

# Analyst Briefing Notes

## Budget Committee

(March 26, 2007)

**2007 OPERATING BUDGET**

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## 2007 OPERATING BUDGET

### Executive Summary

- The 2006 preliminary year-end net expenditure of \$11.656 million is \$0.014 million below the 2006 Approved Budget of \$11.670 million. This favourable variance is primarily due to savings from staff vacancies as well as lower than expected utility costs. Underspending has more than compensated for an overall revenue shortfall that can be attributed to weaker than expected admissions and retail sales.
  - Revenue is expected to be achieved in 2007. The forecasted attendance rise is expected to increase admissions as well as parking, retail and other on-site revenues.
- The 3-Year Operating Budget is informed, in part, by the Toronto Zoo's ten-year *Strategic Plan*. While the Zoo's mission is to be a leader in conservation, a centre for education and research, and a respected community institution, it faces a number of service challenges for 2007 including: 1) Achieving an attendance level of 1,190,000 visitors, 2) ensuring previous deficiencies cited by accreditation agencies are addressed, and 3) fundraising for capital and conservation projects.
- The Toronto Zoo is under its affordability target. The 2007 Recommended Operating Budget for the Toronto Zoo is 1.1% (\$0.131 million) less than the Program's 2006 Approved Operating Budget.

**Table 1: 2007 Recommended Budget**

(In \$000s)	2006		2007 Recommended Operating Budget			Change - 2007 Recommended from 2006 Approved Budget		FY Incremental Outlook	
	2006 Appvd. Budget	2006 Projected Actual	2007 Base	2007 New /Enhanced	2007 Operating Budget			2008	2009
	\$	\$	\$	\$	\$	\$	%	\$	\$
<b>GROSS EXP.</b>	37,423.1	36,057.8	37,857.2	601.0	38,458.2	1,035.1	2.8	311.4	842.9
<b>REVENUE</b>	25,753.0	24,402.1	25,718.9	1,200.0	26,918.9	1,165.9	4.5	(1,200.0)	0.0
<b>NET EXP.</b>	11,670.1	11,655.7	12,138.3	(599.0)	11,539.3	(130.8)	(1.1)	1,511.4	842.9
<b>Approved Positions</b>	354.0	351.0	354.0	0.0	354.0	0.0	0.0	2.0	
<b>TARGET</b>			<b>11,670.1</b>		<b>11,670.1</b>				
<b>\$ Over / (Under) Program Target</b>			<b>468.2</b>		<b>(130.8)</b>				
<b>% Over / (Under) Program Target</b>			<b>4.0%</b>		<b>-1.1%</b>				

- The 2007 Recommended Operating Budget for the Toronto Zoo is \$11.539 million net. This is comprised of base funding of \$12.138 million and new/enhanced service priorities of (\$0.599)

million. Approval of the 2007 Recommended Operating Budget will result in the Zoo's staff complement remaining stable at 354.0 approved positions.

- The 2007 Recommended Budget accommodates the Zoo's primary cost drivers including negotiated salary and wage increases, annualizations as well as higher expected utility, material and supply costs in 2007. Collectively, these expenditures alone represent a \$1.3 million base pressure.
  - The 2008 Outlook increase of \$1.511 million includes cost of living (COLA), operating impacts of capital, and the annualized impact of both the CUPE wage settlement and the three recommended new/enhanced services. The 2009 Outlook of \$0.843 million reflects COLA and the CUPE wage annualization.
- To mitigate the impact of its escalating non-discretionary costs, the 2007 Recommended Operating Budget incorporates savings of \$0.283 million that the Zoo has identified in internal efficiencies. In addition, the Program has budgeted for heightened revenue targets arising from membership fees that increased in 2006 and by increasing budgeted attendance levels from 1,165,000 to 1,190,000 visitors. In total, these base budget changes produce savings of \$0.783 million.
- For 2007, funding for new and enhanced services is strictly limited to those initiatives that fulfill the Mayor's Mandate or that are fully-funded. Accordingly, while none of the Zoo's new/enhanced service priorities align with the Mayor's Mandate, four additional initiatives are recommended for 2007 since they fit within the Program's affordability target:
  - 1) One-time funding of \$0.056 million net to support additional maintenance and state of good repair;
  - 2) \$0.020 million net for the one-time purchase of new animal care equipment;
  - 3) converting the "Adopt-a-Pond" coordinator position from temporary to permanent status (\$0 net); and
  - 4) securing savings of \$0.675 million net by staging a special Dinosaur exhibit for 2007 only.
- The Zoo is facing a number of challenges in 2007. Primary among these is the challenge to meet the higher revenue target this year. Although the Program is estimating that attendance will be higher than what was budgeted for in 2006, the concern is that there will be a continuing trend towards discount admissions and lower than expected on-site sales. This could have a considerable adverse impact on 2007 financial performance.
- With the 2007 target having been largely achieved by the introduction of the temporary dinosaur display, the one-time net revenue to be produced by this exhibit will not flow through to 2008. The Program may therefore be challenged to meet its 0% affordability target in 2008 as well as in 2009.

