

Analyst Briefing Notes

Budget Committee - February 16, 2010

PART I: 2010 OPERATING BUDGET

Executive Summary	2
Recommendations	5

PART II: 2010 SERVICE OVERVIEW AND PLAN

Mission Statement	6
Program Map	6
2010 Recommended Services: Overview	6

PART III: 2009 EXPERIENCE

2009 Accomplishments	9
2009 Budget Variance Analysis	10
Impact of 2009 Operating Variance on 2010 Recommended Budget	10

PART IV: 2010 RECOMMENDED BASE BUDGET

2010 Recommended Base Budget	11
2010 Key Cost Drivers	12
2010 Service Changes	12

PART V: RECOMMENDED SERVICE CHANGES

2010 Recommended Service Changes	14
--	----

PART VI: RECOMMENDED NEW/ENHANCED SERVICE PRIORITY ACTIONS

2010 Service Priority Actions	16
-------------------------------------	----

PART VII: ISSUES FOR DISCUSSION

2010 Budget Issues	18
2011 and Future Year Issues	19
Issues Referred to the 2010 Operating Budget Process	N/A
Issues Referred from 2009 and Prior Years	N/A

Appendix A: 2010 Recommended Base Budget Changes vs. 2009 Approved Budget	20
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Appendix B: Summary of Service Changes	21
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Appendix C: Summary of 2010 Recommended New/Enhanced Service Priority Actions	22
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Appendix D: Program Summary by Expenditure Category	23
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Appendix E: Inflows / Outflows to / from Reserves and Reserve Funds	24
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February 16, 2010

PART I: 2010 OPERATING BUDGET**Executive Summary**

- The Toronto Zoo is Canada's premier zoo, known for its interactive education and conservation activities. The Strategic Plan of the Toronto Zoo envisions the Zoo as a dynamic and exciting action centre that inspires people to love, respect and protect wildlife and wild places.
- The Toronto Zoo service objectives for 2010 are highlighted below:
 - Enhance the Visitor Experience and continue to grow attendance by promoting the Tundra Trek area, Sharks at Stingray Bay and the regular program of events including installation of an endangered species carousel ride.
 - Strive to achieve a high level of visitor satisfaction with the overall Zoo experience, including all related services of the grounds and facilities
 - Grow revenue through increased sponsorships and renovation of the key retail locations; continue to strategically build awareness, attendance and loyalty to the Zoo and continue progress on the major fundraising campaign.
 - Improve the quality of exhibits through delivering Capital projects including the detailed design of Phase II (Eurasia and Canadian Wilderness) of the North Zoo Site Redevelopment and completion of the renovations to the south end of the African Rainforest Pavilion.
 - Expand conservation, education and research programs;
- Toronto Zoo accomplished the following in 2009:
 - Increased attendance by 10.9% and increased membership by 8% over 2008;
 - Opened the award winning Tundra Trek to the public on August 1st;
 - Hosted "Sharks at Stingray Bay", the second year of a special touch tank exhibit and continued to promote and the Great Barrier Reef exhibit opened in 2008;
 - Celebrated the Zoo's 35th anniversary; and
 - Established the Development Office to oversee all fundraising programs and activities of the Zoo upon dissolution of the Toronto Zoo Foundation in May of 2009.
- For 2009, Toronto Zoo projects year-end net expenditures of \$11.524 million, \$0.153 million or 1.3 % below the 2009 Approved Operating Budget of \$11.677 million net. This favourable variance primarily results from a 10.9% increase in attendance and a 12.4% reduction in utility costs.

- As a result of the 2009 experience, the 2010 Recommended Operating Budget for the Toronto Zoo includes \$0.163 million utility cost savings.

Table 1: 2010 Recommended Budget

(In \$000s)	2009		2010 Recommended Operating Budget			Change - 2010 Recommended Operating Budget v. 2009 Appvd. Budget		FY Incremental Outlook	
	2009 Appvd. Budget	2009 Projected Actual	2010 Rec. Base	2010 Rec. New/Enhanced	2010 Rec. Budget			2011	2012
	\$	\$	\$	\$	\$	\$	%	\$	\$
GROSS EXP.	44,242.7	44,242.7	44,764.8	175.6	44,940.4	697.7	1.6	0.0	0.0
REVENUE	32,566.2	32,719.2	33,758.2	181.8	33,940.0	1,373.8	4.2	0.0	0.0
NET EXP.	11,676.5	11,523.5	11,006.6	(6.2)	11,000.4	(676.1)	(5.8)	0.0	0.0
Approved Positions	380.5	380.5	380.5	4.0	384.5	4.0	1.1	0.0	0.0

