



Toronto 2015 BUDGET

CAPITAL ANALYST NOTES



Toronto Zoo

2015 - 2024 CAPITAL BUDGET AND PLAN OVERVIEW

The Toronto Zoo is one of the largest zoos in the world, housing and caring for 5,000 animals over 710 acres with an asset value of \$330 million. The Zoo offers full year access to seven bioregion displays with over 10 km of walking trails as well as gift shops, exhibits, rides and guest services.

The Toronto Zoo's 10-Year Recommended Capital Plan focuses on improvements which will enhance visitor experiences and ensure continued compliance with zoological accreditation standards. To achieve this, the Zoo's 2015-2024 Recommended Capital Budget and Plan includes both state of good repair (SOGR) and service improvement projects.

In 2015, a new Capital Master Plan will be completed for the Zoo, which will guide future Capital Plan updates and support ongoing animal care and visitor service enhancements.

Highlights

Overview & Recommendations

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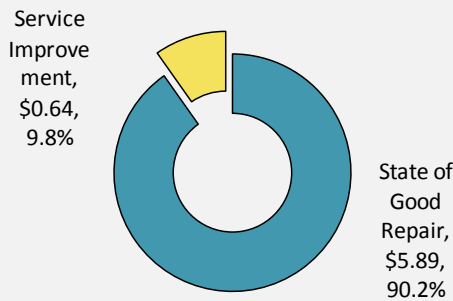
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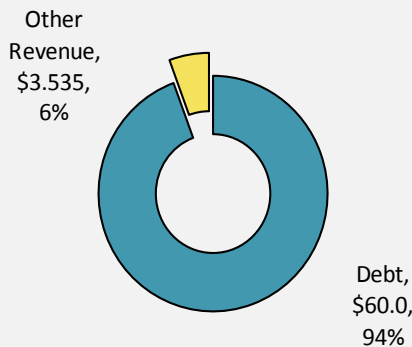
Capital Spending and Financing

2015-2024 Capital Budget and Plan by Expenditures Category



\$6.535 Million

2015-2024 Capital Budget and Plan by Funding Source



\$6.535 Million

Where does the money go?

The 2015–2024 Recommended Capital Budget and Plan totals \$63.535 million, focuses on:

- ✓ Construction of the new Wildlife Health Centre over 2015-2017
- ✓ Major upgrades to the Orangutan Indoor and Outdoor Exhibits
- ✓ Hippo House and Exhibit Refurbishment
- ✓ Improvement to the Gorilla Outdoor Display
- ✓ A new Breeding and Holding Facility
- ✓ Ongoing state of good repair improvements to Exhibits, Grounds, Visitor Amenities, Information Technology, Buildings and Services

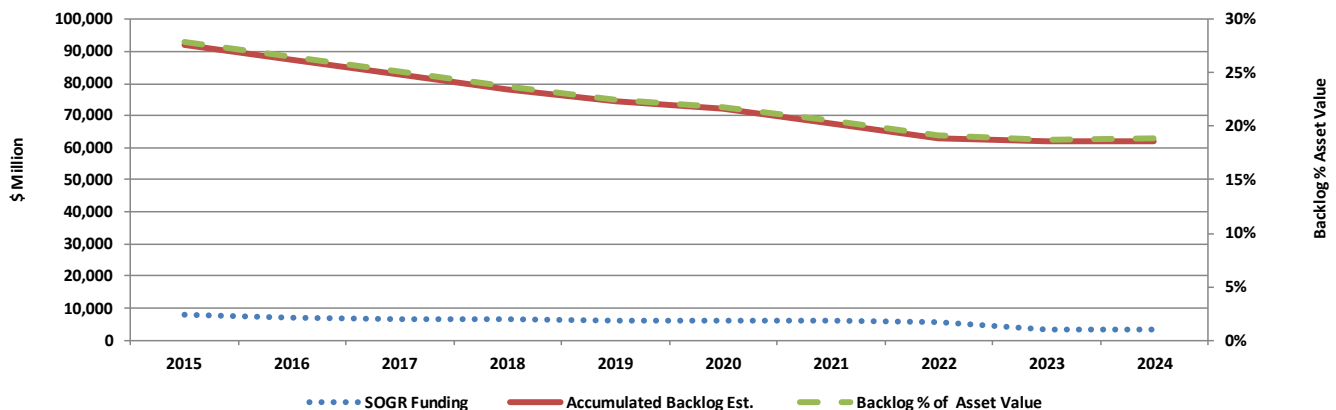
Where does the money come from?

The Toronto Zoo's 10-Year Recommended Capital Plan is funded primarily by debt with a small proportion of donated funds.

- New debt funding of \$60.000 million comprises 89.5% of the Toronto Zoo's 10 year capital funding, equal to the debt guideline.
- Other Revenue financing of \$5.353 million or 5.6% will be provided from donations.

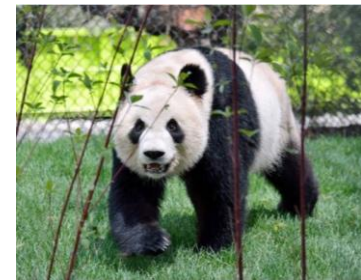
State of Good Repair Backlog

The 10-Year Recommended Capital Plan's spending on State of Good Repair is \$57.321 million which will reduce the backlog from 27.9 % as a percentage of asset value in 2015 to 18.8 % in 2024.



Key Challenges & Priority Actions

- ✓ **CAZA Accreditation and Current Animal Care Standards Upgrades** – update and renovate facilities to meet animal care standards and as well as visitor expectations.
 - Construction of the new Wildlife Health Centre - 2015 - 2017
 - Orangutan Outdoor and Indoor Exhibits – plan & design in 2016, construction to follow
 - Hippo House and Exhibit Refurbishment on one of the original 1973 structures
- ✓ **SOGR Repairs** – maintain zoo facilities and visitor services.
 - Continue the Building & Services Refurbishment project to maintain roofs & skylights on pavilions, animal holding buildings, & service buildings
 - Continue work to address the Zoo's accessibility plan.
 - Complete the upgrade to the animal records database system
- ✓ **Fundraising Efforts** – increase public donations to enable additional facilities to be a leading zoo.
 - Supported by the Zoo's anticipated Capital Master Plan, fundraising efforts will be supported to increase revenue available to supplement the City debt supported plan and support improved visitor experiences



2015 Capital Budget Highlights

The 2015 Recommended Capital Budget for the Toronto Zoo of \$12.440 million, including carry forward funding, will:

- ✓ Dedicate \$10.390 million to begin the phase construction of the Wildlife Health Centre project.
- ✓ Complete the conversion and refurbishment of the old Giraffe location into an improved African Hoofstock (Watusi) exhibit for \$0.500 million
- ✓ Continue state of good repair work with Grounds and Visitor Improvements, minor Exhibit Refurbishments, Building and Services Refurbishments and Information Technology upgrades for 1.550 million



Recommendations

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2015 Recommended Capital Budget for the Toronto Zoo with a total project cost of \$1.250 million, and 2015 cash flow of \$12.440 million and future year commitments of \$7.445 million comprised of the following:
 - a) New Cash Flow Funds for:
 - i. 4 new sub-projects with a 2015 total project cost of \$1.250 million that require cash flow of \$1.250 million in 2015.
 - ii. 2 previously approved sub-projects with a 2015 cash flow of \$6.440 million; and future years cash flow commitments of \$4.945 million in 2016; and \$2.500 million in 2017; and
 - b) 2014 approved cash flow for 3 previously approved sub-projects with carry forward funding from 2014 into 2015 totalling \$4.750 million.
2. City Council approve the new debt service costs of \$0.021 million in 2015 and incremental debt costs of \$0.170 million in 2016, \$0.290 million for 2017, and \$0.530 million for 2018, resulting from the approval of the 2015 Recommended Capital Budget, to be included in the 2015 and future year operating budgets.
3. City Council approve the 2016-2024 Recommended Capital Plan for the Toronto Zoo totalling \$55.845 million in project estimates, comprised of \$6.845 million in 2016; \$6.500 million for 2017; \$6.500 million for 2018; \$6.000 million for 2019; \$6.000 million for 2020; \$6.000 million for 2021; \$6.000 million for 2022; \$6.000 million for 2023; and \$6.000 million in 2024.
4. The Chief Executive Officer of the Toronto Zoo report back to the City Manager and Deputy City Manager & Chief Financial Officer on the Toronto Zoo's new Capital Master Plan prior to the 2016 Capital Budget process.