### Recommendations

The City Manager and Chief Financial Officer recommend that:

- the 2007 Recommended Operating Budget for the Toronto Zoo of \$38.458 million gross and \$11.539 million net, comprised of the following services, be approved:

<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Conservation, Education & Research	5,090.1	3,783.3
Marketing & Communications	9,931.0	117.6
Operations & Administration	21,470.9	21,253.3
General Management, Interpretation, Culture & Design	1,830.2	1,763.7
Animal & Endangered Species	136.0	0.0
Revenue & Recoveries		(15,378.6)
	<hr/>	<hr/>
Total Program Budget	<u>38,458.2</u>	<u>11,539.3</u>

- the Zoo's 2008 budget target be held to the same level as that of its 2006 Approved Operating Budget of \$11.670 million net, given the 2007 one-time net revenue produced by its special event.

## Section A: 2006 Budget Variance Analysis

**Table 2: 2006 Budget Variance Review**

	2005 Actuals	2006 Approved Budget	2006 Projected Actuals*	2006 Appvd. Budget vs Projected Actuals Variance	
(In \$000s)	\$	\$	\$	\$	% Unspent
<b>GROSS EXP.</b>	34,221.9	37,423.1	36,057.8	1,365.3	3.6
<b>REVENUES</b>	23,614.0	25,753.0	24,402.1	1,350.9	5.2
<b>NET EXP.</b>	10,607.9	11,670.1	11,655.7	14.4	0.1
<b>Approved Positions</b>	352.5	354.0	351.0	3.0	0.8

Source: \*Projected Actuals Based on the Preliminary Year-End Operating Variance Report.

### 2006 Experience

The Toronto Zoo shows, in its Preliminary Year-End Variance Report, actual expenditures of \$11.656 million net. This represents a positive variance of \$0.014 million or 0.1 % of its 2006 Approved Operating Budget of \$11.670 million net.

A number of factors have contributed to this favourable result:

- Utility costs were under budget by 13.2% (\$0.345 million). This was largely driven by lower than expected hydro costs that resulted from the moderate summer weather and lower natural gas costs due to the unseasonably warmer temperatures experienced in November and December.
- Underspensing has also occurred as a result of deferrals in filling staff positions. There were 3 full-time vacancies as of December 31, 2006. In addition, cost-of-goods sold was under-budget by \$0.157 million because of lower than forecasted retail sales. In all, aside from utility and consulting costs, operational expenditures for the year were \$1.087 million (3.1%) below budget.
- Consulting costs were over budget by \$0.066 million due primarily to the work required, as per Council direction, to assess the Zoo's fundraising opportunities.
- Although gross expenditures were under budget by 3.6% (\$1.365 million), the favourable impact was offset to an extent by a projected revenue shortfall of \$1.351 million or 5.2% of the revenue budget. This loss was caused principally by lower than expected admissions (\$10.148 million budgeted vs. \$10.017 million actual) and retail sales revenue (\$2.854 million budgeted vs. \$2.569 million actual).

**Impact of 2006 Operating Variance on 2007 Recommended Budget**

- The shortfall in revenues experienced in 2006 is not expected to continue into 2007. The Zoo is projecting higher regular attendance levels for this year. Increased visitor volume in turn should drive admission and other revenue sources, including parking, retail and food sales.

