Agenda - Executive Policy Committee - February 15, 2006

Report - Standing Policy Committee on Protection and Community Services - February 7, 2006

Item No. 3 Increase of Zoo Admission Fees
File PR-7.1.1

STANDING COMMITTEE RECOMMENDATION:

On February 7, 2006, the Standing Policy Committee on Protection and Community Services concurred in the administrative recommendation and submits the following to Council:

1. That a 7% increase to Zoo admission fees effective March 1, 2006, be approved.

High season (March 1 to October 31)

	Adult	Senior	Youth	Child	Family
2005 fee with 7% GST Included	$4.25	$4.00	$2.75	$2.25	$15.00
Proposed 2006 fee without GST included	$4.25	$4.00	$2.75	$2.25	$15.00
GST on 2006 fees	$.30	$.28	$.19	$.16	$1.05
Proposed Total 2006 fee with GST	$4.55	$4.28	$2.94	$2.41	$16.05

Low season (November 1 to February 28)

	Adult	Senior	Youth	Child	Family
2005 fees with 7% GST included	$3.75	$3.50	$2.25	$1.75	$12.00
Proposed 2006 fee without GST included	$3.75	$3.50	$2.25	$1.75	$12.00
GST on 2006 fees	$.26	$.25	$.16	$.12	$.84
Proposed Total 2006 fee with GST	$4.01	$3.75	$2.41	$1.87	$12.84

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Agenda - Executive Policy Committee - February 15, 2006

Report - Standing Policy Committee on Protection and Community Services - February 7, 2006

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On February 7, 2006, the Standing Policy Committee on Protection and Community Services concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

RE: Increase of Zoo Admission Fees

FOR SUBMISSION TO: Standing Policy Committee on Protection and Community Services

ORIGINAL REPORT SIGNED BY: Ursula Stelman, Director
Community Services Department

REPORT DATE: February 2, 2006

RECOMMENDATION(S):

1. That Council approve a 7% increase to Zoo admission fees effective March 1, 2006.

High season (March 1 to October 31)

	Adult	Senior	Youth	Child	Family
2005 fee with 7% GST Included	$4.25	$4.00	$2.75	$2.25	$15.00
Proposed 2006 fee without GST included	$4.25	$4.00	$2.75	$2.25	$15.00
GST on 2006 fees	$.30	$.28	$.19	$.16	$1.05
Proposed Total 2006 fee with GST	$4.55	$4.28	$2.94	$2.41	$16.05

Low season (November 1 to February 28)

	Adult	Senior	Youth	Child	Family
2005 fees with 7% GST included	$3.75	$3.50	$2.25	$1.75	$12.00
Proposed 2006 fee without GST included	$3.75	$3.50	$2.25	$1.75	$12.00
GST on 2006 fees	$.26	$.25	$.16	$.12	$.84
Proposed Total 2006 fee with GST	$4.01	$3.75	$2.41	$1.87	$12.84

2. That the proper officers of the City be authorized to do all things necessary to implement the foregoing.

REPORT SUMMARY:

Key Issues:

- The 7% federal Goods and Services Tax is presently included in Zoo admission fees. This proposal recommends increasing zoo admission prices by that percentage. GST will be removed as a tax included in the admission price and added as an exposed tax effective March 1, 2006.

- With the proposed admission fee increases, the Assiniboine Park Zoo will remain under priced in comparison to other zoos across Canada, and under priced in relation to comparative attractions in Winnipeg such as the Fort Whyte Nature Centre and the Manitoba Children's Museum.

- Past admission fee increases have not had a detrimental affect upon zoo attendance. Increased admission revenues have allowed the Zoo to develop and display new attractions including displays of white tigers and lions. These special animal exhibits and associated Zoo programs and promotions have resulted in a 20% increase in Zoo attendance over 2003 figures. In 2006, the Zoo will be expanding animal interpretive programs and guided tours, all designed to make the Zoo a more fun, informative family attraction.

- The proposed admission fee increases constitute a critical component in the strategy to reach Zoo revenue targets in the 2006 - 2008 current estimates. Admission fee revenues in excess of targets will allow the Zoo to continue to develop and present fresh new attractions.

- The Zoo is not planning to increase admission fees for 2007 and 2008.

- Admission fee waivers are available to individuals and groups unable to afford entrance to the Assiniboine Park Zoo. On Canada Day, July 1, 2004 and 2005, close to 40,000 people visited the Zoo free of charge.

Implications of the Recommendation(s):

General implications:

¨ **None**

¨ **For the organization overall &/or for other departments**

X **For the community and/or organizations external to the City**

¨ **Involves a multi-year contract**

Comment(s):

Adoption of this recommendation will result in higher admission fees to the Assiniboine Park Zoo.

Policy implications:
X **No**
Yes
Comment(s):

``

Environmental implications:
X **No**
ً **Yes** **Comment(s):**

Human Resources implications:
X **No**
ً **Yes** **Comment(s):**

Financial implications:
X **Within approved current and/or capital budget**
ً **Current and/or capital budget adjustment required**
Comment(s):
Increases in Zoo admission fees are reflected in the proposed 2006-2008 budget estimates**.**

REASON FOR THE REPORT:

Council approval is required to increase Zoo Admission Fees greater than cost-of-living increases.

HISTORY:

On May 26, 1993, Council amended the Parks and Recreation By-law to charge admission fees for Assiniboine Park Zoo. Before May 26, 1993, admission to Assiniboine Park Zoo was free.

Admission fees were increased 3 times since 1993, reflecting inflation as well as a move to place Zoo admission fees closer to those charged by comparative attractions in Winnipeg, and other Canadian zoos. The change in admission fees from 1993 to present is shown below.