TARGET COMPARISON	2010 Target	2010 Rec. Budget	2010 Rec. Budget vs. 2010 Target	2011 Target
NET BUDGET	11,270.1	11,000.4	(269.7)	10,686.3
PROGRAM REDUCTION (\$)	(583.8)	(731.9)	(148.1)	(583.8)
PROGRAM REDUCTION (%)	(5.0)	(6.3)	(1.3)	(5.0)

- The 2010 Recommended Operating Budget for Toronto Zoo of \$44.940 million gross and \$11.000 million net is \$0.676 million or 5.8% below the 2009 Approved Operating Budget, and achieves program reductions of \$0.732 million or 6.3% of the 2009 Approved Budget which is \$0.148 million or 1.3% greater than the reduction target for Toronto Zoo for 2010.
- The 2010 Recommended Operating Budget of \$11.000 million net is comprised of base funding of \$11.007 million net and the addition of new/enhanced service priority actions reduces the Recommended Base Budget by \$0.006 million. The 2010 Recommended Operating Budget of \$11.000 million net includes revenue changes of \$0.732 million.
- Approval of the 2010 Recommended Operating Budget will result in the Program's total staff complement increasing from 380.5 to 384.5 approved positions as a result of the addition of 4 positions for new/enhanced priority actions that generate net revenue of \$0.006 million.
- The 2010 Recommended Operating Budget for Toronto Zoo results in no incremental future year net impacts to the Program, however the Zoo's Collective Agreements expire in March 2010, and negotiations are in process.
 - Toronto Zoo developed viable options to achieve the 2011 Base Budget reduction target of \$0.583 million or 5% of the 2009 Approved Budget. These options will be further reviewed over the course of the year and presented for consideration with the 2011 Operating Budget.
- The 2010 Recommended Operating Budget of \$11.000 million net provides funding for the following key cost drivers:
 - A cost of living adjustment (COLA) of \$0.357 million for the 1st quarter of 2010 according to the Collective Agreements which expire in March 2010.

- The Program's 2010 Recommended Operating Budget includes service changes that will increase revenue by \$0.732 million in 2010, with no incremental revenue to be achieved in 2011.
- Approval of the service changes will result in no change to approved positions with the complement maintained at 380.5 approved positions.
- The 2010 Recommended Operating Budget includes 3 New/Enhanced Service Priority actions for \$0.176 million gross and net revenue of \$0.006 million and 4 additional positions.
- The 2010 Recommended Operating Budget of \$11.00 million net will provide funding to:
 - Continue the Stringray and Shark attraction, the second year of the Tundra Exhibit, new ride and improve parking capacity which is expected to increase attendance to 1,300,000 visitors and increase revenue by \$1.374 million in 2010.
 - Continue to meet accreditation by the American Zoo and Aquarium Association (AZA) and Canadian Council of Animal Care (CCAC).
 - Continue with year 2 of the Business Development Unit's plan to grow revenues from Corporate Sponsorship.
 - Continue to develop the Zoo's "Green Plan" in support of the Climate Change priority, outlining infrastructure and program initiatives to further the "greening" of the Zoo site.
 - Continue to provide the Zoo experience to 1,300,000 visitors, 7 days a week all year, protect and nurture over 5,000 animals representing over 460 species, and maintain facilities and equipment on the 287 hectares (710 acre) site.
 - Add 2 animal outreach staff and one curator of fishes (grant funded) which will improve customer satisfaction in outreach and onsite programs.
 - Add a permanent coordinator of the Conservation, Education and Research Division to build on the "Eco-Executives" program offered to high level executives in Ontario, piloted in 2009.