## Section B: 2007 Operating Budget Overview

### 3-Year Operating Budget Overview

- The 3-Year Operating Budget for the Toronto Zoo reflects, in part, the Program's ten-year *2001 Strategic Plan*. The Plan sees the Zoo positioned as a leader in conservation, a centre for education and research, and a respected community institution.
- The Toronto Zoo's vision is to be Canada's premier zoo and to be known for its interactive education and conservation activities. In line with this vision, the 3-Year Operating Budget allows the Program to focus on:
  - Offering exciting experiences that inspire visitors to care about nature and commit to personal action.
  - Building a higher profile in wildlife education, conservation and research
  - Strengthening community involvement to increase public pride and ownership of the Zoo.
- A major focus of the 3-Year Operating Budget will be to maximize public interest in the Zoo by hosting a special Dinosaur Exhibit in 2007 and by unveiling a new Tundra exhibit, as well as future phases of the North Zoo Site Redevelopment Project, in 2008 and beyond.
- For 2007, to help mitigate the impact of its rising base costs, the Recommended Operating Budget for the Toronto Zoo includes increases to its revenue targets for admissions as well as for membership sales. This revenue adjustment produces net savings of \$0.560 million.
- The 2007 Recommended Operating Budget also includes a net expenditure reduction of \$0.283 million. These savings do not impact service levels. They result from an extensive efficiency review that the Program has undertaken.
- The Zoo has four key performance metrics: attendance levels, membership sales, retail sales per visitor and food sales per visitor. Although for 2007, the Zoo is projecting greater attendance (including school groups), membership take-up as well as retail and food sales per visitor are expected to remain fairly constant.
- For 2008 and 2009, the Zoo's collective agreement calls for average annual wage increases of 3%. In the absence of incremental revenues, service efficiencies and/or major cost cutting measures, the Zoo will be challenged to meet the City's affordability targets for 2008 and beyond.

### Service Delivery - Challenges and Issues

The Toronto Zoo is one of the premier attractions in the Greater Toronto Area. As part of its service mandate, the Program is involved in a number of activities:

- The preservation of endangered plant and animal species and threatened natural areas
- Maintaining the health and general welfare of the animal collection
- Conducting reproductive research of endangered species
- Promoting educational initiatives that engage the support and involvement of the community and that create learning opportunities which encourage respect for nature

For the Zoo to continue successfully fulfilling its mandate, the Program must address the following challenges and issues in 2007:

- Achieve an attendance level of 1,190,000 (25,000 visitors more than what was budgeted for in 2006) by promoting the Dinosaur special exhibit, the new Great Barrier Reef area, and the Zellers Discovery Zone.
- Prepare for the 2007 accreditation review by ensuring deficiencies in animal and public areas cited by the American Zoo and Aquarium Association (AZA) and the Canadian Council of Animal Care, two agencies that accredit the Zoo, are corrected;
- Increase actual retail and food sales per visitor to budgeted levels;
- Undertake a campaign to raise funds for capital projects and conservation and education programs;
- Develop a “Green Plan”, outlining infrastructure and program initiatives to further the “greening” of the Zoo over the long term; and
- Pursue alternative sources of revenue to broaden the Zoo’s program and funding base.



## Section C: 2007 Recommended Base Budget

**Table 3: 2007 Recommended Base Budget**

(In \$000s)	2006 Appvd. Budget	2007 Recommended Base	Change 2007 Recommended Base v. 2006 Appvd. Budget		FY Incremental Outlook	
			\$	%	2008	2009
	\$	\$	\$	%	\$	\$
<b>GROSS EXP.</b>	37,423.1	37,857.2	434.1	1.2	906.4	842.9
<b>REVENUE</b>	25,753.0	25,718.9	(34.1)	(0.1)	0.0	0.0
<b>NET EXP.</b>	11,670.1	12,138.3	468.2	4.0	906.4	842.9
<b>Approved Positions</b>	354.0	354.0	0.0	0.0	2.0	
<b>NET TARGET</b>		<b>11,670.1</b>			<b>0.0</b>	<b>0.0</b>
<b>\$ Over / (Under) Program Target</b>		<b>468.2</b>			<b>906.4</b>	<b>842.9</b>
<b>% Over / (Under) Program Target</b>		<b>4.0%</b>			<b>7.77%</b>	<b>7.22%</b>

