

Date: 2012-09-17

Summary:

This report provides an outline and description of the 2013 Operating Plan and Budget for approval by the Board.

Recommendation:

It is recommended that the Requested Base 2013 Operating Budget and New / Existing Service Changes, as adopted by the Policy & Finance Committee on 2012-08-23, be approved by the Board.

Financial Impact:

Approval of the "Requested Base" 2013 Operating Plan and Budget will require net expenditure funding from the City of Toronto in the amount of \$11,108.0 thousand, consisting of gross expenditures of \$45,735.9 thousand and revenues and recoveries in the amount of \$34,627.9 thousand.

Approval of the New / Existing Service Changes plan and budget will generate a net revenue contribution of \$2,253.7 thousand (before any reserve fund transfer), consisting of revenues of \$7,826.9 thousand and \$5,573.2 thousand in gross expenditures.

Background:

The 2013 Operating Plan and Budget submission, attached for your review, was considered and adopted by the Policy & Finance Committee at the meeting on 2012-08-23. The 2013 Operating Plan 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 2013 budget process issued by the City Manager outlined a requirement to achieve an operating budget target of a 0.0% decrease from the budgeted 2012 Net Operating

Cost. Additionally, this requirement includes absorption by the program of the annualization of salary and wage increases from 2012. The detailed review conducted by management of the Toronto Zoo in preparing the 2013 submission has resulted in 2013 Requested Base Net Operating Expenditures of \$11,108.0 thousand. As union contracts are scheduled for renegotiation in 2013, no increases for staff are included in the submission. Amounts for salary and wage adjustments will be provided for centrally through the Financial Planning Division of the City.

Gross Program expenditures of \$45,735.9 thousand have increased by \$75.0 thousand or 0.2% to cover annualization of prior year increases. This is offset by a base volume change in Food Services revenue resulting in the 0% change from the Net Operating Costs in the 2012 Council Approved Budget.

The Requested Base 2013 Operating Budget reflects an attendance level of 1,300,000, taking the 5 year attendance trend into consideration. The Penguin and White Lion Exhibits opened in 2011 and 2012 respectively are expected to continue to stimulate visitor interest in 2013. As outlined in the budget guidelines, user fees for general and school group admissions are due for adjustment in 2013. This will be done in conjunction with “New Service / Existing Service Change” business case in the 2013 submission. It is likely that Membership fees would also be adjusted under this scenario to keep its value in line with general admission prices. The “peak”, “non-peak” pricing methodology implemented in 2012 for General, Senior and Child fees as a means of encouraging increased visitation in the shoulder seasons remains in place.

Program revenues of \$34,627.9 thousand for the Requested Base Budget have increased by 0.2%, remaining at virtually the the same level as in 2012.

The 2013 Operating Budget has been submitted to the Financial Planning Division of the City of Toronto prior to the prescribed deadline. Any suggested amendments by the Policy & Finance Committee and Board will be communicated to the City.

In summary, the 2013 operating budget submission of the Toronto Zoo reflects the zero percent net operating impact required by the City. It is anticipated that approval by the Board will assist in the continued implementation of strategic initiatives in pursuit of the goal of attaining the Zoo Vision and strategic initiatives as approved by the Board’s five year strategic plan.

R. D. Hale
Chief Operating Officer

List of Attachments:

2013 Operating Plan and Budget