



## STAFF REPORT

To: Management Committee

From: Robin D. Hale  
Chief Operating Officer

Subject: **2012 OPERATING PLAN AND BUDGET**

Date: 2011-09-28

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### **Summary:**

This report provides an outline and description of the 2012 Operating Plan and Budget for consideration by the Management Committee.

### **Recommendation:**

**It is recommended that the Requested Base 2012 Operating Budget, as attached, be recommended for approval by the Board.**

### **Financial Impact:**

Approval of the "Requested Base" 2012 Operating Plan and Budget will require net expenditure funding from the City of Toronto in the amount of \$11,108.2 thousand, consisting of gross expenditures of \$45,134.1 thousand and revenues and recoveries in the amount of \$34,026.0 thousand.

### **Background:**

The 2012 Operating Plan and Budget submission, attached for your review, has been prepared in accordance with the budget guidelines of the Financial Planning Division of the City of Toronto including annualization of prior year programs, prescribed inflationary increases, less non-recurring items, as applicable.

### **Comments/Discussion:**

The directives for the 2012 budget process issued by the City Manager outlined a requirement to achieve an operating budget reduction target of 10.0% from the 2011 Net Operating Budget. The detailed review conducted by management of the Toronto Zoo in preparing the 2012 submission has resulted in 2012 Requested Base Net Operating Expenditures of \$11,108.2 thousand after salary and wage adjustments for contractual obligations, meeting the target established by the City.

Gross Program expenditures of \$45,134.1 thousand have decreased by \$1,269.6 thousand or 2.7% due to decreases to other base changes in the business resulting from management's review. This more than offsets the annualization of salary and wage increases from 2011, annualization of positions in the 2011 Council approved budget and other contractual increases.

The 2012 operating budget reflects an attendance level of 1,300,000, taking the 5 year attendance trend into consideration. The new Penguin exhibit opened in 2011 and is expected to continue to stimulate visitor interest in 2012. As outlined in the budget guidelines, user fees have been reviewed and will be adjusted in 2012. As a result, a "peak" / "non-peak" pricing methodology is proposed for General, Senior and Child fees as a means of encouraging increased visitation in the shoulder seasons. It is also proposed that Membership fees be adjusted along with camp programs, and stroller and wagon rentals. Based on price comparisons with competitors, fees for parking, rides and school groups are unchanged for 2012.

Program revenues of \$34,026.0 thousand for the Requested Base Budget have decreased by 2.3% as a result of the projected attendance for 2012 and the corresponding impact on related revenue sources. As previously mentioned, user fees have been reviewed and a "peak" / "non-peak" pricing methodology is proposed for General, Senior and Child fees for 2012. A review of the membership fee structure has also been undertaken and membership fees will be adjusted to reflect overall pricing mix strategies.

The 2012 Operating Budget has been submitted to the Financial Planning Division of the City of Toronto prior to the prescribed deadline. Any suggested amendments by the Management Committee and Board will be communicated to the City.

Although the operating budget submission of the Toronto Zoo for 2012 reflects significant reduction adjustments, it is anticipated that approval by the Board will assist in the continued implementation of strategic initiatives in pursuit of the goal of attaining the Zoo Vision and strategic initiatives as approved by the Board's 5 year strategic plan.

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R. D. Hale  
Chief Operating Officer

**List of Attachments:**

2012 Operating Plan and Budget