### 2007 Recommended Base Budget

- The 2007 Recommended Base Budget of \$12.138 million net represents a 4% (\$0.468 million) increase over the Toronto Zoo's 2006 Approved Base Budget and the Program's corporate affordability target of \$11.670 million. The Recommended Base Budget ensures that the Zoo's current service levels are maintained in 2007.
- The additional \$0.434 million in gross expenditures recommended for 2007 are needed to fund the Zoo's union settlements and wage increases for exempt staff as well as to address non-salary economic factors, higher benefit costs and incremental costs arising from accreditation requirements. For 2007, the year-over-year increase to gross expenditures within the base budget is only 1.2%.
- To alleviate some of this expenditure growth, the 2007 Recommended Base Budget incorporates incremental revenues from higher projected attendance volume as well as from the membership fee increase that took effect in May 2006. Nevertheless, total budgeted revenue for 2007 is \$0.034 million (0.1%) less than 2006 due to the reversal of one-time contributions to the Animal Transaction Reserve (\$0.400 million) and the Zoo Stabilization Reserve (\$0.136 million).
- The 2007 Recommended Base Budget results in 354 approved positions. This aligns precisely with the Program's 2006 budgeted staff complement level.

**2007 Key Cost Drivers**

- Negotiated salary and wage increases for union and exempt staff, as well as higher benefit costs, total \$0.676 million. Along with the continued implementation of its job evaluation, these are non-discretionary expenditures that the Zoo must fund.
- Similar to many City Programs, the Zoo is expecting higher utility, material and supply costs in 2007. These inflationary increases produce an additional pressure of \$0.355 million.
- The Zoo's revenues are primarily driven by attendance. Visitor levels not only impact admissions, but also on-site revenues including parking, retail, rides and food services. Although the Zoo was fortunate to achieve attendance of 1,240,000 visitors in 2006, or 75,000 more than budget, the Program is aiming for 1,190,000 visitors this year. However, if the Zoo fails to attract the additional 25,000 patrons that have been budgeted for in 2007, a significant net pressure will result.
- Depending on the visitor mix, meeting the attendance target could still result in a budget shortfall. For 2006, the percentage of non-paying and discount customers (Zoo members, pass holders, and children under 4) was higher than anticipated. If this trend away from full-fare regular admissions continues in 2007, the Zoo's revenue budget will be adversely impacted.

**2008 and 2009 Outlook: Net Incremental Impact**

A number of pressures emanate from the 2007 Recommended Operating Budget for the Toronto Zoo. These will have a significant net incremental impact on the Program's 2008 operating budget:

- \$0.112 million for the annualized impact of the CUPE contract
- COLA, including a pay equity adjustment, of \$0.700 million
- \$0.095 million for the addition of two keepers for the new Tundra exhibit (operating impact of capital)
- Reversal of \$0.605 million for one-time net revenue produced by the three recommended new/enhanced services.

In addition, since the CUPE settlement in a five-year contract (2005-2010), the 2009 outlook provides for the following pressures:

- The CUPE annualization of \$0.115 million
- \$0.727 million for COLA and pay equity

## Section D: 2007 Recommended Service Priorities

Table 4: Summary of 2007 New / Enhanced Service Priorities (In \$000s)

Description	2007 Recommended		Rec. New Positions	Net Incremental Impact	
	Gross Exp.	Net Exp.		2008	2009
	\$	\$		\$	\$
<b>(a) Enhanced Service Priorities - Council Approved:</b>					
<b>(b) Enhanced Service Priorities - Program Initiated</b>					
Maintenance & State of Good Repair	56.0	56.0		(50.0)	
Animal Care Equipment	20.0	20.0		(20.0)	
Staffing - Adopt-a-Pond Coordinator	0.0	0.0			
<b>Sub-Total Enhanced Services</b>	<b>76.0</b>	<b>76.0</b>	<b>0.0</b>	<b>(70.0)</b>	<b>0.0</b>
<b>(a) New Service Priorities - Council Approved:</b>					
<b>(b) New Service Priorities - Program Initiated:</b>					
Special Event - Dinosaur Exhibit	525.0	(675.0)		675.0	
<b>Sub-Total New Service Priorities</b>	<b>525.0</b>	<b>(675.0)</b>	<b>0.0</b>	<b>675.0</b>	<b>0.0</b>
<b>Total Recommended New / Enhanced Service Priorities</b>	<b>601.0</b>	<b>(599.0)</b>	<b>0.0</b>	<b>605.0</b>	<b>0.0</b>

## 2007 Recommended Service Priorities

*Recommended Enhanced Service Priorities – Program Initiated:*

- Maintenance and State of Good Repair**

Funding of \$0.056 million gross and net is recommended to ensure that various Zoo assets are properly maintained and kept in a state of good repair. Specifically, one-time funding is needed to repair and rebuild the Zoo's two water circulation pumps (\$0.050 million) while the remaining

money is required for the ongoing inspection, maintenance and repair of the Zoo's numerous catch basins and hydrants.

