



# Toronto 2015 BUDGET

## OPERATING ANALYST NOTES



## Toronto Zoo

### 2015 OPERATING BUDGET OVERVIEW

The Toronto Zoo is one of the largest zoos in the world, housing and caring for 5,000 animals over 710 acres and focused on activities that nurture a culture to protect wildlife. The Zoo offers full year access to seven bioregion displays with over 10 kilometers of walking trails, including gift shops, exhibits, rides and guest services.

### 2015 Budget Highlights

The total cost to operate the Toronto Zoo in 2015 is \$50.563 million gross and \$11.708 million net as shown below.

(in \$000's)	2014 Approved Budget	2015 Rec'd Budget	Change	
			\$	%
Gross Expenditures	51,755.8	50,562.9	(1,192.9)	(2.3%)
Gross Revenues	40,312.5	38,855.1	(1,457.4)	(3.6%)
<b>Net Expenditures</b>	<b>11,443.4</b>	<b>11,707.8</b>	<b>264.5</b>	<b>2.3%</b>

Significant budget pressures continue to face the Toronto Zoo in 2015. To partially offset these pressures, several new revenue enhancement initiatives are being undertaken in 2015.

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Fast Facts

- The new TundraAir Zipline opened in July and has been very popular with visitors, with almost 17,000 riders in July and August alone.
- The Giant Panda Experience and other innovative shorter-term exhibit offerings have always stimulated visitor interest and assisted the Zoo in the effort towards ensuring a dynamic visitor experience.

Trends

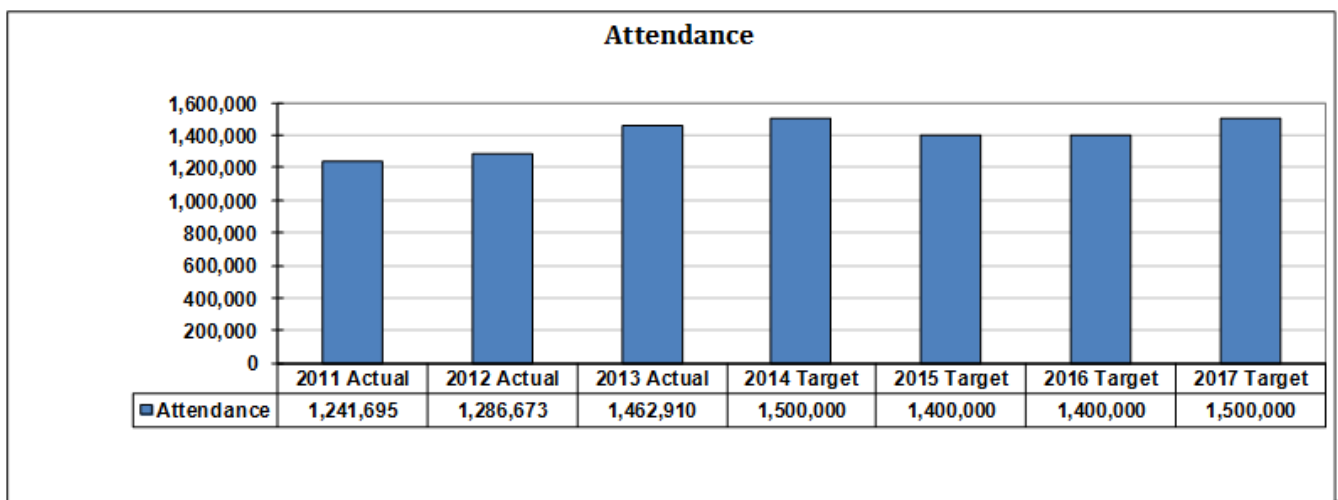
- The trend in attendance has been down since the inception of the Panda Exhibit in 2013.
- It has been challenging to grow attendance figures, particularly given the 34 extreme cold weather alerts issued by the City last winter.
- Attendance Levels in 2015 are anticipated to be consistent with the third year of the Panda plan approved in 2013.

Our Service Deliverables for 2015

Toronto Zoo is responsible for over 5,000 animals representing seven zoogeographic regions, as a dynamic and exciting action centre that inspires to love, respect and protect wildlife and wild spaces. The 2015 Operating Budget will fund:

- Continuation of the Panda Exhibit into its 3<sup>rd</sup> year as part of a five-year commitment that signed with the Chinese government to provide two giant pandas to the Toronto Zoo for exhibition and research study.
- Achievement of high level of visitor satisfaction through:
  - Highly interactive / experiential educational programming;
  - The first full year visitor experience for the revitalized Eurasia Wilds;
  - Winter based activities to stimulate attendance in the non-peak season.
- Completion of the 2015 Strategic Plan as the basis for a new Capital Master Plan and governance structure review.

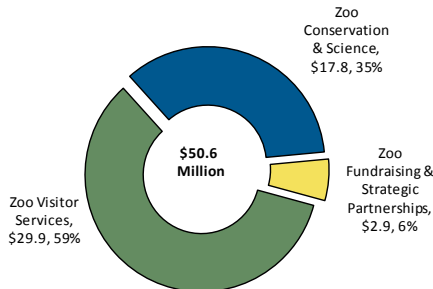
Toronto Zoo Attendance



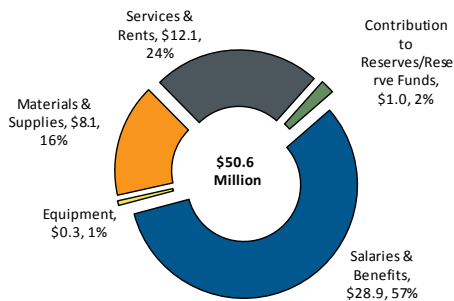
2015 Operating Budget Expenses & Funding

Where the money goes:

2015 Budget by Service  
\$50.6 Million

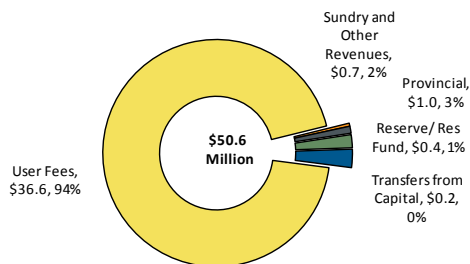


2015 Budget by Expenditure Category



Where the money comes from:

2015 Budget by Funding Source



Our Key Challenges & Priority Actions

Governance & Planning Challenges:

- Commence implementation of the new five-year Strategic Plan.
- Commence work on the new Capital Master Plan.
- Establish independent fundraising foundation and leadership to focus on campaign to raise funds for capital projects, exhibit improvements and conservation and education programs.
- Obtain / maintain accreditation with various accreditation authorities.