Part I:

10-Year Capital Plan

10 Year Capital Plan

Table 1a
2015 Recommended Capital Budget and 2016 - 2019 Recommended Capital Plan

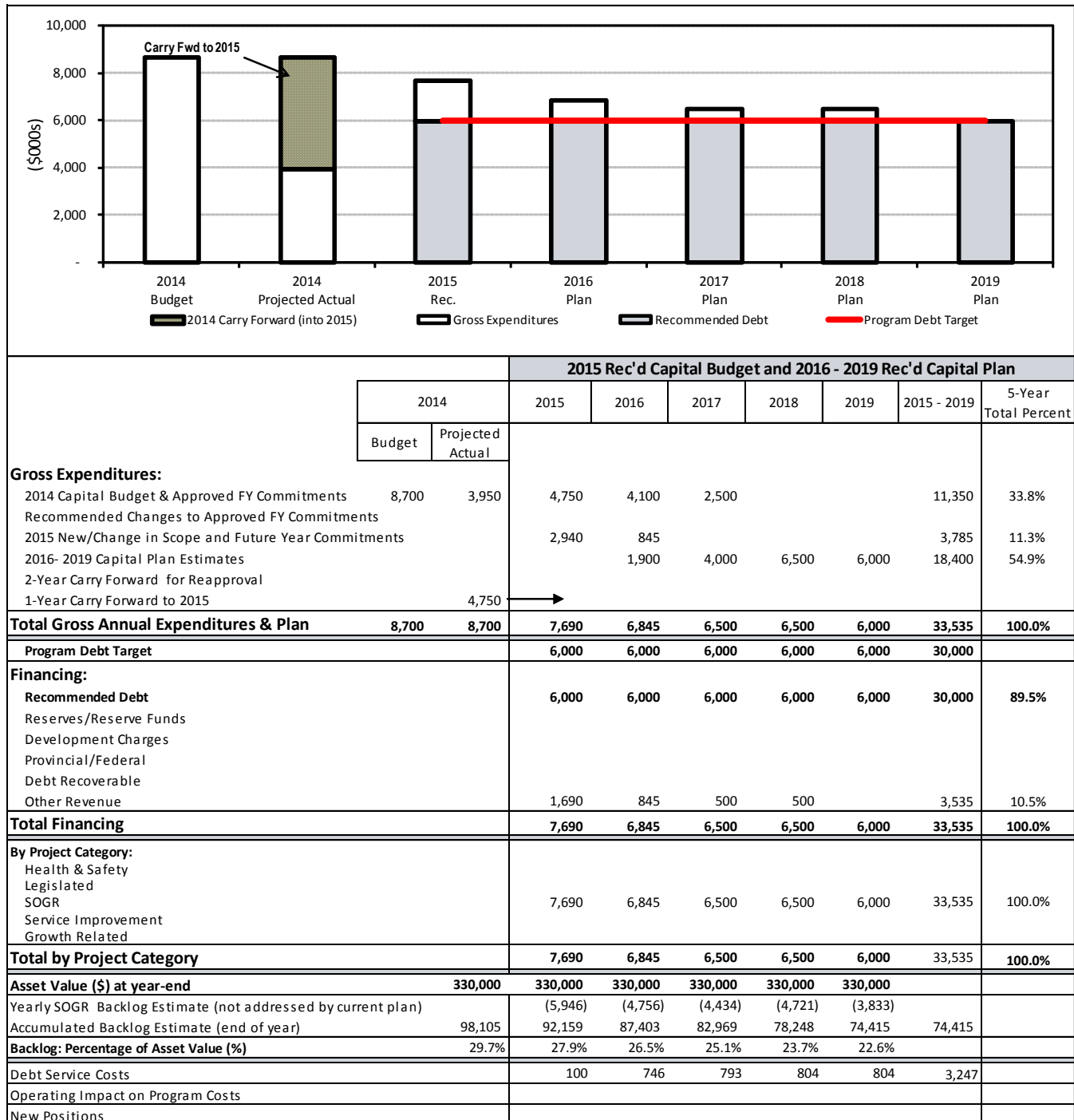
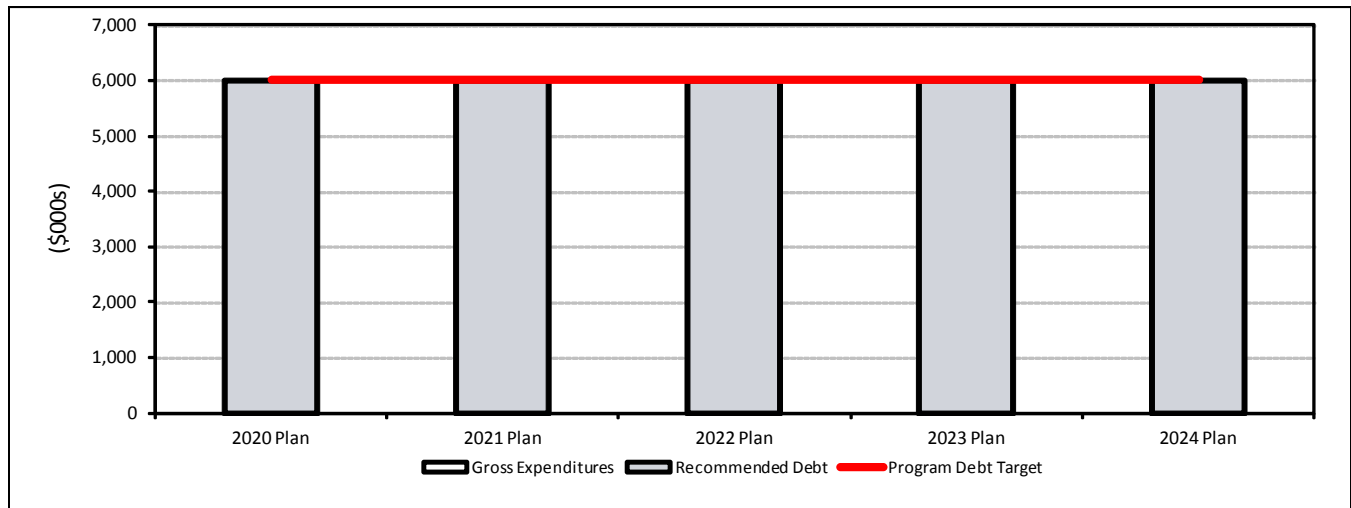


