

2024 Operating Plan and Budget

Date: October 6, 2023

To: Board of Management of the Toronto Zoo

From: Director, Finance, Technology, and Innovation

Wards: All

SUMMARY

This report submits the Toronto Zoo 2024 Operating Plan and Budget for approval. The Policy & Finance Committee reviewed the 2024 Operating Plan and Budget on 2023-10-05 and recommended it for approval by the Board.

RECOMMENDATIONS

The Director, Finance, Technology, and Innovation recommends that:

1. The Board of Management of the Toronto Zoo approves the 2024 Operating Plan and Budget as attached in Attachment 1.

FINANCIAL IMPACT

Approval of the 2023 Operating Plan and Budget will require net expenditure funding from the City of Toronto in the amount of \$12.9 million (a reduction of 11.8% from 2023 budget), consisting of gross expenditures of \$64.3 million and revenues and recoveries in the amount of \$51.3 million.

DECISION HISTORY

Your Toronto Zoo is committed to living our mission of connecting people, animals, and conservation science to fight extinction. While the COVID-19 pandemic presented many challenges, your Toronto Zoo has remained committed to evolving and growing, challenging our past status quo elements, and making improvements in the areas of guest experience, partnerships, wildlife care, conservation, education, and research. We have also reviewed and increased our attention and commitment to conservation science and were successfully recertified by the Association of Zoos and Aquariums

(AZA) in 2023. Maintaining this momentum is critical to our organization's long term success and requires investments in staff and infrastructure.

Base attendance estimation for 2024 is at 1.3 million guests, representing an increase of 80,000 guests compared to 2023 budget levels. This is a realistic and achievable estimate based on year-to-date attendance and projected year-end forecasts and builds on the strong post pandemic recovery in guest visits experienced in 2023. This estimate is referenced in the communication to the Financial Planning Division of the City.

COMMENTS

The Toronto Zoo's 2024 Operating Plan and Budget seeks to build on the momentum of 2023 that saw strong guest attendance above target, successful AZA certification and the opening of the new outdoor orangutan habitat. 2024 will also mark 50 years of your Toronto Zoo connecting Toronto's residents and visitors with amazing animals from around the world, celebrating our community, and demonstrating leadership in conservation science and education. The 2024 Operating Budget recognizes this important milestone and advances key strategic priorities while reducing the overall net impact to the City.

In consideration of the direction from the City's Financial Planning Division of a 0% base budget increase, the Toronto Zoo's requested 2024 Operating Plan and Budget submission has a Net Operating Cost to the City of \$12.9 million which represents an 11.8% decrease from 2022 Net Operating Costs. This decrease can be attributed to the lapsing of COVID-19 related operating funding in 2023 which totaled \$1.993 million.

Program expenditures of \$64.3 million have increased by 9.5% over 2023. The increase is attributable to increasing costs to maintain AZA standards, engage our community, and ensure the safety of animals, staff, and guests. Key areas of investment include conservation science and animal welfare, recognizing the Zoo's 50th anniversary, building Indigenous Relations capacity and engagement as part of our journey towards truth and reconciliation, and employee wellness, equity and continuous improvement. The budget also includes additional cost elements to support the modernization of the Zoo as outlined in the 2020 Strategic Plan, including a focus on key project delivery and management as part of a busy on-site construction period expected in 2024 and beyond.

Gross Program revenues of \$51.4 million, an increase of \$7.3 million (16.6%), are driven by the 80,000 guest increase in budgeted attendance to 1.3 million and the associated admission fees including related retail, ride, food and parking revenues. With the launch of dynamic, plan-ahead pricing in 2023, an increase in admission fees (adult, senior, child) of up to \$4.00 is also proposed for peak days. The maximum price of \$44.95 per adult on peak days would align with admission fees of market comparators and help manage crowding levels during peak periods which can negatively impact the guest experience. Under dynamic pricing, admission fees vary based on expected demand due to the season, day of the week and weather conditions. Guests can take advantage of lower admission fees through advanced purchases and during non-peak days with rates as low as \$16.95 per adult.

To further help minimize the impact of admission fee adjustments, your Toronto Zoo continues to make available complementary and discounted access to families living with low income through programs such as Canoo (one year Zoo pass for new Canadians and their children), Museum and Arts Pass (MAP) available for sign out through the Toronto Public Library, and Model School in partnership with the Toronto District School Board (providing \$10 admission tickets). In 2023 these programs, as well as community partnerships with East Scarborough Storefront, Toronto Community Housing and Woodgreen have resulted in more than 51,000 complementary visits to the Zoo. Your Toronto Zoo has also partnered with PaRx for 2023/2024 to participate in Canada's national nature prescription program. Through the program healthcare professionals can prescribe a trip to the Toronto Zoo to improve mental and physical health. By presenting their PaRx prescription and matching ID at the entrance gate, patients receive 50% cent off Toronto Zoo admission.

2024 will be a signature year for your Toronto Zoo in marking our 50th anniversary. The 2024 operating budget achieves a balance in helping to mitigate the financial pressures on the City while serving our community through celebrating our past, meeting the operational needs of today, and investing in our future as a leading conservation science organization.

The 2024 Operating Budget submission to the Financial Planning Division of the City of Toronto will take place in accordance with prescribed deadlines. Approval by the Board will ensure the continued implementation of approved initiatives and strategies of the Board and Senior Management.

CONTACT

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SIGNATURE

Dolf DeJong
Chief Executive Officer

ATTACHMENTS

Attachment 1 - Toronto Zoo 2024 Operating Plan and Budget