Attracting Visitors to Toronto Zoo:

- Clearly define and communicate messaging of the Toronto Zoo's leadership role in conservation and education.
- Pursue all available grants to deliver optimal conservation and research programs.
- Leverage impact of Pan Am Games to attract visitors to the Toronto Zoo.
- Enhance the guest experience to increase attendance and involvement in Zoo programs.
- Re-invest in Toronto Zoo operations to meet the evolving needs of animals, plants, staff and visitors.
- Continue implementation of the Zoo's "green plan" with initiatives for 2015.

2015 Operating Budget Highlights

- The 2015 Recommended Operating Budget for Toronto Zoo of \$50.563 million gross, \$11.708 million net will provide funding for:
  - ✓ Zoo Conservation & Science (\$17.800 million gross; \$15.805 million net).
  - ✓ Zoo Fundraising & Strategic Partnerships (\$2.891 million gross; \$0.240 million net surplus).
  - ✓ Zoo Visitor Services (\$29.872 million gross; \$0.125 million net surplus).

## Recommendations

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2015 Recommended Operating Budget for Toronto Zoo of \$50.563 million gross, \$11.708 million net, for the following services:

<u>Service</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Zoo Conservation & Science	17,799.9	15,804.9
Zoo Fundraising & Strategic Partnership	2,890.7	(239.9)
Zoo Visitor Services	29,872.3	(3,857.2)
<b>Total Program Budget</b>	<b>50,562.9</b>	<b>11,707.8</b>

2. City Council approve the 2015 recommended service levels for Toronto Zoo as outlined on pages 15, 16, and 18 of this report and associated staff complement of 402.5 positions.
3. City Council approve the 2015 recommended user fee changes above the inflationary adjusted rate for Toronto Zoo identified in Appendix 7a as well as user fee technical adjustments identified in Appendix 7b, for inclusion in the Municipal Code Chapter 441 "Fees and Charges".



## **Part I:**

2015 – 2017

Service Overview and  
Plan

# Program Map



**Purpose:**

• To provide a unique visitor experience that is fun, safe, welcoming, memorable, and interactive, while facilitating close, personal interaction among family members and friends, inspired by the Zoo's compelling wildlife collection and its commitment to sustainable living, ultimately inspiring people to love, respect and protect wildlife and wild spaces.

**Purpose:**

• To develop, plan and execute all fundraising programs and activities in two distinct program areas; Annual Fund and Capital Campaign, while building strategic relationships and realizing fundraising capacity.

**Purpose:**

• To emphasize the role of zoos in providing leadership in conservation and sustainability programs including the preservation of endangered plants and animal species and threatened natural areas while emphasizing zoogeographical exhibits of habitats, the stewardship role of the human species in managing our planet, and the maintenance of biodiversity and natural ecosystems.

• To provide compelling education and outreach experiences, delivered through programs, curricula and teaching strategies that support the Toronto Zoo's mission and efforts to save wildlife and inspire care for the world's natural heritage, with a focus on teachers, students and the general public locally and nationally to affect change in attitudes about wildlife and therefore motivate individuals to make sound environmental choices toward ensuring a sustainable future.

Service Customers

**Zoo Visitor Service**

- Zoo Visitor
- Schools
- Local Organizations
- Tour Groups
- Strategic Partners
- Local Business Community
- Local Hotels and Restaurants
- Transit Services

**Zoo Fundraising & Strategic Partnerships**

- Businesses and Corporations
- Corporate Business Sponsors / Alliances
- Media Partners
- Federal and Provincial Governments
- Not for Profit Organizations
- Universities & Colleges

**Zoo Conservation & Science**

- Zoo Keepers
- Zoo Researchers
- Federal and Provincial Governments
- Universities, Colleges, and Wildlife Societies
- Zoological Institutions & Accrediting Bodies
- Environmental Organizations
- Wildlife Collection

## 2015 Service Deliverables

The 2015 Recommended Operating Budget of \$50.563 million gross and \$11.708 million net for Toronto Zoo will fund:

- Toronto Zoo operations including a phase-in adjustment to the expenditure base to reflect the increasing OMERS contribution rates, of an older workforce, which continue to outpace the inflation rate.
- The third year of the Panda Exhibit as part of a five-year commitment that began in 2013 with the agreement signed with the Chinese government to provide two giant pandas to the Toronto Zoo for exhibition and research study.
- Achieving a high level of visitor satisfaction through:
  - New revenue-enhancing initiatives like the TundraAir Zipline;
  - The first full year visitor experience of the revitalized Eurasia Wilds;
  - Highly interactive / experiential educational programming;
  - No increases since 2013 in general admission and school group pricing;
  - The "peak" / "non-peak" pricing methodology implemented several years ago continues for General, Senior, and Child fees as a means of encouraging increased visitation and visitor satisfaction in the shoulder season.
- Continue progress on the major fundraising campaign to raise funds for capital projects, exhibit improvements, and conservation and education programs.
- Continue implementation of the Zoo's "green plan".

**Table 1**  
**2015 Recommended Operating Budget and Plan by Service**

(In \$000s)	2014		2015 Recommended Operating Budget					Incremental Change 2016 and 2017 Plan			
	Approved Budget	Projected Actual	2015 Rec'd Base	2015 Rec'd New/Enhanced	2015 Rec'd Budget	2015 Rec'd vs. 2014 Budget Approved Changes		2016		2017	
						\$	%	\$	%	\$	%
<b>Zoo Conservation &amp; Science</b>											
Gross Expenditures	17,404.8	14,881.4	17,799.9	-	17,799.9	395.1	2.3%	505.3	2.8%	221.9	1.2%
Revenue	1,945.0	1,440.2	1,945.0	50.0	1,995.0	50.0	2.6%				
<b>Net Expenditures</b>	<b>15,459.8</b>	<b>13,441.2</b>	<b>15,854.9</b>	<b>(50.0)</b>	<b>15,804.9</b>	<b>345.1</b>	<b>2.2%</b>	<b>505.3</b>	<b>3.2%</b>	<b>221.9</b>	<b>1.4%</b>
<b>Zoo Fundraising &amp; Strategic Partnerships</b>											
Gross Expenditures	2,846.5	1,289.0	2,890.7		2,890.7	44.2	1.6%	52.1	1.8%	17.6	0.6%
Revenue	3,130.6	1,410.1	3,130.6		3,130.6	-					
<b>Net Expenditures</b>	<b>(284.1)</b>	<b>(121.1)</b>	<b>(239.9)</b>	<b>-</b>	<b>(239.9)</b>	<b>44.2</b>	<b>(15.6%)</b>	<b>52.1</b>	<b>(21.7%)</b>	<b>17.6</b>	<b>(7.9%)</b>
<b>Zoo Visitor Services</b>											
Gross Expenditures	31,504.6	29,540.7	29,800.8	71.5	29,872.3	(1,632.3)	(5.2%)	245.9	0.8%	2,434.3	7.5%
Revenue	35,236.9	31,049.9	33,526.0	203.5	33,729.5	(1,507.4)	(4.3%)			2,299.9	6.4%
<b>Net Expenditures</b>	<b>(3,732.3)</b>	<b>(1,509.2)</b>	<b>(3,725.2)</b>	<b>(132.0)</b>	<b>(3,857.2)</b>	<b>(124.9)</b>	<b>3.3%</b>	<b>245.9</b>	<b>(6.4%)</b>	<b>134.5</b>	<b>-3.6%</b>
<b>Total</b>											
Gross Expenditures	51,755.8	45,711.1	50,491.4	71.5	50,562.9	(1,192.9)	(2.3%)	803.3	1.6%	2,673.9	5.0%
Revenue	40,312.5	33,900.2	38,601.6	253.5	38,855.1	(1,457.4)	(3.6%)			2,299.9	5.6%
<b>Total Net Expenditures</b>	<b>11,443.4</b>	<b>11,810.9</b>	<b>11,889.8</b>	<b>(182.0)</b>	<b>11,707.8</b>	<b>264.5</b>	<b>2.3%</b>	<b>803.3</b>	<b>6.9%</b>	<b>374.0</b>	<b>3.1%</b>
<b>Approved Positions</b>	<b>410.2</b>	<b>410.2</b>	<b>400.6</b>	<b>1.9</b>	<b>402.5</b>	<b>(7.7)</b>	<b>(1.9%)</b>	<b>-</b>	<b>-</b>	<b>8.9</b>	<b>2.2%</b>