Table 1b
2020 - 2024 Recommended Capital Plan



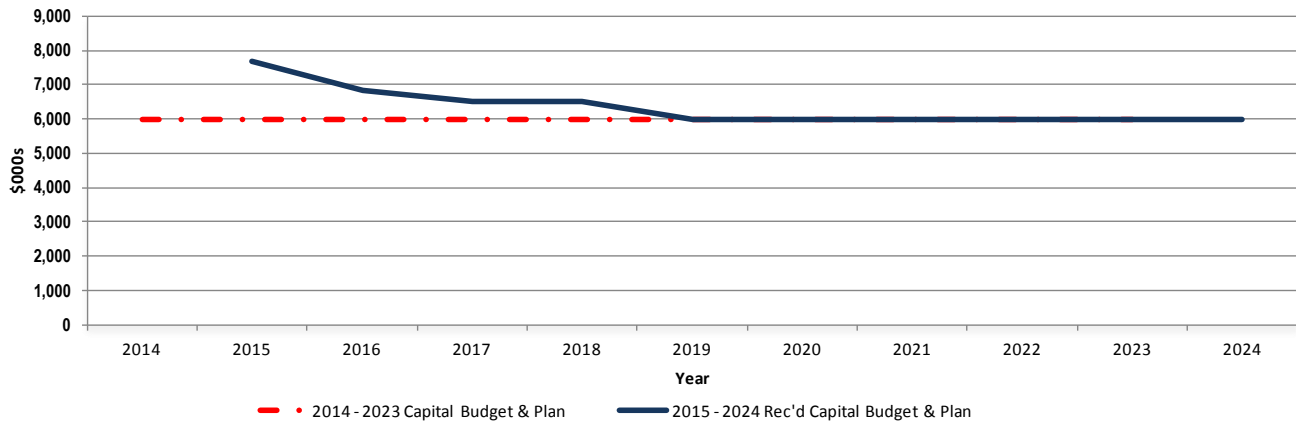
	2020 - 2024 Rec'd Capital Plan							10-Year Total Percent
	2020	2021	2022	2023	2024	2015 - 2024		
Gross Expenditures:								
2014 Capital Budget & Approved FY Commitments						11,350	17.9%	
Recommended Changes to Approved FY Commitments						3,785	6.0%	
2015 New/Change in Scope and Future Year Commitments						48,400	76.2%	
2020 - 2024 Capital Plan Estimates	6,000	6,000	6,000	6,000	6,000	63,535	100.0%	
Total Gross Annual Expenditures & Plan	6,000	6,000	6,000	6,000	6,000	63,535	100.0%	
Program Debt Target	6,000	6,000	6,000	6,000	6,000	60,000		
Financing:								
Recommended Debt	6,000	6,000	6,000	6,000	6,000	60,000	94.4%	
Reserves/Reserve Funds								
Development Charges								
Provincial/Federal								
Debt Recoverable								
Other Revenue						3,535	5.6%	
Total Financing	6,000	6,000	6,000	6,000	6,000	63,535	100.0%	
By Project Category:								
Health & Safety								
Legislated								
SOGR	6,000	6,000	5,650	3,071	3,065	57,321	90.2%	
Service Improvement			350	2,929	2,935	6,214	9.8%	
Growth Related								
Total by Project Category	6,000	6,000	6,000	6,000	6,000	63,535	100.0%	
Asset Value(\$) at year-end	330,000	330,000	330,000	330,000	330,000			
Yearly SOGR Backlog Estimate (not addressed by current plan)	(2,448)	(4,246)	(4,683)	(1,209)	371			
Accumulated Backlog Estimate (end of year)	71,967	67,721	63,038	61,829	62,200	62,200		
Backlog: Percentage of Asset Value (%)	21.8%	20.5%	19.1%	18.7%	18.8%			
Debt Service Costs	804	804	804	804	804	7,268		
Operating Impact on Program Costs								
New Positions								

Key Changes to the 2014 - 2023 Approved Capital Plan

The 2015 Recommended Capital Budget and the 2016 - 2024 Recommended Capital Plan reflects an increase of \$3.535 million in capital funding from the 2014 to 2023 Approved Capital Plan.

The table and chart below provide a breakdown of the \$3.535 million or 5.9% increase in the Capital Program on an annual basis from 2014 to 2024.

Chart 1
Changes to the 2014 -2023 Approved Capital Plan (In \$000s)



(\$000s)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	10-Year Total
2014 - 2023 Capital Budget & Plan	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000		60,000
2015 - 2024 Rec'd Capital Budget & Plan		7,690	6,845	6,500	6,500	6,000	6,000	6,000	6,000	6,000	6,000	63,535
Change %		28.2%	14.1%	8.3%	8.3%	0.0%	0.0%	0.0%	0.0%	0.0%		5.9%
Change \$		1,690	845	500	500	0	0	0	0	0		3,535

As made evident in the chart above, the \$3.535 million increase in the Capital Program reflects an increase funded by available of donated funds appropriate to upgrade 2 projects.

- An additional \$2.535 million from fund raising will support the completion of the Wildlife Health Centre with no adjustments impacting animal care, an increase driven by higher than estimated tender process results. (approved by City Council on December 11, 2014)
- The Orangutan Indoor & Outdoor Exhibits have been accelerated, with design work to start in 2016, to upgrade living conditions to new standards, with \$1 million of external donated funds, to supplement City debt funding.
- As reflected in Table 2 on the following page, changes to the 2014 -2023 Approved Capital Plan, specifically the recommended \$3.535 million of increased capital funding in the nine common years of the Capital Plans (2015 -2023) arises from the reprioritization of the Toronto Zoo's capital projects based on the following factors:
 - \$2.535 million from a third party donation applied to the Wildlife Health Centre
 - Timing adjustments between projects, to accelerating the Orangutan Exhibit projects (Indoor and Outdoor) to earlier years, incorporating a \$1.000 million third party donation, in while maintaining the overall plan within the \$6.000 million annual debt target.

A summary of project changes for the years 2015 to 2023 totalling \$3.535 million are provided in Table 2 following:

**Table 2
Summary of Project Changes (In \$000s)**

\$000s	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2015 - 2023 Total
2014 - 2023 Capital Budget & Plan	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000		54,000
2015 - 2024 Rec'd Capital Budget & Plan		7,690	6,845	6,500	6,500	6,000	6,000	6,000	6,000	6,000	6,000	57,535
Capital Budget & Plan Changes (2015 - 2023)		1,690	845	500	500	-	-	-	-	-	-	3,535

	Total Project Cost	2015	2016	2017	2018	2019	2020	2021	2022	2023	2015 - 2023	2024	Revised Total Project Cost
Previously Approved													
<i>Gorilla II Outdoor Display Exhibit Refurbishment</i>	2,929					(1,500)	(1,429)		350	1,929	(650)	721	3,000
<i>Orangutan II & III Outdoor Exhibit Refurbishment</i>	5,400		350	1,000	(220)	900	2,200				4,230	600	9,630
<i>Breeding/Holding Facility Refurbishment</i>	3,214						(1,500)	(1,714)		1,000	(2,214)	2,214	3,214
<i>Information Systems Refurbishment</i>	N/A		100	(100)	50	100		(50)	50	(100)	50	300	N/A
<i>Grounds and Visitor Improvements Refurbishment</i>	N/A			(25)	450		100	(100)	50		475	600	N/A
<i>Building and Services Refurbishment</i>	N/A		(450)	(350)	(230)	(200)	(721)	(300)	405	(329)	(2,175)	1,565	N/A
<i>Hippo House and Exhibit Refurbishment</i>	8,191					700	1,250	2,264	(905)	(2,500)	809		9,000
Total Previously Approved		-	-	500	500	-	-	-	-	-	1,000	6,000	
New													
<i>Wildlife Health Centre Construction Adjustment</i>	15,500	1,690	845								2,535		18,035
Total New		1,690	845	-	-	-	-	-	-	-	2,535	-	
Total Changes		1,690	845	500	500	-	-	-	-	-	3,535	6,000	

Significant Capital Project Changes in the Toronto Zoo:

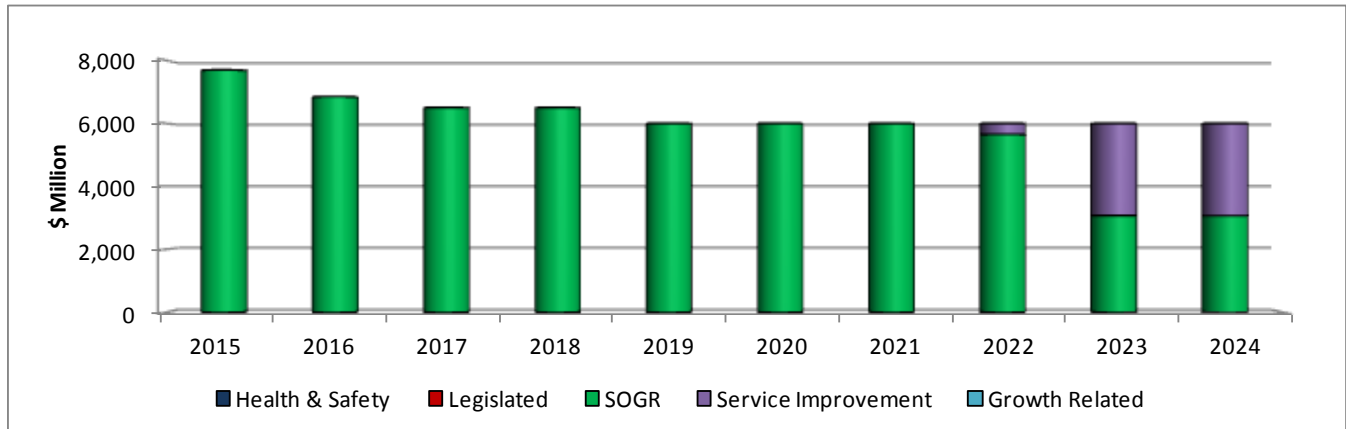
The *Wildlife Health Centre* construction phase, the Zoo's only previously approved capital project required additional funding after tenders were received in the Fall of 2014.