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2010 Recommended Operating Budget for Toronto Zoo of \$44.940 million gross and \$11.000 million net, comprised of the following services:

<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Conservation, Education & Research	6,037.9	4,279.2
Marketing & Communication	11,777.9	(190.8)
Operations & Administration	23,624.4	23,315.5
General Management, Interpretation, Culture & Design	3,364.1	1,946.9
Animal & Endangered Species	136.1	0.0
Revenue & Recoveries	0.0	(18,350.4)
	<hr/>	<hr/>
Total Program Budget	<u>44,940.4</u>	<u>11,000.4</u>

PART II: 2010 SERVICE OVERVIEW AND PLAN

Mission Statement

The Strategic Plan of the Toronto Zoo strives to make the Zoo a dynamic and exciting action centre that inspires people to love, respect and protect wildlife and wild spaces

Program Map



The Toronto Zoo's 2010 Operating Budget is guided, in part, by its Strategic Vision that was updated in 2009. In line with its vision, the strategic directions of the Toronto Zoo includes activities that:

- Nurture a culture of best practice, passion and commitment;
- Protect wildlife populations and the places that sustain them by demonstrating environmental leadership through model conservation programs and partnerships;
- Offer compelling education and outreach experiences to inspire people to care about wildlife and protect habitats;
- Deliver a guest experience that is fun, welcoming, interactive and shows our commitment to sustainable living;

The Toronto Zoo provides four key services - Conservation Education & Research, Operations & Administration, Marketing & Communications, and Interpretation Culture & Design, as detailed in the Program Map. The Toronto Zoo is participating in the City guided mapping process with the objective of refining the program map and definitions of its services during 2010.

Conservation, Education and Research

The Zoo provides education, conservation and research services through the following activities:

- Curatorial & Research;
- Animal Health- 5,000 animals and 460 species

- Animal Nutrition; and
- Education & Volunteers.

Operations & Administration

Operations and Administration services provides support to all other services with the following activities:

- Administration support including Financial Services, Human Resources support, and Computer Services;
- Operations support including Safety & Security, Project Management and Facilities and Services to maintain facilities and equipment on the 287 hectares (710 acre) site; and
- Animal Care and Horticulture activities.

Marketing & Communications

Marketing & Communications provides support for activities that encourage visitors to visit and engage in Zoo activities:

- Marketing and public relations;
- Member and Guest Services- 1,300,000 visitors;
- Food Services; and
- Retail and Rides.

Interpretation Culture & Design

Provides services to enhance the visitor's experience while at the Zoo:

- Exhibits design of interpretive culture elements, and Graphics

Development Office

- Fundraising activities; and
- Capital Campaign

Service Objectives

The Toronto Zoo strives for a balance between regulatory activities that protect and nurture the animal collection and attraction activities which offer animal exhibitory/special events that broaden the Zoo experience, grows attendance and expands the funding base. Community involvement and public pride in the zoo is a priority including building a higher profile in wildlife education, conservation and research. Service objectives for 2010 and beyond are highlighted below:

- **Increase Customer Satisfaction**

- Achieve attendance targets by promoting the Tundra Trek area, Sharks at Stingray Bay and the regular program of events.
- Install an endangered species carousel ride.
- Achieve revenue growth through increased sponsorships and renovation of the key retail locations.
- Complete the renovations to the south end of the African Rainforest Pavilion to improve the quality of exhibits and the visitor experience, consistent with the pavilion's north end, and re-open to the public.
- Achieve a high level of visitor satisfaction with the overall Zoo experience, including all related services of the grounds and facilities.
- Complete detailed design of Phase II (Eurasia and Canadian Wilderness) of the North Zoo Site Redevelopment.

- **Provide Conservation, Education and Research to Maintain its Status as one of the Premier Zoos in North America**

- Nurture a culture of best practice, passion and commitment.
- Create dynamic habitats that celebrate the spectrum of plants and animals, connect people with nature and satisfy accreditation requirements.
- Enhance the Conservation, Education and Research Division by increasing course offerings of the Zoo School and continuation of the "Eco-Executives" program.

- **Strengthen Revenue and Funding Base**

- Continue progress on the major fundraising campaign to raise funds for capital projects, exhibit improvements and conservation and education programs.

- **Demonstrate Environmental Leadership**

- Implement the "Green Plan", including infrastructure and program initiatives to further the "greening" for the 287 hectares (710 acre) site.