The 2015 Recommended Operating Budget for Toronto Zoo is \$50.563 million gross and \$11.708 million net. The net budget increased by \$0.265 million or 2.3% due to the following:

- Base expenditure pressures of \$1.127 million and base revenue adjustments of \$0.500 million (visitor parking fee) and \$0.180 million (Conservation Carousel) bring the 2015 Recommended Base Budget to \$11.890 million net or 3.9% over the 2014 Approved Budget of \$11.443 million net.
- The 2015 Recommended Operating Budget includes net revenues of \$0.182 million for New and Enhanced Services including;
  - The TundraAir Zipline Ride, a newly added attraction for visitors as a revenue enhancement strategy at Toronto Zoo will result in additional expenditures of \$0.072 million and generate \$0.132 million in incremental net revenues.
  - Revenue from the ground lease agreement with ZooShare Biogas Co-operative Inc. for a biogas facility constructed on Zoo-managed lands. The ZooShare facility will showcase best practices in biogas and waste management to the public and is consistent with the Zoo's own education mandate. Incremental net revenue of \$0.050 million is anticipated.
- The 2016 and 2017 Plans reflect the combined effect of the increased OMERS budget adjustment phase-in in 2016, the end of the collective agreements in the first quarter in 2017 and COLA for only the one quarter, as well as increased temporary staffing in 2017 to reflect increased attendance for the final year of the Panda Exhibit.

Approval of the 2015 Recommended Operating Budget will result in Toronto Zoo reducing its total staff complement by 7.7 positions from 410.2 to 402.5, as highlighted in the table following.



**Table 2**  
**2015 Recommended Total Staff Complement**

Changes	2015 Budget				Plan	
	Zoo Conservation & Science	Zoo Fundraising & Strategic Partnerships	Zoo Visitor Services	Total	2016	2017
<b>2014 Approved Complement</b>	162.6	10.1	237.5	410.2	402.5	402.5
In-year Adjustments						
<b>Adjusted 2014 Staff Complement</b>	162.6	10.1	237.5	410.2	402.5	402.5
<b>Recommended Change in Staff Complement</b>						
Prior Year Impact						
Operating Impacts of Completed Capital Project						
Capital Project Delivery						
Base Changes	(0.4)		(9.2)	(9.6)		8.9
Service Changes						
New / Enhanced Service Priorities			1.9	1.9		
<b>Total</b>	<b>162.2</b>	<b>10.1</b>	<b>230.2</b>	<b>402.5</b>	<b>402.5</b>	<b>411.4</b>
<b>Position Change Over Prior Year</b>	<b>(0.4)</b>		<b>(7.3)</b>	<b>(7.7)</b>		
<b>% Change Over Prior Year</b>	<b>(0.22%)</b>		<b>(3.08%)</b>	<b>(1.87%)</b>		<b>2.21%</b>

- The Zoo's total staff complement will decrease by 7.7 positions or 1.87% reflecting the following:
  - Base staff complement will decrease by 9.6 positions given the expected 100,000 visitor decrease in attendance for Year 3 of the Panda Exhibit. It will rise 8.9 in 2017 to reflect an expected increase in attendance in the last year of the Panda Exhibit.
  - New/Enhanced staffing will increase 1.9 positions to staff the TundraAir Zipline Ride.

The 2015 Recommended Operating Budget includes base expenditure pressures of \$1.127 million net, primarily attributable to a phasing in of an OMERS budget adjustment to align rates with actual experience. Base expenditure pressures have been partially offset by \$0.680 million net in recommended base revenue adjustments for Visitor Parking Fees of \$0.500 million and Conservation Carousel Ride revenues of \$0.180 million as detailed in the following table.

**Table 3**  
**Key Cost Drivers**

(In \$000s)	2015 Recommended Operating Budget			Total Rec'd 2015 Base Budget
	Zoo Conservation & Science	Zoo Fundraising & Strategic Partnerships	Zoo Visitor Services	
<b>Gross Expenditure Changes</b>				
<b>Prior Year Impacts</b>				
Ice Storm Impact Adjustment Reversal			(91.0)	(91.0)
<b>COLA and Progression Pay</b>				
COLA, Progression Pay, Benefits, Wage Adjustments	302.2	29.2	380.0	711.5
<b>Other Base Changes</b>				
Panda Budget Changes	(77.7)		(2,222.1)	(2,299.9)
Conservation Carousel			40.0	40.0
OMERS Contribution Budget	170.6	15.0	189.4	375.0
<b>Total Gross Expenditure Changes</b>	<b>395.1</b>	<b>44.2</b>	<b>(1,703.8)</b>	<b>(1,264.4)</b>
<b>Revenue Changes</b>				
Ice Storm Impact Adjustment Reversal			(91.0)	(91.0)
Panda Budget Changes			(2,299.9)	(2,299.9)
Parking Fee Increases			500.0	500.0
Conservation Carousel			180.0	180.0
<b>Total Revenue Changes</b>			<b>(1,710.9)</b>	<b>(1,710.9)</b>
<b>Net Expenditure Changes</b>	<b>395.1</b>	<b>44.2</b>	<b>7.1</b>	<b>446.5</b>

Key cost drivers for Toronto Zoo are as follows:

- Cost of Living Adjustment, progression pay, benefits and wage adjustments of \$0.712 million,
- Conservation Carousel operating costs of \$0.040 million,
- And OMERS contribution budget adjustment of \$0.375 million in 2015 to realign contribution rates with actual experience.
- To help mitigate these base expenditure pressures, the program is budgeting to increase net revenues through:
  - A Visitor parking fee increase of \$0.500 million and
  - The 2014 purchase of the Conservation Carousel with \$0.425 million of unused capital funds will provide incremental revenues of \$0.180 million.