- The \$15.5 million previously approved project cost was increased by the addition of \$2.535 million, which was made available through donated funds. This increase enabled delivery of the project while meeting all the planned aspects of animal care, bringing the total project cost to \$18.053 million.

Significant reallocations have been made between projects in the early years of the 10-year plan to increase funding for the *Orangutan Indoor and Outdoor Exhibit* refurbishment from \$5.400 million to \$9.630 million.

- Funding for *Building and Services Refurbishment* has been reduced by \$2.175 million.
- The *Breeding / Holding Facility* has been reduced by \$2.214 million in this 10-year plan through deferral of its starting year to 2023.

Chart 2
2015 – 2024 Capital Plan by Project Category (In \$000s)



As illustrated in the chart above, the Toronto Zoo 10-Year Recommended Capital Plan of \$6.353 million is dedicated to the maintenance and renewal of the facilities on site.

- The new Wildlife Health Centre, a SOGR project, will deliver the same health service to the live collection, but in a new facility, meeting current animal care standards and providing adequate space for larger species.
- The Orangutan project and other ongoing SOGR projects will rehabilitate current facilities. In the latter years of the Plan, the Gorilla and Breeding / Holding projects will upgrade facilities to a better standard, and therefore are classified as Service Improvement project.

Table 3
Summary of Capital Projects by Category (In \$000s)

	Total App'd Cash Flows to Date*	2015 Budget	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2015 - 2024 Total	Rec'd Total Project Cost
Total Expenditures by Category													
State of Good Repair													
Exhibit Refurbishment		300	250	550	850	400	600	350	450	600	600	4,950	4,950
Orangutan II and III: Indoor and Outdoor Exhibits			350	1,000	3,180	2,900	2,200					9,630	9,630
Wildlife Health Centre	4,150	4,750	4,100	2,500								11,350	15,500
Wildlife Health Centre - Adjmt		1,690	845									2,535	2,535
Information Systems		150	250	350	350	300	350	250	350	300	300	2,950	2,950
Grounds and Visitor Improvements		260	250	550	850	400	600	350	450	600	600	4,910	4,910
Buildings and Services Refurbishment		540	800	1,550	1,270	1,300	1,000	900	1,500	1,571	1,565	11,996	11,996
Hippo House and Exhibit Refurbishment						700	1,250	4,150	2,900			9,000	9,000
Sub-Total	4,150	7,690	6,845	6,500	6,500	6,000	6,000	6,000	5,650	3,071	3,065	57,321	61,471
Service Improvements													
Gorilla II Outdoor Display									350	1,929	721	3,000	3,000
Breeding/Holding Facility										1,000	2,214	3,214	3,214
Sub-Total									350	2,929	2,935	6,214	6,214
Total Expenditures by Category	4,150	7,690	6,845	6,500	6,500	6,000	6,000	6,000	6,000	6,000	6,000	63,535	67,685

2015 – 2024 Recommended Capital Plan

The 10-Year Recommended Capital Plan consisting of *State of Good Repair (SOGR)*, and *Service Improvement* projects supports the Toronto Zoo's objectives by maintaining and updating old facilities and providing new visitor attractions with better facilities for the animal collection.

State of Good Repair

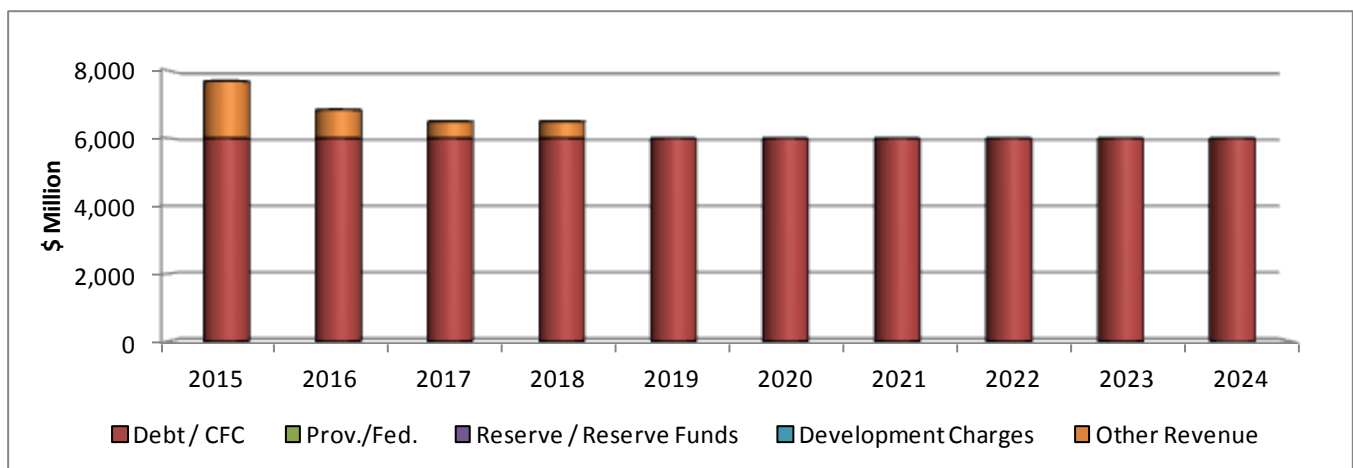
- *Exhibit refurbishment*
 - This ongoing multi-year project supports smaller exhibit renovations throughout the Zoo, such as the Main Gate Aviary holding and exhibit in 2015.
- *Orangutan Indoor and Outdoor*
 - The Orangutan Indoor project will upgrade the indoor living conditions, animal enrichment and living space for the orangutans, attached to the Indo Malayan Pavilion, and ensure state of good repair for these intelligent primates.
 - The Orangutan Outdoor project will provide new much needed outdoor access, critical for behavior enrichment. Because of the availability of external funds, this project has been moved up to be earlier in the 10-Year Capital Plan, from 2018-2019 to 2016-2020.
- *The Wildlife Health Centre*
 - The Wildlife Health Centre project will upgrade animal health facilities to meet current standards, increase functionality and support the Zoo's compliance with zoological accreditation standards.
 - The Centre, with cash flow of \$10.390 million in 2015 to start construction, is designed to meet the medical and surgical needs of zoo species and will provide specialized housing for hospitalized animals, while providing maximum efficiency, comfort, and safety in a professional and hygienic setting.
- *Information Systems*
 - This ongoing multi-year project supports the replacement of various systems, such as point of sale, data warehousing, biology and conservation records, document management & imaging, telecommunications and financial systems.
 - In 2015 work will continue to implement the Zoo Information Management System (for biological records) and general zoo hardware lifecycle replacement.
- *Grounds and Visitor Improvements*
 - This ongoing multi-year project addresses visitor amenity needs, the appearance of indoor and outdoor areas and improvements to site circulation and visitor orientation. For 2015, work will continue to address requirements of AODA and improve signage for visitor circulation & orientation.
- *Building and Services Refurbishment*

- This ongoing multi-year project supports the repair & replacement of aging building components throughout the 25+ building site, including mechanical and electrical equipment, site services, and the Zoo's 7 bridges.
- For 2015 replacement of roofs and skylights at Pavilions and animal holding areas are planned as well as minor work on various building to meet zoological accreditation standards.
- *Hippo House & Exhibit Refurbishment*
 - One of the Zoo's original concrete structures from 1973, the hippo house needs to be replaced to meet standards and provide an adequate exercise area with outdoor yards and indoor stalls, as well as space for underwater viewing, keeper talks and winter viewing.

Service Improvement

- *Gorilla II – Outdoor Display*
 - This project will provide an extended outdoor display, with improved viewing and behavioural enrichment components will better withstand seasonal use by the gorillas.
- *Breeding / Holding Facility*
 - Increased breeding and holding space is required at the Zoo to meet commitments to various collaborative breeding programs to endangered species.
 - With decreased wild animal populations and poor breed results on regular exhibit, a dedicated space is needed.
 - Holding space is needed for winter hoofstock housing and temporary housing during cleaning and maintenance of exhibits.