PART III: 2009 EXPERIENCE

2009 Accomplishments

Toronto Zoo achieved the following major accomplishments in 2009:

- Hosted “Sharks at Stingray Bay”, the second year of a special touch tank exhibit, increasing attendance by 6%.
- Successful opening of the Tundra Trek to the public on August 1st, featuring an expansion of the polar bear exhibit, new exhibits for Arctic wolves, reindeer, snowy owls and lesser snow geese, and providing interactive and cultural displays to enable the public to connect with the northern species and culture of the area;
- Continued promotion of the Great Barrier Reef exhibit opened in 2008 as part of the refurbished Australasia Pavilion;
- Completed renovations to the main gift shop to drive incremental sales revenue;
- Celebrated the Zoo’s 35th anniversary;
- Successfully reintroduced the critically endangered black footed ferret species back into the wild;
- Commenced detailed design of Phase II of the North Zoo Site Redevelopment Project;
- Initiated renovations to the south end of the African Rainforest Pavilion to improve the quality of exhibits and the visitor experience consistent with the pavilion’s north end;
- Established the Development Office to oversee all fundraising programs and activities of the Zoo upon dissolution of the Toronto Zoo Foundation; and
- Worked with fundraising consultant to prepare for a major campaign to raise funds for capital projects, exhibit improvements and conservation and education programs.

Table 2: 2009 Budget Variance Review (\$000s)

(In \$000s)	2008 Actuals	2009 Approved Budget	2009 Projected Actuals*	2009 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	%
GROSS EXP.	40,064.8	44,242.7	44,242.7	0.0	0.0
REVENUES	29,108.7	32,566.2	32,719.2	153.0	0.5
NET EXP.	10,956.1	11,676.5	11,523.5	(153.0)	(1.3)
Approved Positions	359.3	380.5	380.5	0.0	0.0

*Projected Actuals Based on the September 30, 2009 Variance Report

2009 Budget Variance Analysis

- For 2009, Toronto Zoo projects year-end net expenditures of \$11.524 million, which are \$0.153 million or 1.3 % below the 2009 Approved Operating Budget of \$11.677 million net. This favourable variance is primarily the result of a 10.9% increase in attendance resulting in \$0.650 million increased revenue and a 12.4% reduction in utility costs resulting in \$0.220 million savings. The savings are offset by \$0.717 million of additional costs to support the higher attendance.

Impact of 2009 Operating Variance on the 2010 Recommended Budget

- Resulting from its 2009 experience, the Toronto Zoo has identified a reduction of \$0.163 million in utility costs in 2010 arising from successful energy conservation initiatives.

PART IV: 2010 RECOMMENDED BASE BUDGET

Table 3: 2010 Recommended Base Budget (\$000s)

	2009 Appvd. Budget	2010 Recommended Base	Change 2010 Recommended Base v. 2009 Appvd. Budget		FY Incremental Outlook	
					2011	2012
(In \$000s)	\$	\$	\$	%	\$	\$
GROSS EXP.	44,242.7	44,764.8	522.1	1.2	0.0	0.0
REVENUE	32,566.2	33,758.2	1,192.0	3.7	0.0	0.0
NET EXP.	11,676.5	11,006.6	(669.9)	(5.7)	0.0	0.0
Approved Positions	380.5	380.5	0.0	0.0	0.0	0.0

TARGET COMPARISON	2010 Target	2010 Rec. Budget	2010 Rec. Budget vs. 2010 Target	2011 Target
NET BUDGET	11,270.1	11,006.6	(263.5)	10,686.3
PROGRAM REDUCTION (\$)	(583.8)	(731.9)	(148.1)	(583.8)
PROGRAM REDUCTION (%)	(5.0)	(6.3)	(1.3)	(5.0)

Table 3a: Program Reduction Requirements (\$000s)

(In \$000s)	2010 Required Reductions	2011 Required Reductions
2009 Approved Budget (September 30)	11,676.5	
Pressures Reported with 2010 Outlook	177.4	0.0
Pressures Not Reported with 2010/2011 Outlook		
5% Reduction Target	(583.8)	(583.8)
Additional Pressures not in 2010 Reported Outlook		TBD
Program Reduction Target	(583.8)	(583.8)
Net Budget Target	11,270.1	10,686.3

2010 Recommended Base Budget

The 2010 Recommended Base Budget of \$11.007 million net represents a decrease of \$0.669 million or 5.7% below the Toronto Zoo's 2009 Approved Operating Budget of \$11.677 million. The 2010 Recommended Base Budget includes savings \$0.732 million arising from recommended revenue changes, summarized below. As a result the Toronto Zoo surpassed the 5% reduction target by \$0.148 million.

Approval of the 2010 Recommended Base Budget will have no impact on approved positions. The approved complement for the Toronto Zoo will be maintained at 380.5 positions.