Table 4

## 2015 Total Recommended New &amp; Enhanced Service Priorities Summary

Description (\$000s)	New and Enhanced				Total Rec'd Service			Incremental Change			
	Zoo Conservation & Science		Zoo Visitor Services		\$	\$	Position	2016 Plan		2017 Plan	
	Gross	Net	Gross	Net	Gross	Net	#	Net	Pos.	Net	Pos.
<b>New/Enhanced Service Priorities</b>											
New Fees											
TundraAir Ride			71.5	(132.0)	71.5	(132.0)					
Biogas Facility Contract Revenue		(50.0)				(50.0)	1.9				
<b>Total</b>		(50.0)	71.5	(132.0)	71.5	(182.0)	1.9				

Recommended New and Enhanced Service Priorities (\$0.072 million gross & \$0.182 million net revenue) as follows:

- *Zoo Conservation & Science* – ZooShare Biogas Co-operative revenue contribution of \$0.050 million in incremental net revenues from the processing of the Zoo's organic wastes on site will start in 2015.
- *Zoo Visitor Services* - TundraAir Zipline Ride, the newly added and well-received attraction for visitors is expected to provide net revenue of \$0.132 million.

Approval of the 2015 Recommended Base Budget will result in a 2016 incremental net cost of \$0.803 million and a 2017 incremental net cost of \$0.374 million to maintain the 2014 level of service as discussed below:

Table 6

## 2016 and 2017 Plan by Program

Description (\$000s)	2016 - Incremental Increase					2017 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
<b>Known Impacts:</b>										
COLA and Fringe Benefits	162.4		162.4	2.8%		(269.8)		(269.8)	(4.6%)	
Progression Pay & Step Increases	33.6		33.6	34.8%		4.5		4.5	3.4%	
Operating Expense - one time OMERS contribution increase	375.0		375.0							
Agency Base Salaries	232.2		232.2	1.0%		639.4		639.4	2.7%	
<b>Sub-Total</b>	<b>803.3</b>		<b>803.3</b>			<b>374.0</b>		<b>374.0</b>		
<b>Anticipated Impacts:</b>										
Panda Budget Changes						2,299.9	2,299.9			
<b>Sub-Total</b>						<b>2,299.9</b>	<b>2,299.9</b>			
<b>Total Incremental Impact</b>	<b>803.3</b>		<b>803.3</b>			<b>2,673.9</b>	<b>2,299.9</b>	<b>374.0</b>		

Future year incremental costs are primarily attributable to the following:

**Known Impacts**

- Cost of Living Adjustment and fringe benefits will increase by \$0.162 million in 2016. Due to timing of collective agreement ending in first quarter 2017, no amount for the balance of that year is included.
- Progression pay and step increases are anticipated to be \$0.034 million in 2016 and \$0.005 million in 2017.

- Base salaries increase \$0.232 million in 2016 and \$0.639 million in 2017. The significant increase in 2017 reflects the temporary complement ramp up for the final year of the Panda Exhibit when attendance numbers are expected to increase.
- OMERS contribution budget adjustment adds an incremental increase of \$0.375 million in 2016.

**Anticipated Impacts**

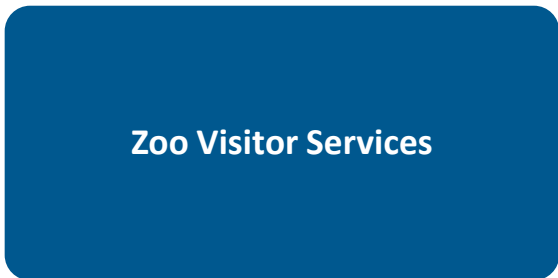
- The Panda Exhibit in 2017, the last year of the Exhibit is projected to cost \$2.300 million gross, \$0.0 million net.



## **Part II:**

2015 Recommended  
Budget by Service

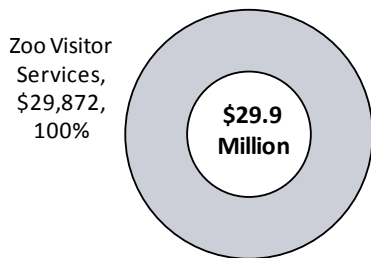
## Zoo Visitor Services



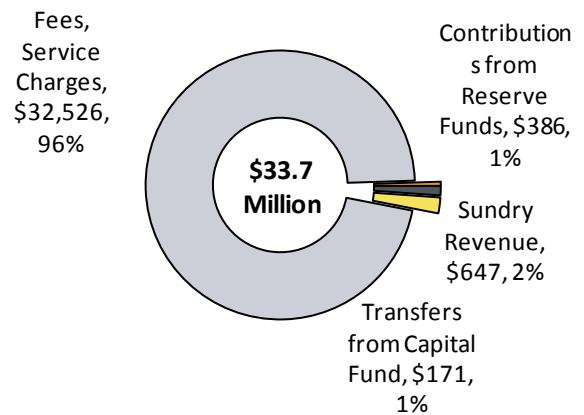
### What We Do

- Provide a unique visitor experience that is fun, safe, welcoming, memorable, and interactive, while facilitating close, personal interaction among family members and friends, inspired by the Zoo's compelling wildlife collection and its commitment to sustainable living, ultimately inspiring people to love, respect and protect wildlife and wild spaces.

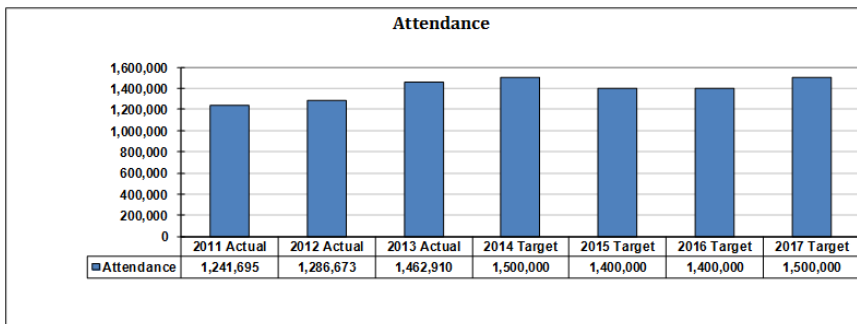
### 2015 Service Budget by Activity (\$000s)



### Service by Funding Source (\$000s)



## Toronto Zoo Attendance



- 2015 Attendance decrease of 100,000 visitors versus 2014 to level anticipated in the 5-year plan for the Panda Exhibit.
- 2016 levels anticipated to be consistent with 2015 and 2017 will