Chart 3
2015 – 2024 Capital Plan by Funding Source (In \$000s)



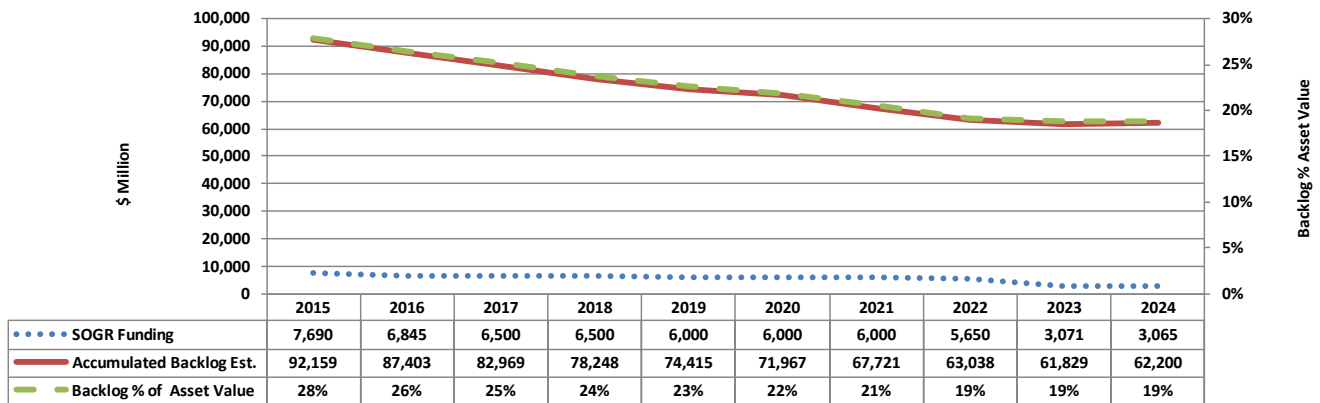
The 10-Year Recommended Capital Plan of \$63.535 million will be financed by the following sources:

- Debt, which accounts for \$60.000 million or 94.4% of the financing over the 10-year period.
 - The recommended \$60.000 million debt funding meets the 10 year debt target
- Other Revenue of \$3.535 million is funded by donations which are known at this time.

- Donated funds will be included in the Toronto Zoo's Capital Plan as a funding source as it is received in future years to support the Toronto Zoo Capital Plan.
- In the first 4 years \$5.535 million of donations have been secured for the Wildlife Health Centre and the Orangutan Outdoor project.

State of Good Repair (SOGR) Backlog

Chart 4
SOGR Funding & Backlog (In \$000s)



The 10-Year Recommended Capital Plan dedicates \$57.321 million to SOGR spending over 10-year capital planning period, which on average provides \$5.732 million in SOGR funding annually.

- The replacement value of the Toronto Zoo's assets is estimated at \$330.000 million.
- At the end 2014, the Toronto Zoo will have a backlog of state of good repair work for infrastructure renewal estimated at \$98.105 million, representing 29.7% of the asset replacement value.
- Work will commence on a new Master Plan for the Zoo during 2015, which will steer the overall direction of maintaining and enhancing the Zoo's infrastructure, the guest experience, and potential fund raising efforts. This report is expected to drive a significant update to the Toronto's Zoo's Capital Plan for 2016 – 2015.
- Completion of the Wildlife Health Centre in 2017 will reduce the current backlog significantly, bringing it to \$78.248 million, representing 24% of current asset replacement value by 2018.

10-Year Capital Plan: Net Operating Budget Impact

- The 10-Year Recommended Capital Plan has no impact on future year Operating Budgets of the Toronto Zoo, and no new permanent positions arising from completed capital projects are required over the 2015 – 2024 period.
- There are no capital project delivery positions at the Toronto Zoo.

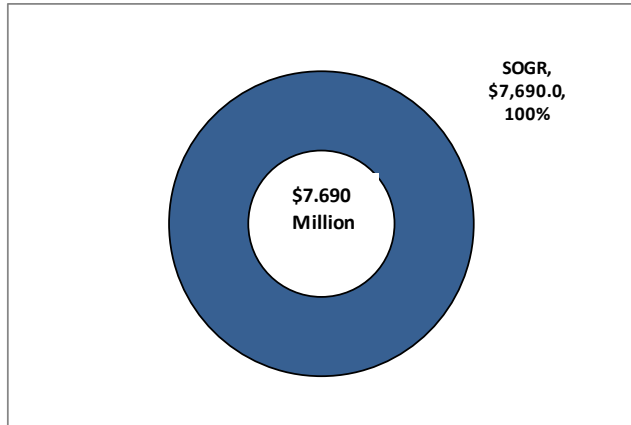


Part II: 2015 Capital Budget

2015 Recommended Capital Budget

2015 Capital Budget by Project Category and Funding Source

2015 Capital Budget by Project Category
(in \$000s)

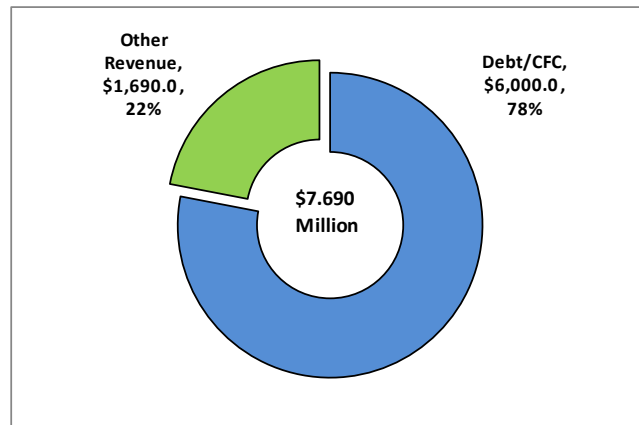


The 2015 Recommended Capital Budget, excluding funding carried forward from 2014 to 2015, requires cash flow funding of \$7.690 million.

The 2015 Capital Budget expenditures are entirely allocated to the following categories:

- *State of Good Repair (SOGR) (\$7.690 million, 100%)*
 - *Wildlife Health Centre 2015 cash flow is \$6.440 million or 84%*
 - *Other SOGR projects – Exhibit Refurbishment, Building & Services Refurbishment, Grounds & Visitor Improvements and Information Technology -- total \$1.250 million or 16%*

2015 Capital Budget by Funding Source
(in \$000s)



The 2015 Recommended Capital Budget is financed by:

- *Debt (\$6.000 million, 78%)*
 - *Wildlife Health Centre 2015 funding is \$4.750 million*
 - *Other SOGR projects use \$1.250 million*
- *Other Revenues (\$1.690 million, 22%)*
 - *Donated funds support 26% of cash flow for the Wildlife Health Centre for 2015.*

Table 7
2015 Recommended Cash Flow & Future Year Commitments (In \$000s)

	2013 & Prior Year Carry Forward Funding	2014 Carry Forward Funding	2015 Rec'd Cash Flow	Total 2015 Cash Flow (Incl 2014 C/Fwd)	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total 2015 Rec'd Cash Flow & FY Commits
Expenditures														
Previously Approved		4,750	4,750	9,500	4,100	2,500								16,100
Change in Scope			1,690	1,690	845									2,535
New			1,250	1,250										1,250
New w/Future Year														-
Total Expenditure	-	4,750	7,690	12,440	4,945	2,500	-	-	-	-	-	-	-	19,885
Financing														
Debt		4,750	6,000	10,750	4,100	2,500								17,350
Other			1,690	1,690	845									2,535
Reserves/Res Funds														-
Development Charges														-
Provincial/Federal														-
Total Financing (including carry forward funding)	-	4,750	7,690	12,440	4,945	2,500	-	-	-	-	-	-	-	19,885

Approval of the 2015 Recommended Capital Budget of \$12.440 million will result in the following:

- \$4.750 million for the Wildlife Health Centre that will be carried forward from 2014.
- Change of Scope funding of \$1.690 million to meet the tendered cost for the Wildlife Health Centre while maintaining all required animal treatment facilities.
- New project funding of \$4.750 million for the 2015 cash flow for the Wildlife Health Centre as well as a total of \$1.250 million for small SOGR projects.
- Future year commitments of \$4.945 million in 2016 and \$2.500 in 2017 million to complete Wildlife Health Centre that were previously approved in 2014.