- **Animal Care Equipment**

A heavy-duty service vehicle is required for the African Savanna, one of the Zoo's largest outdoor areas. This vehicle will be used to transport large and heavy loads that are currently being moved by wheel-barrows. Since this is both a public and employee health and safety issue, one-time funding of \$0.020 million gross and net is recommended.

- **Staffing – Adopt-a-Pond Coordinator**

It is recommended that the "Adopt-a-Pond" coordinator position be made permanent. Although the position is already funded as part of the Zoo's base staff complement, and will therefore not impact the Program's budget, making the position permanent will allow the Zoo to expand this ongoing wetland conservation initiative.

### **Recommended New Service Priorities**

#### ***New Service Priorities – Program Initiated:***

- **Special Event – Dinosaur Exhibit**

For the summer of 2007, the Zoo is planning to display a unique exhibit of life-size static and robotic model dinosaurs. While a couple of the model dinosaurs will be strategically placed on the Zoo's open grounds, the remainder will be featured only in the Zoo's Group Events Tent, admission to which will be charged separately. Since, this one-time exhibit is expected to generate net income of \$0.675 million, the \$0.525 million gross required to host the display is recommended.

## **Issues for Discussion**

### **2007 Operating Budget Issues**

#### **Revenue Targets**

For 2007, the Zoo is projecting an attendance level of 1,190,000. Although this represents an increase of 25,000 visitors above the 2006 budget, the higher attendance target aligns with the Zoo's five year average (2002-2006, excluding 2003 due to the impact of SARS and the August blackout). Furthermore, considering that the Zoo actually achieved 1,240,000 patrons in 2006, the budgeted increase for 2007 is achievable.

The concern, however, is that higher attendance levels do not necessarily translate into higher admission revenue. In 2006, although the Zoo welcomed 75,025 visitors more than had been originally estimated, the 6% higher attendance did not flow through to revenues, which came in \$1.351 million under budget. This was in large part due to the visitor mix: full-price admissions were below target while the number of discounted admissions (memberships, school groups, passes and infants) was greater than anticipated. While increased attendance may have been expected to boost on-site revenues, this was generally not the case since actual food and retail sales per visitor were lower than projected.

If the Zoo is not successful in arresting the erosion in full-price admissions, it will likely continue to experience a revenue shortfall. The decision, therefore, to maintain all current price levels and to add the special Dinosaur Exhibit in 2007 is critical to the Program's financial goals. Not only is the display expected to draw additional visitors to the Zoo at a time when the polar bear and South American exhibits will be closed for renovations, the separate ticket option is forecasted to generate \$1.2 million in incremental revenue for the Program. There is thus no need to increase fees this year. The expectation is that the temporary dinosaur exhibit will have the same impact on the Zoo as did the limited-engagement special attractions on the Ontario Science Centre. By hosting the Body Worlds 2 and the Marvel Super Heroes exhibitions, the Ontario Science Centre recorded almost 1.4 million visitors for 2006, a 16% increase over the previous record breaking year. This made the Centre the most visited cultural attraction in Canada last year.

#### **Additional Staff**

The Zoo has requested a number of staffing changes including the addition of two more animal keepers and the re-classification of two positions from temporary to permanent. Since the additional keeper positions were not approved as part of the Zoo's 2007-2011 Capital Plan and will not be required until the new Tundra exhibit is opened in 2008, they are not recommended.

As for the Program's request to make the current project manager for the North Zoo Site Redevelopment Project a permanent member of the Zoo's staff complement, this request is also not recommended. Although the North Zoo Site Redevelopment Project is a long-term initiative that will require supervision over the next several years and although re-categorizing the capital position as permanent will help ensure retention of the present project manager and thus promote the timely

implementation of the Project, the request is not recommended at this time. Activities supported through capital financing are to be the subject of a city-wide corporate review. A decision will be made after this review as to whether this request from the Zoo meets the established criteria.

Conversely, since the Zoo's "adopt-a-pond" program is no longer a short-term project but now a firmly established, self-funded initiative, the request to upgrade the status of the current "adopt-a-pond" coordinator position from temporary to permanent is recommended.