## 2015 Service Levels

### Visitor Services

Activity Type	Status	Service Level	
		2014	2015 Recommended
General Admission - Admissions	Approved	1,500,000 Visitors	1,400,000 Visitors
General Admission - Parking	Approved	Facilitate parking for 300,000 cars	Facilitate parking for 300,000 cars
General Admission - Membership Services	Approved	Achieve 33,000 household memberships	Achieve 33,000 household memberships
General Admission - Rides & Retail	Approved	Achieve revenue of \$2.97 per visitor in retail sales	Achieve revenue of \$2.97 per visitor in retail sales
General Admission - Food & Restaurants	Approved	Achieve revenue of \$4.35 per visitor in food sales	Achieve revenue of \$4.35 per visitor in food sales
Facility Rentals - Personal / Family Occasions / Events	Approved	Under development	Under development
Facility Rentals - Corporate Retreats	Approved	Under development	Under development

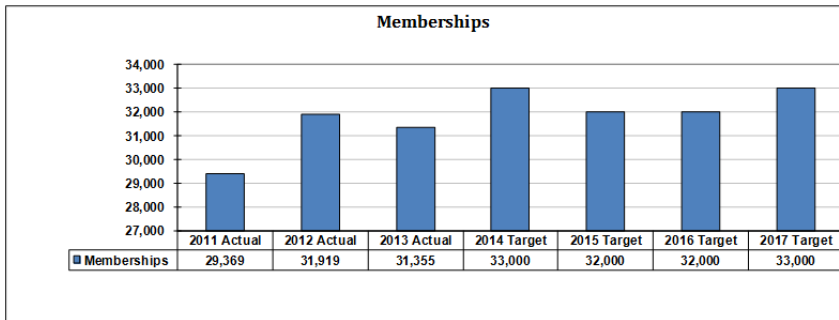
Visitor Services will strive to attain 1,400,000 visitors, down from the 1,500,000 budgeted level for 2014, but still well above the trending actual attendance in 2014 which was adversely impacted by 34 extreme cold weather alerts issued by the City of Toronto in the winter and less than optimal temperature and precipitation levels that resulted in the second-coldest two-month summer combo (July – August) in 55 years.

All other 2015 Recommended Service Levels will remain consistent with the approved 2014 Service Levels.

## Service Performance

### Visitor Services

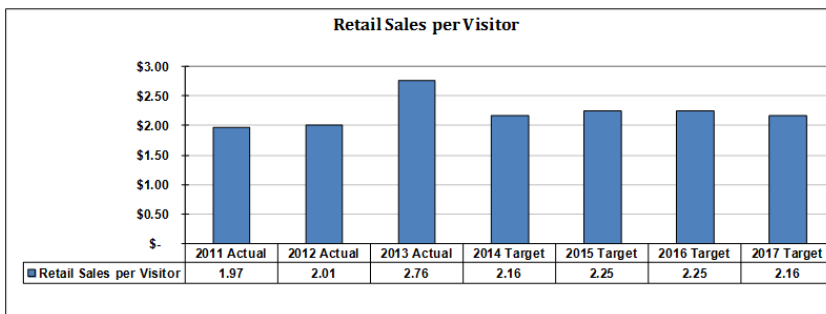
#### Memberships



- Membership levels in 2015 anticipated to return to levels consistent with 2013 experience.
- Trend in Membership levels is correlated to attendance expectations.

### Visitor Services

#### Retail Sales per Visitor



- Increase in 2015 versus 2014 reflects the impact of the anticipated stability in revenue combined with the expected decrease in attendance associated with year three (3) of the five (5) year plan for the giant Panda exhibit.
- Retail Sales per Visitor anticipated to remain at same levels in 2015 and 2016 due to consistent revenue and attendance levels.



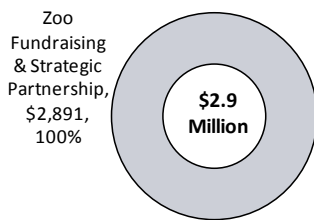
## Zoo Fundraising and Strategic Partnerships



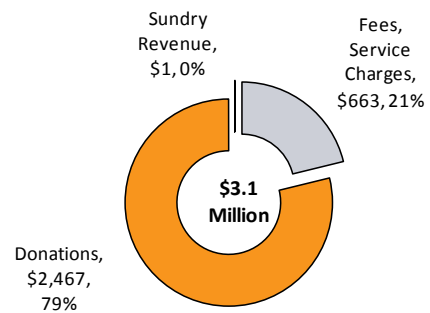
### What We Do

- Develop, plan, and execute all fundraising programs and activities in two distinct program areas; Annual Fund and Capital Campaign, while building strategic relationships and realizing fundraising capacity.

2015 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



### 2015 Service Levels

#### Zoo Fundraising and Strategic Partnerships

Activity Type	Status	Service Level	
		2014	2015 Recommended
Annual Fundraising	Approved	0% increase in Fundraising dollars	0% increase in Fundraising dollars
Capital Campaign	Approved	0% increase in Capital Fundraising dollars	0% increase in Capital Fundraising dollars
Strategic Partnerships	Approved	2% growth in partnerships	2% growth in partnerships
Sponsorships	Approved	2% growth in sponsorship funding	0% growth in sponsorship funding

Zoo Fundraising & Strategic Partnerships targeted 2% growth in sponsorship funding in 2014, stabilizing at similar levels in 2015.

All other 2015 Recommended Service Levels will remain consistent with the approved 2014 Service Levels (0% increase/growth).

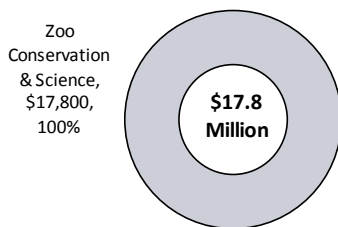
## Zoo Conservation and Science



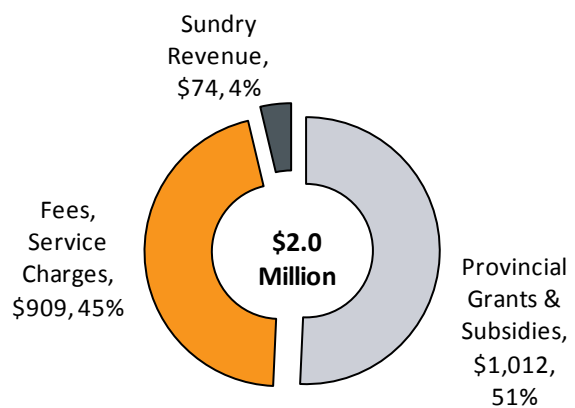
### What We Do

- Emphasize the role of zoos in providing leadership in conservation and sustainability programs including the preservation of endangered plant and animal species and threatened natural areas while emphasizing zoogeographical exhibits of habitats, the stewardship role of the human species in managing our planet, and the maintenance of biodiversity and natural ecosystems.
- Provide compelling education and outreach experiences, delivered through programs, curricula and teaching strategies that support the Toronto Zoo's mission and efforts to save wildlife and inspire care for the world's natural heritage, with focus on teachers, students, and the general public locally and nationally to affect change in attitudes about wildlife and therefore motivate individuals to make sound environmental choices towards ensuring a sustainable future.