2015 Recommended Capital Project Highlights

Table 8
2015 Recommended Capital Project Highlights (in \$000s)

Project	Total Project Cost	2015	2016	2017	2018	2019	2015 - 2019	2020	2021	2022	2023	2024	2015 - 2024 Total
Exhibit Refurbishment	N/A	600					600						600
Wildlife Health Centre	18,035	10,390	4,945	2,500			17,835						17,835
Information Systems	N/A	150					150						150
Grounds and Visitor Improvements	N/A	260					260						260
Building & Services Refurbishment	N/A	540					540						540
Afrocan Hoofstock House (Old Giraffe)	1,000	500					500						500
Total (including carry forward funding)	19,035	12,440	4,945	2,500	-	-	19,885	-	-	-	-	-	19,885

The 2015 Recommended Capital Budget provides funding of \$12.440 million, including funding carried forward from 2014 to 2015 to:

- Proceed with construction of the Wildlife Health Centre, a multi-year project with a total project cost of \$18.035 million, with \$15.500 million approved in 2014, plus a Change of Scope addition of \$3.535 million approved by Council in December of 2014.

- Cash flow for 2015 is \$10.390 million for 2015, including funds carried forward from 2014.
- Complete SOGR projects -- Exhibit Refurbishment, Building & Services Refurbishment, Grounds & Visitor Improvements and Information Technology – totalling \$1.550 million.
- Complete conversion of the old Giraffe site into the new African Hoofstock (Watusi) paddock with \$0.500 million carried forward from 2014.



Part III:

Issues for Discussion

Issues for Discussion

Issues Impacting the 2015 Capital Budget

Zoological Accreditation Issues

- Addressing zoological accreditation issues identified in the 2007 accreditation report are priorities in the 2015 Capital Budget including the *Wildlife Health Centre* and the completion of the renovation of the Old Giraffe site to provide a new *African Hoofstock House*.
 - Zoological accreditation issues create ongoing pressures for capital improvements at the Zoo but often are aligned with state of good repair issues.
 - Other projects reflecting accreditation priorities include the *Orangutan Indoor and Outdoor* projects, and beyond the current 10-year plan is the *Canadian Wilderness* project as well as the *North Zoo Tropical Americas* project.

Issues Impacting the 10-Year Capital Plan

New Capital Master Plan and Fundraising Objectives

- As part of its consideration of the "Response to Zoo Board Governance Report" (EX34.7) at its meeting of October 8 - 11, 2013, City Council determined that the Zoo will continue as a City agency, and requested that the Zoo Board of Management bring forward a new Strategic Plan, including a new Facility Master Plan.
 - Confirmation of the Zoo governance structure will support planning for the future and set the stage for renewed fund-raising efforts to support capital improvement priorities. Uncertainty arising from the governance structure review process caused uncertainty, therefore hampering fund raising efforts.
- At its meeting on November 27, 2014, the Board of Management of the Toronto Zoo approved the *Draft 2015 -2010 Strategic Plan*, including Mission, Vision and Core Values statements, and Goals and Objectives, which will guide the preparation of a full strategic plan document.
- Based on The Strategic Plan, work will begin in 2015 to be completed mid-yr, on a new Capital Master Plan for the Zoo, providing direction for maintaining and enhancing the Zoo's infrastructure, the guest experience, and potential fundraising efforts.
 - With the exception of ongoing state of good repair projects, the Wildlife Health Centre, and the Orangutan Outdoor project, all other projects within the Toronto Zoo's 10-Year Recommended Capital Plan will be reviewed to ensure consistency with the new Master Plan for the 2016 Capital Budget submission.
 - This update to the Zoo's 10 year Capital Plan is necessary to maintain state of good repair of all facilities, satisfy accreditation requirements and meet heightened public viewing expectations.
- Projects requiring funding not available within the City's \$6 million per year debt target, are not included in the 10-Year Capital Plan until third party funding is secured.
 - The following are unfunded "below the line" projects:
 - Front Entrance and Food Services

- Canadian Wilderness
 - North Zoo – Tropical Americas
 - Educational Development
 - Ride and Revenue Development
- It is anticipated that the new Capital Master Plan will determine specific project priorities and provide support for fund raising efforts to expand the Zoo's overall Capital Plan.



Appendices:

Appendix 1

2014 Performance

2014 Key Accomplishments

In 2014, the Toronto Zoo accomplished the following:

- ✓ Completed the *Giraffe House Transition*, converting old elephant holding onto a new indoor exhibit and outdoor paddock for the giraffes.
- ✓ Completed the design and tendering for the new *Wildlife Health Centre*, with construction planned to start in early 2015.
- ✓ Completed the construction of the *North Zoo Site - Eurasia Wilds*.
- ✓ Continue the *Information Systems* project to replace outdated computer hardware, replace Zoo network extensions and implement digital signage.
- ✓ Continue the *Building and Services* project to address deteriorated skylights and roofs on pavilions.
- ✓ Continue the *Grounds and Visitor Improvements* project to implement recommendations to meet AODA requirements as well as signage and visitor circulation improvements.
- ✓ Began work to convert the old giraffe holding to a new site for *African Hoofstock (Watusi)*.

2014 Financial Performance

Table 9
2014 Budget Variance Analysis (In \$000's)

2014 Approved	As of Sept. 30, 2014		Projected Actuals at Year End		Unspent Balance	
\$	\$	% Spent	\$	% Spent	\$ Unspent	% Unspent
8,700	2,539	29.2%	3,950	45.4%	4,750	54.6%

2014 Experience

The Toronto Zoo spent \$2.539 million or 29.2% of its 2014 Approved Capital Budget of \$8.700 million for the period ending September 30, 2014, with spending projected to be \$3.950 million or 45.4% by year end.

The following projects were on track at the end of the nine months:

- The *Information Systems* project's capital expenditure totalled \$0.068 million representing 15.4% or the 2014 approved cash flow of \$0.447 million during the nine months ended September 30, 2014. It is estimated that \$0.447 million or 100% of the 2014 approved cash flow will be spent by year end. The CRM project is in progress and billings are expected to be received in the 4th quarter. The hardware refresh is to be completed in the 4th quarter, also.
- The *North Zoo Site – Eurasia* project's capital expenditures totalled \$0.822 million representing 100% of the 2014 approved cash flow during the nine months ended September 20, 2014. Phase

II Eurasia Wilds construction was completed in the 3rd quarter, with final invoicing to be received in the 4th quarter.

- The *Building and Services* project's capital expenditures totalled \$0.637 million representing 100% of the 2014 approved cash flow during the nine months ended September 30, 2014. High voltage equipment replacement is completed. Lion Tale Macaque roof replacement and new cooling towers in Educational Retail complex were completed.
- The *Giraffe House Transition (Old Elephant House)* project's capital expenditures totalled \$0.683 million representing 65.4% of the 2014 approved cash flow of \$1.045 million during the nine months ended September 30, 2014. It is estimated that \$1.045 million or 100% of the 2014 approved cash flow will be spent by year-end. Construction is in progress at the new location for to accommodate indoor viewing of the Giraffes in the winter months with expected completion by year end.
- The *Giraffe House Transition (Old Giraffe House Site)* project did not incur any capital expenditures against the 2013 approved cash flow of \$0.500 million during the nine months ended September 30, 2014. Under the Delegated Authority during the Council recess, \$0.425 million was transferred from this project to the *Grounds and Visitor Improvements* project for the buy-out of the Conservation Carousel was approved.
- The *Grounds & Visitor Improvements* project's capital expenditures totalled \$0.221 million representing 73.6% of the 2014 approved cash flow of \$0.300 million during the nine months ended September 30, 2014. It is estimated that \$0.300 million or 100% of the 2014 approved cash flow will be spent by year end. The transfer of \$425,000 from African Hoofstock (above) for the buy-out of the Conservation Carousel by the Zoo will result in an additional \$180,000 of gross revenue and \$140,000 of net revenue per year in the 2015 Operating Budget. Improvements to the Eurasia eating area and visitor walkway improvements and signage were completed in Q3. Updates to the building audit and site services plan is in progress with expected completion by Q1 2015.

