



STAFF REPORT

To: Board of Management

From: Paul K. Whittam
Director – Finance & Computer Services

Subject: **2020 OPERATING PLAN AND BUDGET**

Date: 2019-10-10

SUMMARY:

This report provides an outline and description of the Toronto Zoo 2020 Operating Plan and Budget for consideration by the Board.

RECOMMENDATION:

The Policy & Finance Committee, at its meeting of 2019-09-04, recommended that the 2020 Requested Operating Budget be approved by the Board of Management.

FINANCIAL IMPACT:

Approval of the 2020 Operating Plan and Budget will require net expenditure funding from the City of Toronto in the amount of \$12.8 million, consisting of gross expenditures of \$51.9 million and revenues and recoveries in the amount of \$39.1 million.

BACKGROUND:

Implementation of the key objectives in the 2015-2020 Strategic Plan and the 2019 reorganization have been integrated into all aspects of Zoo operations. The 2016 Master Plan for the future direction of programs and infrastructure at the Toronto Zoo has been considered as well with some key prioritization changes related to the Front Entrance project. A new strategic plan process has been initiated in 2019 and the Master Plan will be revisited in 2020 to ensure correlation with the new strategic plan, once finalized. Collectively, these two plans will provide new revitalization opportunities for the Toronto Zoo in the areas of guest experience, wildlife care and welfare, conservation, education, research and partnerships.

Base attendance is estimated at 1.225 million guests for 2020, representing a reduction of 0.070 million compared to 2019 budget levels. This is based on the actual experience from 2013-2018 (5 years, excluding 2017) and is reflected in the business case to the Financial Planning Division of the City.

COMMENTS:

In consideration of the direction from the City's Financial Planning Division, the Toronto Zoo's Requested 2020 Operating Plan and Budget submission has a Net Operating Cost

of \$12.772 million which represents a 2.5% increase from the adjusted budget for 2019 Net Operating Costs.

Gross Program revenues of \$39.099 million have decreased by 3.8%, due primarily to the reduction in attendance and the removal of the Development Division (now part of the Toronto Zoo Wildlife Conservancy). For 2020 planning and operational needs Admission, Parking, and specific Membership fee changes are incorporated into the operating plan. The Zoo is in the process of changing its pricing strategy to dynamic pricing and the base impact will be reflected in revenue for 2021. Finally, the fee structure for the Zoo will change to a HST excluded presentation to guests (currently included).

Program expenditures of \$51.871 million have decreased by 2.3%, due primarily to the removal of the Development Division. The full cost of the 2019 reorganization is reflected in the expenditures and absorbed within the budget as a result of attrition and departures of long service employees.

The 2020 Operating Budget will be submitted to the Financial Planning Division of the City of Toronto in accordance with prescribed deadlines. Any suggested amendments by the Board will be considered by the City.

In summary, the 2020 operating budget submission of the Toronto Zoo reflects a balance of meeting the operational needs of the Toronto Zoo while attempting to mitigate financial pressures on the City. Approval by the Board will assist in the continued implementation of key initiatives to address the key strategies of the Board and Senior Management.

Paul K. Whittam
Director – Finance & Computer Services

ATTACHMENTS:
2020 Operating Plan and Budget

TORONTO ZOO
2020 OPERATING PLAN AND BUDGET

Attachment 1

	EXPENDITURES \$000s	REVENUE \$000s	NET EXPENDITURES \$000s
2019 BUDGET	53,092.3	40,630.6	12,461.8
2019 In-year adjustments	-	-	-
2019 OPERATING BUDGET	53,092.3	40,630.6	12,461.8
Impact of prior year approvals	-	-	-
Management Consulting and Furniture (Zero based)	-	-	-
Division Salaries and Benefits (Zero based)	(32,101.1)	-	(32,101.1)
Economic Factors - Utilities	(150.0)	-	(150.0)
Economic Factors - Wildlife Nutrition	73.7	-	73.7
Economic Factors - other (1.8% of Non-salary expense)	356.0	-	356.0
User Fees (Zero based)	-	(35,873.8)	35,873.8
2020 ADJUSTED BASE BUDGET	21,271.0	4,756.8	16,514.2
Base budget changes	-	-	-
Base Salaries & Benefits	32,101.1	-	32,101.1
Gapping Removal	802.0	-	802.0
Salary and Wage adjustment due to contract and exempt COLA	375.0	-	375.0
Salary Savings from delayed hiring	(457.6)	-	(457.6)
sub-total: Other Base Changes	32,820.5	-	32,820.5
Base revenue changes (User Fee related Revenues)	-	35,996.7	(35,996.7)
2020 BASE BUDGET PRIOR TO SERVICE CHANGES	54,091.5	40,753.5	13,338.0
Revenue changes - Non-rate (Attendance of 1,225,000)	-	(1,729.8)	1,729.8
Revenue changes - rate (+HST)	-	1,426.4	(1,426.4)
Membership changes - Rate (Total of 25,000)	-	682.4	(682.4)
Parking - price increase (\$2)	-	400.1	(400.1)
sub-total: Service Level Adjustments	-	779.1	(779.1)
	-	-	-
2020 BASE BUDGET	54,091.5	41,532.6	12,558.9
Reorganization - Fundraising Backout & 7.7 net additional FTE's	(2,186.2)	(2,433.4)	247.3
2020 OPERATING BUDGET (including Non-Salary Economic Factors)	51,871.4	39,099.1	12,772.3
VARIANCE FROM 2019 APPROVED BUDGET	(1,220.9)	(1,531.5)	310.5
	-2.3%	-3.8%	2.5%