2015 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



## 2015 Service Levels

### Zoo Conservation and Science

Activity Type	Status	Service Level	
		2014	2015 Recommended
Zoo conservation and sustainability	Approved	Promote public understanding of unique role the Zoo plays in conservation and research.	Promote public understanding of unique role the Zoo plays in conservation and research.
Teacher Workshops	Approved	Provide workshops for 3,000 teachers	Provide workshops for 3,000 teachers
Off Site classes and lectures	Approved	Under development	Under development
On Site classes and lectures	Approved	Host 10,000 students for on-site workshops.	Host 10,000 students for on-site workshops.
Bush Camps (overnight)	Approved	Host over night camps for 3,000 campers	Host over night camps for 3,000 campers
Zoo Camps (ages 4 – 16)	Approved	Host day camp for 2,000 campers	Host day camp for 2,000 campers
Zoo Volunteer Outreach	Approved	Deliver 60 volunteer outreach sessions.	Deliver 60 volunteer outreach sessions.

All Zoo Conservation and Science Service Levels Recommended for 2015 remain consistent with the approved 2014 Service Levels.

Toronto Zoo's performance measures are based on volume, customer service quality, and community input.



## **Part III:**

Issues for Discussion

## Issues for Discussion

### Issues Impacting the 2015 Budget

#### *Budget for OMERS contributions*

- As a result of efforts to meet the Operating Budget targets over the last few years, the Zoo has not fully budgeted for required contributions to OMERS, resulting in the Zoo absorbing the related costs by reducing other expenditures throughout the year.
- Included in the 2015 Recommended Operating Budget for the Toronto Zoo is a phase in plan to ensure that full funding for OMERS is restored through increases of \$0.375 million in 2015 and a planned increase of the same amount in 2016.

### Future Year Issues

#### *Planning and Governance Issues*

- As part of its consideration of the "Response to Zoo Board Governance Report" (EX34.7) at its meeting of October 8,9,10 and 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, and facilitate the establishment of an independent and separate charitable foundation for fundraising, in alignment with the Strategic Plan.
- On November 27, 2014 the Board of Management of the Toronto Zoo adopted "*Draft Strategic Plan 2015-2020*" (ZB36.1), including mission, vision, core values statements and goals and objectives, and directed that a public document be prepared and posted on its website.
- The Strategic Plan will support the development of an updated Capital Master Plan during 2015, which will guide future capital investments, including sources of financing, such as fund-raising.
- The City Manager will be reviewing board governance as requested and developing a relationship framework to clarify the Zoo's relationship with the City.
- These clarifications of Zoo planning and governance issues will support planning for the future and set the stage for renewed fund-raising.



## **Appendices:**

## Appendix 1

### 2014 Service Performance

#### 2014 Key Service Accomplishments

In 2014, Toronto Zoo accomplished the following:

- ✓ Maximized the opportunity for success of the Artificial Insemination (AI) process for Er Shun, our female Giant Panda, with final outcome to be confirmed in the fall of 2014;
- ✓ Successfully transitioned the Giraffes to their new exhibit at the cornerstone of the southern side of the African Savanna;
- ✓ Completed the pre-qualification process in preparation to issue the tender request for the Wildlife Health Centre in the early summer of 2014 with the tender awarded in November, with construction scheduled to commence in early 2015;
- ✓ Finalized construction on the of the Eurasia Wilds of the North Zoo Site Redevelopment project for re-opening in late summer 2014;
- ✓ Initiated the process for continued accreditation with Canada's Accredited Zoos and Aquariums (CAZA);
- ✓ Successfully opened the new Tundra Air ride for visitors to enjoy a unique zip-line type experience and view of the Arctic wolves and polar bears.
- ✓ Made improvements to guest services through improved wayfinding and signage.

#### 2014 Financial Performance

##### 2014 Budget Variance Analysis

(\$000s)	2012 Actuals	2013 Actuals	2014 Approved Budget	2014 Projected Actuals*	2014 Approved Budget vs. Projected Actual Variance	
	\$	\$	\$	\$	\$	%
<b>Gross Expenditures</b>	43,591.6	53,116.4	51,755.8	45,711.1	(6,044.7)	(11.7%)
<b>Revenues</b>	32,527.8	42,152.7	40,312.5	33,900.2	(6,412.3)	(15.9%)
<b>Net Expenditures</b>	11,063.8	10,963.7	11,443.4	11,810.9	367.5	3.2%
<b>Approved Positions</b>	389.0	419.4	410.2	410.2		

\* Based on the 9 month Operating Budget Variance Report

#### 2014 Experience

The Toronto Zoo reported net over-spending of \$0.462 million or 16.1% for the nine-month period ended September 30, 2014. The Toronto Zoo is forecasting a year-end net over-expenditure of \$0.368 million or 3.2%.

- The net over-expenditure was primarily attributed to the combined effect of continued below budget attendance revenue partially offset by holding back operating initiatives early in the year until more certainty over revenue expectations could be determined.
- The 9.0 vacancies were from timing delays in the recruitment process. By year-end, the Toronto Zoo is projecting a strength of 402.2 positions, as a result of hiring delays to assist in addressing its projected revenue shortfall as well as meet its budgeted gapping rate of 2.4%.

**Impact of 2014 Operating Variance on the 2015 Recommended Budget**

- There are no impacts from the 2014 Operating Variance on the 2015 Operating Budget.