Projected under-spending is driven by delays in the following projects:

- The *Giraffe House Transition (New Hoofstock)* project capital expenditures totalled \$0.020 million representing 4.0% of the 2014 approved cash flow of \$0.500 million during the nine months ended September 30, 2014. It is estimated that \$0.075 million or 15% of the 2014 approved cash flow will be spent by year-end. Demolition of the existing Giraffe House and construction of a new Hoofstock House has been pending relocation of the giraffes to the old elephant exhibit.
- The *Wildlife Health Centre* project's capital expenditures totalled \$0.088 million representing 2.1% of the 2014 approved cash flow of \$4.150 million during the nine months ended September 30, 2014. It is estimated that \$0.200 million or 4.8% of the 2014 approved cash flow will be spent by year-end. Modifications have been made to the plan to ensure compliance with the Revised Toronto Green Standard. Tender was issued in June and construction is expected to begin in

December 2014, resulting in minimal spending in 2014 and therefore a significant carry forward to 2015. The project is expected to be completed by December 2017.

Impact of the 2014 Capital Variance on the 2015 Recommended Budget

- Funding of \$4.750 million is being carried forward to the 2015 Recommended Capital Budget.
 - Two *state of good repair* projects requiring \$4.250 million are *Exhibit Refurbishment* for \$0.300 million and \$3.950 million for the *Wildlife Health Centre*.
 - \$0.500 million is carried forward for the *service improvement African Hoofstock House* project completion.

Appendix 2

Table 10
2015 Rec'd Capital Budget; 2016 to 2024 Rec'd Capital Plan (\$000s)

Project	Total Project Cost	2015	2016	2017	2018	2019	2015 - 2019	2020	2021	2022	2023	2024	2015 - 2024 Total
Gorilla II Outdoor Display	3,000						-			350	1,929	721	3,000
Exhibit Refurbishment	N/A	600	250	550	850	400	2,650	600	350	450	600	600	5,250
Orangutan II & III: Indoor & Outdoor Exhibits	9,630		350	1,000	3,180	2,900	7,430	2,200					9,630
Wildlife Health Centre	18,035	10,390	4,945	2,500			17,835						17,835
Breeding/Holding Facility	3,214						-				1,000	2,214	3,214
Information Systems	N/A	150	250	350	350	300	1,400	350	250	350	300	300	2,950
Grounds and Visitor Improvements	N/A	260	250	550	850	400	2,310	600	350	450	600	600	4,910
Building & Services Refurbishment	N/A	540	800	1,550	1,270	1,300	5,460	1,000	900	1,500	1,571	1,565	11,996
Hippo House and Exhibit Refurbishment	9,000					700	700	1,250	4,150	2,900			9,000
African Hoofstock House (Old Giraffe Site)	1,000	500					500						500
Total (including carry forward funding)	43,879	12,440	6,845	6,500	6,500	6,000	38,285	6,000	6,000	6,000	6,000	6,000	68,285

Appendix 3

2015 Rec'd Capital Budget; 2016 to 2024 Rec'd Capital Plan

CITY OF TORONTO

Gross Expenditures (\$000's)

Appendix 3 - 2015 Recommended Capital Budget; 2016 to 2024 Recommended Capital Plan

Toronto Zoo

					Current and Future Year Cash Flow Commitments								Current and Future Year Cash Flow Commitments Financed By											
Sub-Project No.	Project Name	Ward	Stat.	Cat.	2015	2016	2017	2018	2019	Total 2015-2019	Total 2020-2024	Total 2015-2024	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing		
ZOO000003 Gorilla II: Outdoor Display																								
6	1	Gorilla II: Outdoor Display	CW	S6	04	0	0	0	0	0	3,000	3,000	0	0	0	0	0	0	0	0	3,000	0	3,000	
Sub-total					0	0	0	0	0	0	3,000	3,000	0	0	0	0	0	0	0	0	0	3,000	0	3,000
ZOO000012 Exhibit Refurbishment																								
1	17	Exhibit Refurbishment (2016-2024)	CW	S6	03	0	250	550	850	400	2,050	2,600	4,650	0	0	0	0	0	0	0	4,650	0	4,650	
0	19	Exhibit Refurbishment (2014)	CW	S2	03	300	0	0	0	0	300	0	300	0	0	0	0	0	0	300	0	0	300	
0	20	Exhibit Refurbishment (2015)	CW	S4	03	300	0	0	0	0	300	0	300	0	0	0	0	0	0	0	300	0	300	
Sub-total					600	250	550	850	400	2,650	2,600	5,250	0	0	0	0	0	0	0	300	0	4,950	0	5,250
ZOO000021 Orangutan II & III: Indoor & Outdoor Exhibits																								
4	1	Orangutan II & III: Indoor/Outdoor Exhibits	CW	S6	03	0	0	0	1,000	2,900	3,900	2,200	6,100	0	0	0	0	0	0	0	6,100	0	6,100	
0	3	Orangutan II Outdoor Exhibit (2016-2018)	CW	S6	03	0	350	1,000	2,180	0	3,530	0	3,530	0	0	0	0	0	0	0	1,000	2,530	0	3,530
Sub-total					0	350	1,000	3,180	2,900	7,430	2,200	9,630	0	0	0	0	0	0	0	0	1,000	8,630	0	9,630
ZOO000022 Animal Health Centre																								
2	3	Wildlife Health Centre	CW	S2	03	8,700	4,100	2,500	0	0	15,300	0	15,300	0	0	0	0	0	0	0	15,300	0	15,300	
0	6	Wildlife Health Centre Construction Budget Adjust	CW	S2	03	1,690	845	0	0	0	2,535	0	2,535	0	0	0	0	0	0	0	2,535	0	2,535	
Sub-total					10,390	4,945	2,500	0	0	17,835	0	17,835	0	0	0	0	0	0	0	0	2,535	15,300	0	17,835
ZOO000170 Breeding/Holding Facility																								
1	1	Breeding/Holding Facility	CW	S6	04	0	0	0	0	0	3,214	3,214	0	0	0	0	0	0	0	0	3,214	0	3,214	
Sub-total					0	0	0	0	0	0	3,214	3,214	0	0	0	0	0	0	0	0	0	3,214	0	3,214
ZOO000177 Information Systems																								
1	8	Information Systems (2016-2024)	CW	S6	03	0	250	350	350	300	1,250	1,550	2,800	0	0	0	0	0	0	0	2,800	0	2,800	
1	12	Information Systems (2015)	CW	S4	03	150	0	0	0	0	150	0	150	0	0	0	0	0	0	0	150	0	150	
Sub-total					150	250	350	350	300	1,400	1,550	2,950	0	0	0	0	0	0	0	0	0	2,950	0	2,950
ZOO11 Grounds and Visitor Improvements																								
1	13	Ground and Visitors Improvements (2016 to 2024)	CW	S6	03	0	250	550	850	400	2,050	2,600	4,650	0	0	0	0	0	0	0	4,650	0	4,650	
0	17	Grounds and Visitor Improvements (2015)	CW	S4	03	260	0	0	0	0	260	0	260	0	0	0	0	0	0	0	260	0	260	
Sub-total					260	250	550	850	400	2,310	2,600	4,910	0	0	0	0	0	0	0	0	0	4,910	0	4,910

CITY OF TORONTO

Gross Expenditures (\$000's)

Appendix 3 - 2015 Recommended Capital Budget; 2016 to 2024 Recommended Capital Plan