### **Fundraising Efforts**

During the 2006 Operating Budget process, Council recommended at its meeting on March 29 and 30, 2006 that "the General Manager and CEO of the Toronto Zoo explore alternative revenue streams and other income sources for augmenting its current funding base".

In accordance with this directive, and in an effort to reduce the Zoo's reliance on City financing, the Program has begun to concentrate on fundraising for both its operating and capital needs. A successful fundraising campaign, however, will take time. An initial feasibility study that the Zoo commissioned in April 2006 concluded that "it takes considerable time to build stable bases of funding. The Zoo should not expect to raise \$1 to \$2 million per year through philanthropic donations in the short-term".

The Zoo is continuing to develop a focused fundraising campaign with which to maximize new revenue streams and will update the City as work progresses.

### **2008 and 2009 Outlook Issues**

The Program has achieved the 0% target for 2007 due largely to the introduction of the special dinosaur exhibit, which is expected to generate net revenue of \$0.675 million. However, since the dinosaur display is a temporary exposition, this is a one-time favourable offset to the Program's budgetary pressures. Hence, unlike in 2007, the Zoo may be forced to consider service level adjustments in order to meet its 0% target in 2008, particularly since the Program will need to accommodate various increasing non-discretionary expenditures including established wage increases and rising utility costs.

To ensure that the Zoo is not unfairly penalized for achieving a net budget of \$11.539 million, an amount that is below the Program's 2007 target, it is recommended that the Zoo's 2008 target be held to the same level as its 2006 Approved Operating Budget of \$11.670 million net.

## Appendix 1

**Summary of Recommended Base Budget Changes  
From 2006 Approved Budget**

(In \$000s)	Summary of 2007 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2008	2009
		\$	\$	\$	\$	\$
<b>2006 Council Approved Operating Budget</b>	<b>354.0</b>	<b>37,423.1</b>	<b>25,753.0</b>	<b>11,670.1</b>	<b>0.0</b>	<b>0.0</b>
In-year approvals and technical adjustments						
Corporate adjustments						
<b>2006 Approved Operating Budget</b>	<b>354.0</b>	<b>37,423.1</b>	<b>25,753.0</b>	<b>11,670.1</b>	<b>0.0</b>	<b>0.0</b>
Prior year impacts		(373.2)	(594.0)	220.8	111.7	115.4
Zero base items						
Economic factors		1,030.8		1,030.8	699.5	727.5
<b>Adjusted Base Budget</b>	<b>354.0</b>	<b>38,080.7</b>	<b>25,159.0</b>	<b>12,921.7</b>	<b>811.2</b>	<b>842.9</b>
Other base changes	3.0	(177.4)		(177.4)		
Base revenue changes			559.9	(559.9)		
Recommended Base Adjustments:						
Base changes	(3.0)	(46.1)		(46.1)	95.2	
Service efficiencies						
Revenue adjustments						
Minor service impact						
Major service impact						
<b>Total Recommended Base Adjustments</b>	<b>0.0</b>	<b>(223.5)</b>	<b>559.9</b>	<b>(783.4)</b>	<b>95.2</b>	<b>0.0</b>
<b>2007 Recommended Base Budget</b>	<b>354.0</b>	<b>37,857.2</b>	<b>25,718.9</b>	<b>12,138.3</b>	<b>906.4</b>	<b>842.9</b>
<b>2007 Program Operating Target</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>11,670.1</b>	<b>0.0</b>	<b>0.0</b>
<b>% Over (Under) Program Target</b>				<b>4.0%</b>	<b>7.8%</b>	<b>7.22%</b>
<b>% Over (Under) 2006 Appvd. Budget</b>				<b>4.0%</b>	<b>7.8%</b>	<b>7.22%</b>

**Appendix 2**

**Summary of Service Level Adjustments**



**Appendix 3**

**Summary of 2007 Recommended New / Enhanced Service Priorities**

## Appendix 4

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

Reserve / Reserve Fund Name	Reserve / Reserve Fund Number	Balance as of Dec 2006 \$	Proposed Withdrawals (-) / Contributions (+)		
			2007 \$	2008 \$	2009 \$
Vehicle Reserve Fund	XQ1703	306,964	(333.0)	0.0	0.0
Sick Pay			(86.3)		
Insurance	XR1010		(172.4)		
Zoo Stabilization	XR2032				
<b>Total Reserve / Reserve Fund Draws / Contributions</b>			<b>(591.7)</b>	<b>0.0</b>	<b>0.0</b>