## Appendix 2

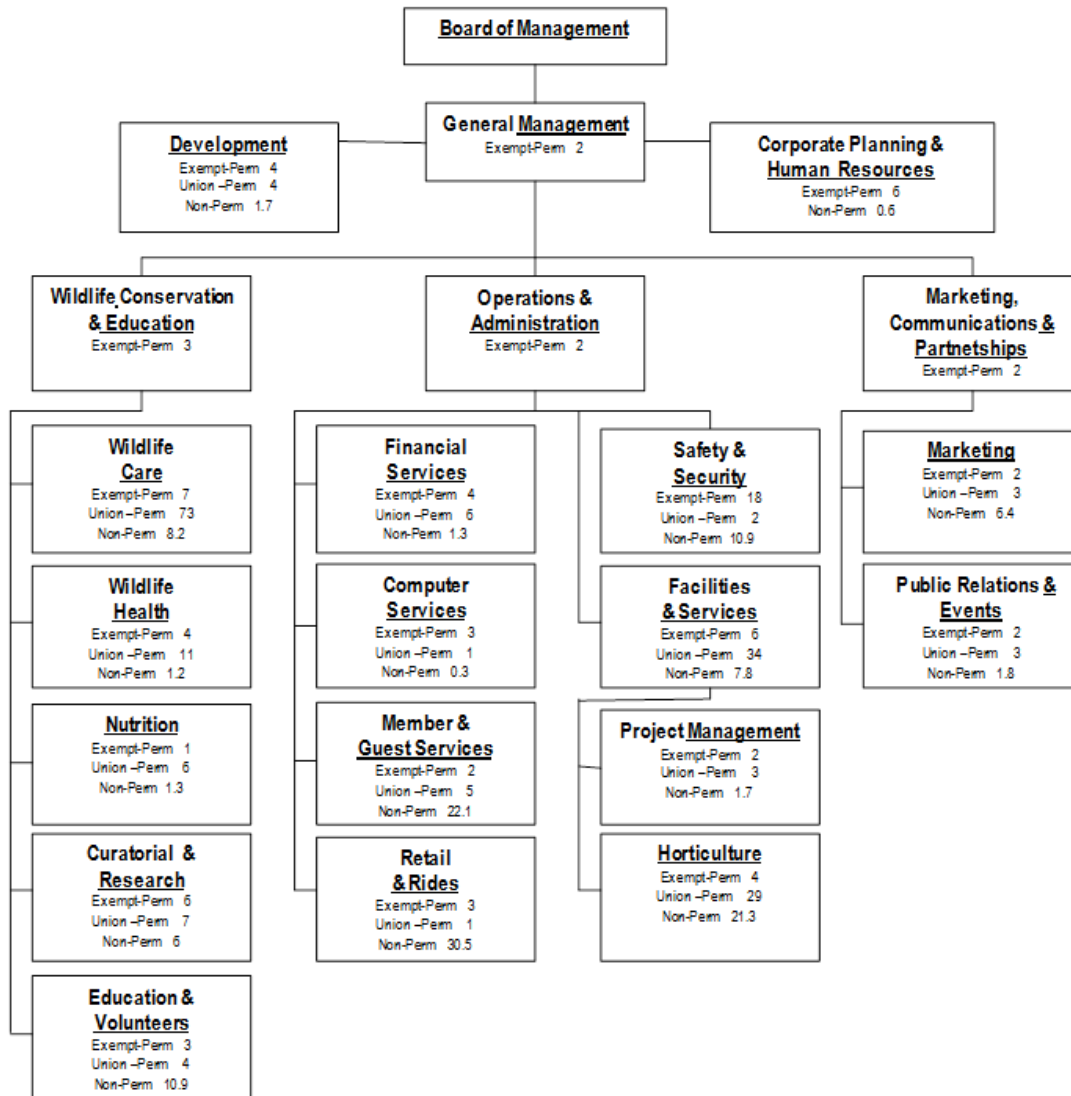
## 2015 Recommended Operating Budget by Expenditure Category

## Program Summary by Expenditure Category

Category of Expense (\$000's)	2012	2013	2014	2014	2015	2015 Change from		Plan	
	Actual	Actual	Budget	Projected	Rec'd	2014 Approved		2016	2017
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	27,398.4	28,718.8	28,151.5	28,494.6	28,944.8	793.3	2.8%	29,748.1	30,427.1
Materials and Supplies	5,299.7	6,249.6	8,270.0	5,128.2	8,137.5	(132.5)	(1.6%)	8,137.5	8,175.4
Equipment	512.7	1,035.6	365.9	300.7	335.9	(30.0)	(8.2%)	335.9	365.9
Services & Rents	8,937.1	15,229.8	12,666.1	9,631.6	12,135.5	(530.5)	(4.2%)	12,135.5	12,563.3
Contributions to Capital							-		
Contributions to Reserve/Res Funds	136.0	136.0	2,302.4	921.0	1,009.2	(1,293.2)	(56.2%)	1,009.2	2,508.5
Cost of Sales	1,307.6	1,746.5		1,235.0			-		
Interdivisional Charges							-		
<b>Total Gross Expenditures</b>	<b>43,591.5</b>	<b>53,116.3</b>	<b>51,755.8</b>	<b>45,711.1</b>	<b>50,562.9</b>	<b>(1,192.9)</b>	<b>(2.3%)</b>	<b>51,366.2</b>	<b>54,040.1</b>
Interdivisional Recoveries							-		
Provincial Subsidies	719.8	931.2	1,102.5	548.9	1,011.5	(91.0)	(8.3%)	1,011.5	1,011.5
Federal Subsidies							-		
Other Subsidies							-		
User Fees & Donations	30,546.0	39,303.0	37,981.8	32,080.7	36,565.4	(1,416.4)	(3.7%)	36,565.4	38,865.3
Transfers from Capital Fund			171.0		171.0			171.0	171.0
Contribution from Reserve Funds	136.0	136.0	386.0	386.0	386.0			386.0	386.0
Sundry Revenues	1,126.0	1,782.5	671.2	884.6	721.2	50.0	7.4%	721.2	721.2
Required Adjustments							-		
<b>Total Revenues</b>	<b>32,527.8</b>	<b>42,152.7</b>	<b>40,312.5</b>	<b>33,900.2</b>	<b>38,855.1</b>	<b>(1,457.4)</b>	<b>(3.6%)</b>	<b>38,855.1</b>	<b>41,155.0</b>
<b>Total Net Expenditures</b>	<b>11,063.7</b>	<b>10,963.6</b>	<b>11,443.4</b>	<b>11,810.9</b>	<b>11,707.8</b>	<b>264.5</b>	<b>2.3%</b>	<b>12,511.1</b>	<b>12,885.1</b>
<b>Approved Positions</b>	<b>389.0</b>	<b>419.4</b>	<b>410.2</b>	<b>410.2</b>	<b>402.5</b>	<b>(7.7)</b>	<b>(1.9%)</b>	<b>402.5</b>	<b>411.4</b>

\* Note: Based on the 9 month Operating Budget Variance Report

## Appendix 3 2015 Organization Chart



### 2015 Recommended Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	7.0	49.0	28.0	193.0	277.0
Temporary			7.2	118.3	125.5
<b>Total</b>	<b>7.0</b>	<b>49.0</b>	<b>35.2</b>	<b>311.3</b>	<b>402.5</b>

## **Appendix 5**

### **Summary of 2015 Recommended New / Enhanced Service Priorities**



**2015 Operating Budget - Staff Recommended New and Enhanced Services**  
**Summary by Service**  
 (\$000s)

Form ID		Agencies - Cluster Program: Toronto Zoo	Adjustments				2016 Plan Net Change	2017 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

5775 **TundraAir Ride**

75 0 **Description:**

The 2015 Recommended Operating Budget for Toronto Zoo includes funding of \$0.072 million gross and \$0.132 million in revenue to incorporate the TundraAir zipline into the Zoo site operations.

**Service Level Impact:**

The TundraAir Zipline attraction is consistent with the Zoo's revenue enhancement strategy and, depending on the weather conditions, could be operated close to year round. It is anticipated that the zipline will appeal to the entire family as an enjoyable and safe ride option.