2010 Base Budget Key Cost Drivers

The 2010 Recommended Base Budget provides funding for the following key cost drivers:

- Increases to salaries and benefits of \$0.357 million are required for the 1st quarter of 2010 for COLA and benefits according to Collective Agreements which expire in March 2010.
- The Stingray and Shark Exhibit is projecting a revenue decrease of \$0.197 million, resulting in \$0.201 million net increase as a result of extending the exhibit one more year, beyond the two years “life” originally anticipated in 2008. The net revenue is reduced from \$0.548 million in 2009 to \$0.347 million in 2010.

These pressures have been partially offset by the following savings included in the 2010 Recommended Base Budget:

- \$0.163 million savings for reduced natural gas costs;
- Attendance is projected to increase by 3%, from 1.265 million to a 2010 planned level of 1.3 million per year. The 2010 planned attendance will result in a 1.9% or \$0.238 million increase in net revenue from admissions.

2010 Service Changes

Toronto Zoo’s 2010 Recommended Base Budget includes revenue increases of \$0.732 million representing 6.3% of the 2009 Approved Budget with no incremental revenue in 2011. The recommended revenue increases are summarized below:

Revenue Changes

- An increase of \$0.611 million from parking fees resulting from a \$2 rate increase from \$8 to \$10.
- An increase of \$0.120 million from the new Endangered Species Carousel Ride, replacing an outdated ride.

Please refer to Part V for a discussion regarding the 2010 Recommended Base Budget Service Changes.

2011 and 2012 Outlook: Net Incremental Impact

- Approval of the 2010 Recommended Base Budget for Toronto Zoo will have no incremental impact on 2011 and 2012. Collective Agreements expire in March 2010 and negotiations are not yet concluded.

- The Toronto Zoo has met \$0.148 million of the Zoo's 2011 reduction target of \$0.584 million in the 2010 Recommended Operating Budget. Toronto Zoo has developed viable options to achieve the balance of the 2011 Base Budget Target Reduction and are working on the implementation plan for these options. The options will be further reviewed over the course of the year and presented for consideration during the 2011 Operating Budget process.

PART V: 2010 RECOMMENDED SERVICE CHANGES

Table 4: 2010 Recommended Service Change Summary
(In \$000s)

Description	2010 Recommended Service Changes				Net Incremental Impact	
	Position Change	Gross Exp.	Net Exp.	% Change over 2009 Budget	2011	
	#	\$	\$	#	\$	# Pos
Base Change Summary					0.0	0.0
Service Efficiencies:						
Revenue Changes:						
Parking Fee Increases			(611.9)	-5.2%		
Endangered Species Carousel Ride (Replacement)		50.0	(120.0)	-1.0%		
Minor Service Level Changes:						
Major Service Level Changes:						
Sub-Total Service Changes	0.0	50.0	(731.9)	-6.3%	0.0	0.0
Total Changes	0.0	50.0	(731.9)	-6.3%	0.0	0.0

2010 Recommended Service Changes

The budgetary impact of implementing the following service changes are included in the 2010 Recommended Base Budget, with savings of \$0.732 million in 2010 and no incremental impacts of in 2011. Approval of the recommended service changes will result in no change in the number of approved positions, maintaining the Program's complement at 380.5 positions.

Service Changes

Revenue Changes

The 2010 Recommended Operating Budget for Toronto Zoo includes savings of \$0.732 million from the following 2 recommended revenue increases:

Parking Fee Increases

Parking revenues will increase by \$0.611 million as a the result of a \$2 increase in daily parking fees from \$8 to \$10 and a \$5 increase in seasonal parking fees from \$45 to \$50. Paving and line painting of Lot #2, included in the 2010 Recommended Capital Budget, will increase its capacity by 50% and

eliminate special parking permits required to park on Meadowvale road when all available parking on site is full.

Endangered Species Carousel Ride (Replacement)

Ride revenue will increase by \$0.120 million as a result of installing a new Endangered Species Carousal Ride which is replacing the outdated Simulator Ride. The \$0.050 million increase in expenditure to operate the ride will be more than offset by the \$0.170 million increase in revenue, resulting in a \$0.120 million net reduction to the 2010 Operating Budget.