Toronto Zoo

Sub- Project No. Project Name PrioritySubProj No. Sub-project Name Ward Stat. Cat.						Current and Future Year Cash Flow Commitments						Current and Future Year Cash Flow Commitments Financed By																
						2015	2016	2017	2018	2019	Total 2015-2019	Total 2020-2024	Total 2015-2024	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing					
<u>ZOO28 Building & Services Refurbishment</u>																												
1	7	Building & Services Refurbishment (2016-2024)	CW	S6	03	0	800	1,550	1,270	1,300	4,920	6,536	11,456	0	0	0	0	0	0	0	0	0	0	0	0	11,456	0	11,456
0	30	Building & Services Refurbishment (2015)	CW	S4	03	540	0	0	0	0	540	0	540	0	0	0	0	0	0	0	0	0	0	0	540	0	540	
Sub-total						540	800	1,550	1,270	1,300	5,460	6,536	11,996	0	0	0	0	0	0	0	0	0	0	0	11,996	0	11,996	
<u>ZOO907666 Hippo House and Exhibit Refurbishment</u>																												
7	1	Hippo House and Exhibit Refurbishment	CW	S6	03	0	0	0	0	700	700	8,300	9,000	0	0	0	0	0	0	0	0	0	0	0	0	9,000	0	9,000
Sub-total						0	0	0	0	700	700	8,300	9,000	0	0	0	0	0	0	0	0	0	0	0	0	9,000	0	9,000
<u>ZOO907807 African Hoofstock House (Old Giraffe site)</u>																												
0	1	African Hoofstock House (Old Giraffe House site)	CW	S2	04	500	0	0	0	0	500	0	500	0	0	0	0	0	0	0	0	0	0	0	0	500	0	500
Sub-total						500	0	0	0	0	500	0	500	0	0	0	0	0	0	0	0	0	0	0	0	500	0	500
Total Program Expenditure						12,440	6,845	6,500	6,500	6,000	38,285	30,000	68,285	0	0	0	0	0	0	0	300	3,535	64,450	0	0	68,285	0	68,285

Report Phase 2 - Program 21 Toronto Zoo Program Phase 2 Sub-Project Category 01,02,03,04,05,06,07 Part B Sub-Project Status S2,S5,S6 Part C Sub-Project Status S2,S3,S4

CITY OF TORONTO

Gross Expenditures (\$000's)

Appendix 3 - 2015 Recommended Capital Budget; 2016 to 2024 Recommended Capital Plan

Toronto Zoo						Current and Future Year Cash Flow Commitments and Estimates						Current and Future Year Cash Flow Commitments and Estimates Financed By										
Sub-Project No.	Project Name	Ward	Stat.	Cat.	2015	2016	2017	2018	2019	Total 2015-2019	Total 2020-2024	Total 2015-2024	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserve Reserves	Capital from Current	Other 1	Other2	Debt - Recoverable	Total Financing	
Financed By:																						
Other1 (Internal)					300	0	0	0	0	300	0	300	0	0	0	0	0	0	300	0	0	300
Other2 (External)					1,690	845	500	500	0	3,535	0	3,535	0	0	0	0	0	0	3,535	0	0	3,535
Debt					10,450	6,000	6,000	6,000	6,000	34,450	30,000	64,450	0	0	0	0	0	0	0	64,450	0	64,450
Total Program Financing					12,440	6,845	6,500	6,500	6,000	38,285	30,000	68,285	0	0	0	0	0	0	300	3,535	64,450	68,285

Status Code	Description
S2	S2 Prior Year (With 2015 and/or Future Year Cashflow)
S3	S3 Prior Year - Change of Scope 2015 and/or Future Year Cost(Cashflow)
S4	S4 New - Stand-Alone Project (Current Year Only)
S5	S5 New (On-going or Phased Projects)
S6	S6 New - Future Year (Commencing in 2016 & Beyond)

Category Code	Description
01	Health and Safety C01
02	Legislated C02
03	State of Good Repair C03
04	Service Improvement and Enhancement C04
05	Growth Related C05
06	Reserved Category 1 C06
07	Reserved Category 2 C07

Appendix 4

2015 Recommended Cash Flow and Future Year Commitments

CITY OF TORONTO

Gross Expenditures (\$000's)

Appendix 4 - 2015 Recommended Cash Flow and Future Year Commitments

Toronto Zoo

Sub- Project No. Project Name PrioritySubProj No. Sub-project Name Ward Stat. Cat.						Current and Future Year Cash Flow Commitments						Current and Future Year Cash Flow Commitments Financed By													
						2015	2016	2017	2018	2019	Total 2015-2019	Total 2020-2024	Total 2015-2024	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing		
<u>ZOO000012 Exhibit Refurbishment</u>																									
0	19	Exhibit Refurbishment (2014)	CW	S2	03	300	0	0	0	0	300	0	300	0	0	0	0	0	0	300	0	0	0	300	
0	20	Exhibit Refurbishment (2015)	CW	S4	03	300	0	0	0	0	300	0	300	0	0	0	0	0	0	0	0	300	0	300	
Sub-total						600	0	0	0	0	600	0	600	0	0	0	0	0	300	0	300	0	600		
<u>ZOO000022 Animal Health Centre</u>																									
2	3	Wildlife Health Centre	CW	S2	03	8,700	4,100	2,500	0	0	15,300	0	15,300	0	0	0	0	0	0	0	15,300	0	0	15,300	
0	6	Wildlife Health Centre Construction Budget Adjust	CW	S2	03	1,690	845	0	0	0	2,535	0	2,535	0	0	0	0	0	0	2,535	0	0	0	2,535	
Sub-total						10,390	4,945	2,500	0	0	17,835	0	17,835	0	0	0	0	0	0	2,535	15,300	0	0	17,835	
<u>ZOO000177 Information Systems</u>																									
1	12	Information Systems (2015)	CW	S4	03	150	0	0	0	0	150	0	150	0	0	0	0	0	0	0	150	0	0	150	
Sub-total						150	0	0	0	0	150	0	150	0	0	0	0	0	0	0	0	150	0	0	150
<u>ZOO11 Grounds and Visitor Improvements</u>																									
0	17	Grounds and Visitor Improvements (2015)	CW	S4	03	260	0	0	0	0	260	0	260	0	0	0	0	0	0	0	260	0	0	260	
Sub-total						260	0	0	0	0	260	0	260	0	0	0	0	0	0	0	0	260	0	0	260
<u>ZOO28 Building & Services Refurbishment</u>																									
0	30	Building & Services Refurbishment (2015)	CW	S4	03	540	0	0	0	0	540	0	540	0	0	0	0	0	0	0	540	0	0	540	
Sub-total						540	0	0	0	0	540	0	540	0	0	0	0	0	0	0	0	540	0	0	540
<u>ZOO907807 African Hoofstock House (Old Giraffe site)</u>																									
0	1	African Hoofstock House (Old Giraffe House site)	CW	S2	04	500	0	0	0	0	500	0	500	0	0	0	0	0	0	0	500	0	0	500	
Sub-total						500	0	0	0	0	500	0	500	0	0	0	0	0	0	0	0	500	0	0	500
Total Program Expenditure						12,440	4,945	2,500	0	0	19,885	0	19,885	0	0	0	0	0	0	300	2,535	17,050	0	0	19,885

CITY OF TORONTO

Gross Expenditures (\$000's)

Appendix 4 - 2015 Recommended Cash Flow and Future Year Commitments

Toronto Zoo

<u>Sub- Project No. Project Name</u> Priority SubProj No. Sub-project Name Ward Stat. Cat.						Current and Future Year Cash Flow Commitments and Estimates						Current and Future Year Cash Flow Commitments and Estimates Financed By									
						2015	2016	2017	2018	2019	Total 2015-2019	Total 2020-2024	Total 2015-2024	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserve Reserves	Reserve Funds	Capital from Current	Other 1	Other2
Financed By:																					
Other1 (Internal)						300	0	0	0	0	300	0	300	0	0	0	0	300	0	0	300
Other2 (External)						1,690	845	0	0	0	2,535	0	2,535	0	0	0	0	2,535	0	0	2,535
Debt						10,450	4,100	2,500	0	0	17,050	0	17,050	0	0	0	0	17,050	0	17,050	
Total Program Financing						12,440	4,945	2,500	0	0	19,885	0	19,885	0	0	0	300	2,535	17,050	0	19,885

Status Code	Description
S2	S2 Prior Year (With 2015 and/or Future Year Cashflow)
S3	S3 Prior Year - Change of Scope 2015 and/or Future Year Cost(Cashflow)
S4	S4 New - Stand-Alone Project (Current Year Only)
S5	S5 New (On-going or Phased Projects)

Category Code	Description
01	Health and Safety C01
02	Legislated C02
03	State of Good Repair C03
04	Service Improvement and Enhancement C04
05	Growth Related C05
06	Reserved Category 1 C06
07	Reserved Category 2 C07

Appendix 5

2015 Recommended Capital Budget with Financing Detail