Service: Zoo Visitor Services

Total Staff Recommended:	71.5	203.5	(132.0)	1.9	0.0	0.0
<b>Staff Recommended New/Enhanced Services:</b>	<b>71.5</b>	<b>203.5</b>	<b>(132.0)</b>	<b>1.9</b>	<b>0.0</b>	<b>0.0</b>

**Category:**

- 71 - Operating Impact of New Capital Projects      74 - New Services
- 72 - Enhanced Services-Service Expansion        75 - New Revenues

**2015 Operating Budget - Staff Recommended New and Enhanced Services**  
**Summary by Service**  
(\$000s)

Form ID		Agencies - Cluster Program: Toronto Zoo	Adjustments				2016 Plan Net Change	2017 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

5826 **Biogas Facility Contract Revenue**

75 | 0 **Description:**

The 2015 Recommended Operating Budget for Toronto Zoo includes funding of \$0.050 million in revenue for the contract fee payable to the Zoo for the Biogas facility.

**Service Level Impact:**

Biogas Facility Contract is a project in partnership with ZooShare Biogas Co-operative Inc. to showcase best practices in biogas and waste management practises by the Toronto Zoo to the public, consistent with the Zoo's education mandate which will bring in incremental revenue of \$0.050 million.

Service: Zoo Conservation & Science

Total Staff Recommended:	0.0	50.0	(50.0)	0.0	0.0	0.0
<b>Staff Recommended New/Enhanced Services:</b>	<b>0.0</b>	<b>50.0</b>	<b>(50.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Category:**

71 - Operating Impact of New Capital Projects      74 - New Services  
72 - Enhanced Services-Service Expansion      75 - New Revenues



**2015 Operating Budget - Staff Recommended New and Enhanced Services**  
**Summary by Service**  
 (\$000s)

Form ID		Agencies - Cluster Program: Toronto Zoo	Adjustments				2016 Plan Net Change	2017 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

**Summary:**

<b>Staff Recommended New/Enhanced Services:</b>	<b>71.5</b>	<b>253.5</b>	<b>(182.0)</b>	<b>1.9</b>	<b>0.0</b>	<b>0.0</b>
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## Appendix 6

### Inflows/Outflows to/from Reserves & Reserve Funds

Table 7

#### Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Rec'd Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
<b>Projected Beginning Balance</b>		<b>783.9</b>	<b>783.9</b>	<b>783.9</b>	<b>783.9</b>
Animal Endangered Species	XR3006				
<i>Proposed Withdrawals (-)</i>			(136.0)	(136.0)	(136.0)
<i>Contributions (+)</i>			136.0	136.0	136.0
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>783.9</b>	<b>783.9</b>	<b>783.9</b>	<b>783.9</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>					
<b>Balance at Year-End</b>		<b>783.9</b>	<b>783.9</b>	<b>783.9</b>	<b>783.9</b>

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Rec'd Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
<b>Projected Beginning Balance</b>		<b>639.4</b>	<b>639.4</b>	<b>972.4</b>	<b>1,305.4</b>
Vehicle Equipment Reserve	XQ1703				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			333.0	333.0	333.0
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>639.4</b>	<b>972.4</b>	<b>1,305.4</b>	<b>1,638.4</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>					
<b>Balance at Year-End</b>		<b>639.4</b>	<b>972.4</b>	<b>1,305.4</b>	<b>1,638.4</b>

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Rec'd Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
<b>Projected Beginning Balance</b>		<b>2,974.1</b>	<b>2,974.1</b>	<b>3,063.1</b>	<b>3,152.1</b>
Zoo Stabilization Reserve Fund	XQ2032				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			89.0	89.0	1,589.3
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>2,974.1</b>	<b>3,063.1</b>	<b>3,152.1</b>	<b>4,741.4</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>					
<b>Balance at Year-End</b>		<b>2,974.1</b>	<b>3,063.1</b>	<b>3,152.1</b>	<b>4,741.4</b>

**Table 8**  
**Corporate Reserve / Reserve Funds**

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Rec'd Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
<b>Projected Beginning Balance</b>		<b>44,678.1</b>	<b>44,678.1</b>	<b>41,072.9</b>	<b>41,212.5</b>
Sick Leave Reserve Fund	XR1007				
<i>Proposed Withdrawals (-)</i>			(250.0)	(250.0)	(250.0)
<i>Contributions (+)</i>			250.0	250.0	250.0
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>44,678.1</b>			
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			<b>(3,605.3)</b>	<b>139.7</b>	<b>1,379.5</b>
<b>Balance at Year-End</b>		<b>44,678.1</b>	<b>41,072.9</b>	<b>41,212.5</b>	<b>42,592.0</b>

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Rec'd Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
<b>Projected Beginning Balance</b>		<b>21,307.7</b>	<b>21,307.7</b>	<b>756.6</b>	<b>(19,119.3)</b>
Insurance Reserve Fund	XR1010				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			201.2	201.2	201.2
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>21,307.7</b>	<b>201.2</b>	<b>201.2</b>	<b>201.2</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			<b>(20,752.3)</b>	<b>(20,077.1)</b>	<b>(20,081.5)</b>
<b>Balance at Year-End</b>		<b>21,307.7</b>	<b>756.6</b>	<b>(19,119.3)</b>	<b>(38,999.6)</b>



## Appendix 7a

### Recommended User Fees Adjusted for Inflation and Other

Rate Description	Service	Fee Category	Fee Basis	2014	2015			2016	2017
				Approved Rate	Inflationary Adjusted Rate	Other Adjustment	Budget Rate	Plan Rate	Plan Rate
Access to Toronto Zoo parking lot: vehicles of	Zoo Visitor Services	Market Based	Daily	\$10.00	\$10.00	\$2.00	\$12.00	\$12.00	\$12.00

## Appendix 7b Recommended New User Fees

Rate Description	Service	Fee Category	Fee Basis	2015	2016	2017
				Budget Rate	Plan Rate	Plan Rate
Tundra Air Ride Admission	Zoo Visitor Services	Market Based	Person	\$10.62	\$10.62	\$10.62

## Appendix 7c

### Recommended User Fees Discontinued

Rate Description	Service	Fee Category	Fee Basis	2014 Approved Rate	Year Introduced	Reason for Discontinuation
Zoo Kids camp -(half day camp for children ages 4 & 5)	Zoo Conservation & Science	Full Cost Recovery	Weekly	\$238.94	1997	Lack of demand for service
Airbrush Tattoos	Zoo Visitor Services	Market Based	Tattoo	\$6.64	2005	Fees have been replaced with new service
Rise n' Shine - (13 years & up)- education program	Zoo Conservation & Science	Market Based	Program	\$29.20	2011	Fees have been replaced with new service
Rise n' Shine - (4 - 12) years Education Program	Zoo Conservation & Science	Market Based	Program	\$23.89	2011	Fees have been replaced with new service
Rise n' Shine -( Child Age 3 and under) Education Program	Zoo Conservation & Science	Market Based	Program	\$4.42	2011	Fees have been replaced with new service