PART VI: RECOMMENDED NEW/ENHANCED SERVICE PRIORITY ACTIONS

Table 5: 2010 New / Enhanced Service Priority Actions: Summary

(In \$000s)

Description	2010 Recommended			Net Incremental Impact			
	Gross Exp.	Net Exp.	New Positions	2011		2012	
	\$	\$	#	\$	# Pos	\$	# Pos
Enhanced Services:							
(a) Enhanced Services - Council Approved							
(b) Enhanced Services - Program Initiated							
Expansion of Animal Outreach Program	113.8	(6.2)	2.0	(20.0)			
Curator –Fishes (Grant Funded)	30.0	0.0	1.0		(1.0)		
Sub-Total Enhanced Services	143.8	(6.2)	3.0	(20.0)	(1.0)	0.0	0.0
New Services:							
(a) New Services - Council Approved							
(b) New Services - Program Initiated							
Coordinator, Education for Sustainable Development Program	31.8	0.0	1.0				
Sub-Total New Services	31.8	0.0	1.0	0.0	0.0	0.0	0.0
Total Enhanced/New Services	175.6	(6.2)	4.0	(20.0)	(1.0)	0.0	0.0

2009 Recommended New / Enhanced Service Priority Actions

The 2010 Recommended Operating Budget includes 3 New/Enhanced Service Priority actions for \$0.176 million gross and produce net revenue of \$0.006 million and 4 additional positions. The 2011 annualized cost increase will be \$0.050 million for salary and an increase of \$0.070 million revenue resulting in a net revenue increase of \$0.020 million.

Enhanced Service Priority Actions–Program Initiated

- *Expansion of Animal Outreach Program*

Toronto Zoo will create a revenue supported unit to expand the Outreach and Discovery program to service the external community. Start up costs include \$0.100 million in salaries and benefits for 2 additional outreach animal keepers and \$0.014 million for additional small animals and dedicated equipment for handling animals “off-site”.

The expansion of the Outreach program will increase the revenue base by \$0.120 million in 2010 resulting in net revenue of \$0.006 million in 2010. The Zoo currently carries out off-site events with staff from the Animal Care branch. Most off-site visits are between May and October (the Zoo's busy season). As a result, offsite outreach often results in overtime costs, as there are not enough dedicated staff to do both the Animal Care and Outreach.

The 2010 Recommended Operating Budget provides \$0.114 million gross, \$0.006 net revenue for two permanent positions. The 2011 annualized cost increase will be \$0.050 million for salary and an increase of \$0.070 million revenue resulting in a net revenue increase of \$0.020 million.

- *Curator –Fishes (Grant Funded)*

Toronto Zoo has received a provincial grant for \$0.030 million to fund one part-time position to deliver a Great Lakes Outreach program. This is a community program to increase awareness of the Great Lakes environment.

The 2010 Recommended Operating Budget provides \$0.030 million gross, \$0 net for one temporary position. This is a one-year grant and the position is for one year only. The 2011 outlook includes a reduction of 1 position for this one-time initiative.

New Service Priority Actions–Program Initiated

- *Coordinator, Education for Sustainable Development Program*

Toronto Zoo proposes to create a full-time Conservation, Education and Research Division Program Coordinator position to prepare and implement a full seminar offering at the Toronto Zoo. This initiative is the result of a successful pilot program titled “Eco-Executives” in 2009, implemented with grant funding. The objective of the program is to bring high level business executives in Ontario to the Zoo and provide them with the inspiration and tools to reduce greenhouse gas emissions and energy and water use at their businesses. In 2009, six workshops were held each with 12 participants at a fee of \$600 per participant. The projected revenue of \$0.032 million in 2010 will offset the cost.

The 2010 Recommended Operating Budget provides \$0.032 million gross, \$0 net for one permanent position. The 2011 annualized cost will include an increase of \$0.032 million for annualized salary and revenue resulting in \$0 net.

PART VII: ISSUES FOR DISCUSSION

2010 Budget Issues

Fundraising after the Dissolution of the Toronto Zoo Foundation

The Toronto Zoo ended its relationship with the Toronto Zoo Foundation on May 29, 2009. During 2009, 5.7 positions and \$1.005 million gross and \$0 net, were transferred from the Foundation to the Toronto Zoo and added to the Development Office. By agreement with the Board of Management, the Foundation's financial assets of approximately \$6.0 million were deposited with the Toronto Community Foundation. The Toronto Community Foundation performs a financial stewardship role, which includes managing the investments and ensuring that the funds are disbursed to the Zoo consistent with donor intent. The Zoo is permitted to draw down these funds, in accordance with the terms of the Trust Agreement with the Toronto Zoo Foundation, the Toronto Community Foundation and the Board of Management.

Although an allocation for fundraising expenses and revenues was included in the Zoo's 2009 budget submission, it was removed during the administrative budget review process. As a result, the Zoo's approved 2009 Operating Budget included no provision for fundraising expenses or revenues. Consequently, at its meeting of February 10, 2009, the Budget Committee requested that the Toronto Zoo report back on the Fundraising Campaign strategy, including the timetable and impact on both the Operating and Capital budgets. The Toronto Zoo provided a 2010 Capital Budget Briefing Note: "**Fundraising Strategy**" to the Budget Committee on November 16, 2009, outlining the following 5-Year Plan:

The 5-Year Operating Plan *

Toronto Zoo Fundraising Operations

	2009	2010	2011	2012	2013
Revenue					
Development Office	800.0	1,246.0	1,264.7	1,283.6	1,302.9
Capital Campaign	0.0	731.0	1,711.0	3,353.0	10,431.0
Total Revenue	800.0	1,977.0	2,975.7	4,636.7	11,733.9
Expenditures					
Development Office	(780.0)	(787.8)	(795.7)	(803.6)	(811.7)
Capital Campaign	(225.0)	(631.0)	(800.0)	(825.0)	(850.0)
Total Expenditure	(1,005.0)	(1,418.8)	(1,595.7)	(1,628.6)	(1,661.7)
Net Revenue					
Development Office	20.0	458.2	469.0	480.0	491.2
Capital Campaign	(225.0)	100.0	911.0	2,528.0	9,581.0
Total Net Revenue	(205.0)	558.2	1,380.0	3,008.0	10,072.2
Conservation, Education & Research Program Contribution (TCF)	525.0	572.8	831.0	845.0	858.8
Distribution to Restricted & Unrestricted Program Funds	(320.0)	(1,131.0)	(2,211.0)	(3,853.0)	(10,931.0)
Net Expenditures	0.0	0.0	0.0	0.0	0.0

* Information derived from the "Funding Strategy" briefing note

Business Development Unit

The 2009 Recommended Operating Budget provided \$0.282 million gross and one additional position, producing \$0.219 million net revenue to establish the Business Development Unit. The Business Unit grew revenues through Corporate Sponsorships helping to fund operating priorities for 2009 and future years. The Business Development Unit operates within Marketing & Communications Division and is designed to enhance the service provided by the Marketing area.

Business Development Office

The Toronto Zoo established the Development Office in 2009 following the dissolution of the Toronto Zoo Foundation and the appropriate staff and other resources have been integrated to assume the fundraising programs from the Foundation. 5.7 positions and \$1.005 million gross and \$0 net, were transferred from the Foundation to the Toronto Zoo and added to the Development Office.

Capital Campaign

Early in 2006, Ketchum Canada Inc. (KCI) was retained to assist the Zoo in evaluating the Zoo's potential to secure increased funding to support future capital needs. In July 2006, DVA Navion was engaged to undertake a feasibility study for a major capital campaign. Many organizations embarking on a capital campaign engage fundraising counsel to lead the campaign. The Toronto Zoo will finalize and implement the Capital Campaign in 2010 to raise \$250 million (including fundraising costs) over the next ten years. The 2010 Recommended Operating Budget includes \$0.407 million gross and \$0 net for the anticipated costs of the 2010 Capital Campaign.

2011 and Future Year Issues**2011 Reduction Targets**

Toronto Zoo has presented reduction options for 2011 to achieve the Program's 2011 reduction target of \$0.584 million or 5% of the 2009 Approved Budget. The 2010 Recommended Operating Budget includes \$0.148 million in Program reductions above the Toronto Zoo 2010 Budget reduction target. These options will be further reviewed over the course of the year and presented for consideration to achieve the reduction target balance of \$0.436 million during the 2011 Operating Budget process.

Appendix A

2010 Recommended Base Budget Changes vs. 2009 Approved Budget

(In \$000s)	Summary of 2010 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2011	2012
		\$	\$	\$	\$	\$
2009 Council Approved Operating Budget	374.8	43,228.0	31,560.9	11,667.1	0.0	0.0
Technical Adjustments	5.7	1,005.3	1,005.3	0.0		
In-Year Budget Adjustments (Insurance)		9.4		9.4		
2009 Approved Operating Budget	380.5	44,242.7	32,566.2	11,676.5	0.0	0.0
Prior Year Impacts:						
Annualizations from Prior Year						
Reversals from Prior Year		(90.0)	0.0	(90.0)		
Economic Increases:						
Salary		357.4		357.4		
Adjusted Base Budget	380.5	44,510.1	32,566.2	11,943.9	0.0	0.0
Base Expenditure Changes		200.3	369.2	(168.9)		
Base Revenue Changes		4.4	40.9	(36.5)		
2010 Base Budget Prior to Service Changes	380.5	44,714.8	32,976.3	11,738.5	0.0	0.0
Recommended Service Changes:						
Service Efficiencies						
Revenue Changes		50.0	781.9	(731.9)		
Minor Service Level Changes						
Major Service Level Changes						
Total Recommended Base Changes	0.0	50.0	781.9	(731.9)	0.0	0.0
2010 Recommended Base Budget	380.5	44,764.8	33,758.2	11,006.6	0.0	0.0

Appendix B
Summary of Service Changes

Appendix C

Summary of 2010 Recommended New/Enhanced Service Priority Actions

Appendix D

Program Summary by Expenditure Category

CLUSTER: AGENCIES, BOARDS AND COMMISSIONS PROGRAM: Toronto Zoo							
	2009 Approved Budget	2009 Projected Actuals	2010 Recommended Budget	Change from 2009 Approved Budget		2011 Outlook	2012 Outlook
	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	24,372.2	24,276.8	24,891.4	519.2	2.1%	24,973.1	24,973.1
Materials and Supplies	8,150.7	7,414.6	8,066.5	(84.2)	(1.0%)	8,066.5	8,066.5
Equipment	537.7	537.7	487.7	(50.0)	(9.3%)	487.7	487.7
Services & Rents	10,438.7	10,752.4	10,705.7	267.0	2.6%	10,705.7	10,705.7
Contributions to Capital					n/a		
Contributions to Reserve/Res Funds	743.4	743.4	743.4		0.0%	743.4	743.4
Other Expenditures			45.7	45.7	n/a	45.7	45.7
Interdivisional Charges					n/a		
TOTAL GROSS EXPENDITURES	44,242.7	43,724.9	44,940.4	697.7	1.6%	45,022.1	45,022.1
Interdivisional Recoveries					n/a		
Provincial Subsidies					n/a		
Federal Subsidies					n/a		
Other Subsidies	977.8	977.7	1,039.6	61.8	6.3%	1,141.3	1,141.3
User Fees & Donations	30,226.2	31,097.2	31,049.0	822.8	2.7%	31,049.0	31,049.0
Transfers from Capital Fund	136.0	136.0	136.0		0.0%	136.0	136.0
Contribution from Reserve Funds					n/a		
Contribution from Reserve					n/a		
Other Revenues	1,226.2	220.9	1,715.4	489.2	39.9%	1,715.4	1,715.4
TOTAL REVENUE	32,566.2	32,210.9	33,940.0	1,373.8	4.2%	34,041.7	34,041.7
TOTAL NET EXPENDITURES	11,676.5	11,514.0	11,000.4	(676.1)	(5.8%)	10,980.4	10,980.4
APPROVED POSITIONS	380.5	380.5	384.5	4.0	1.1%	384.5	384.5

Appendix E

Inflows / Outflows to / from Reserves & Reserve Funds

Program Specific Reserve/Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	2010*	2011	2012
			\$	\$	\$
Endangered Species Reserve	XQ3006	Beginning Balance	761.4	761.4	0.0
		Proposed			
		Withdrawals (-) / Contributions (+)	(100.0) 100.0		
		Total Proposed Contributions (Withdrawals)	0.0	0.0	0.0
(XQ3006) BALANCE AT YEAR END			761.4	0.0	0.0

Animal Transaction Reserve	XR1029	Beginning Balance	406.3	406.3	0.0
		Proposed			
		Withdrawals (-) / Contributions (+)	(36.0) 36.0		
		Total Proposed Contributions (Withdrawals)	0.0	0.0	0.0
(XR1029) BALANCE AT YEAR END			406.3	0.0	0.0

*Balance as of December 2009

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Balance as of December 2009	Proposed Withdrawals (-) /		
			2010	2011	2012
		\$	\$	\$	\$
Vehicle and Equipment Replacement	XQ1703	7.1	333.0		
Sick Pay Reserve	XR1007	45,560.0	(86.3)		
			86.3		
Insurance	XR1010	37,580.0	188.1		
Total Reserve / Reserve Fund Draws / Contributions			521.1	0.0	0.0