High season (March 1 to October 31)

	Adult	Senior	Youth	Child	Family
1993 fees	$3.00	$2.75	$1.50	$1.00	$7.50
2005 fees	$4.25	$4.00	$2.75	$2.25	$15.00

Low season (November 1 to February 28)

	Adult	Senior	Youth	Child	Family
1993 fees	$1.00	$1.00	$1.00	$1.00	$7.50
2005 fees	$3.75	$3.50	$2.25	$1.75	$12.00

DISCUSSION:

Existing and proposed Zoo admission fees remain significantly under-priced in comparison to other Canadian zoos and to comparative local attractions. As well, most zoos in Canada have increased their admission fees over the past year. Half the attractions (below) that Assiniboine Park Zoo uses for comparative purposes add GST to their admission prices. Half include GST.

ATTRACTION	GST included in price?	Adult Fee	% increase past year	Child Fee	% increase past year
Toronto Zoo	yes	$19.00	5%	$11.00	10%
Edmonton Valley Zoo	yes	$7.50	20%	$4.00	7%
Calgary Zoo	no	$15.00	15%	$7.50	15%
Bowmanville Zoo (Ontario)	no	$13.00	0%	$7.50	0%
African Lion Safari (Ontario)	no	$24.95	8%	$19.95	7%
Saskatoon Zoo	yes	$6.00	33%	$3.75	26%
Vancouver Aquarium	yes	$17.95	10%	$9.95	11%
Kamloops Wildlife Park	no	$9.00	.5%	$6.00	.8%
Fort Whyte Nature Centre	yes	$5.00	0%	$3.00	0%
Manitoba Children's Museum	no	$5.50	0%	$6.00	0%
Assiniboine Park Zoo (Current)	yes	$4.25		$2.25	
Assiniboine Park Zoo (Proposed)	no	$4.25	7%	$2.25	7%

Increasing Zoo admission fees by a maximum of thirty cents for an adult admission is not expected to have an adverse affect upon attendance. Attendance at Assiniboine Park Zoo declined from 1993 until 2004 when special animal encounter programs were introduced. Despite small admission fee increases, attendance levels in 2005 surpassed those reached in 2004, which in turn had increased by approximately twenty percent over 2003.

Visitors to the Assiniboine Park Zoo deserve value for the price of their admission. Creating value means creating new Zoo products. The Zoo's product development strategy has included a number of special events and programs throughout the year with an emphasis on one major special event each summer. These major special events have included, or could include in future, visits to the zoo of animals outside the permanent collection such as white tigers, lions or elephants. In 2005, the Zoo experimented very successfully with interpretive tours and talks using our reindeer, camels, lesser anteater and a number of other Zoo animals. This entertaining and informative program will be expanded in 2006.

Combined with product development, the Zoo has embarked upon a marketing and promotional strategy in conjunction with the Zoological Society of Manitoba. Radio, television and website promotions, newspaper ads, billboards, bus boards and articles in community newspapers have been planned and designed to promote and deliver key messages to promote the Assiniboine Park Zoo. As new programs, events, and products are ready for display, they will be advertised and promoted to alert and attract visitors to the Zoo.

Financing new Zoo products, marketing and promotions will be achieved with funds from the Assiniboine Park Enterprise Reserve and Assiniboine Park Zoo general operating funds. Admission fee revenues that exceed budgeted revenue targets will be used to finance additional Zoo promotions and program development.

The proposed Zoo admission fee increases are a key component of reaching the 2006 – 2008 current estimates revenue targets for the Zoo. Based on a most probable visitor attendance forecast and the proposed fee schedule, the Zoo expects to meet revenue targets of $935,231 in 2006, 2007, and 2008. Without the admission fee increase, revenue targets contained in the Departmental 2006 – 2008 Business Plan would be underachieved by $61,171 in each of those years.

Within current budget estimates, Assiniboine Park Enterprise is not projecting or planning for a Zoo admission fee increase in 2007 and 2008.

Admission fee waivers are available to individuals and groups unable to pay for entrance to the Assiniboine Park Zoo. In each year of 2004 and 2005, approximately 2,400 visitors requested admission fee waivers. In addition, approximately 20,000 visitors attended the Zoo without charge on July 1st, 2004 and again for the Mayor's Family Day in 2005.

FINANCIAL IMPACT STATEMENT:

A Request for Approval (RFA) has been included in the Community Services 2006 - 2008 Business Plan submission. A budget adjustment is not required. However, if this increase is not approved, the revenue will not be achieved by approximately $61,171 per annum.

Financial Impact Statement

February 1, 2006

Project Name:

Increase of Zoo Admission Fees

First Year of Program **2006**

	2006	2007	2008	2009	2010
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
External	-	-	-	-	-
Grants (Identify)	-	-	-	-	-
Reserves, Equity, Surplus, Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	61,171	61,171	61,171	-	-
Net Cost/(Benefit)	$ (61,171)	$ (61,171)	$ (61,171)	$ -	$ -
Less: Existing Budget Amounts	(61,171)	(61,171)	(61,171)	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

A Request for Approval (RFA) has been included in the Community Services 2006 - 2008 Business Plan submission. A budget adjustment is not required. However, if this increase is not approved, the revenue will not be achieved by approximately $61,171 per annum.

"Original signed by"
C. Wightman, Manager
Finance & Administrative Services

6024

IN PREPARING THIS REPORT THERE WAS CONSULTATION WITH, AND CONCURRENCY BY:

The Zoological Society of Manitoba was consulted and is in support of the proposed admission fee increases.

THIS REPORT SUBMITTED BY:

Community Services Department
Assiniboine Park Enterprise, Chief Operating Officer

Prepared by: Doug Ross, Zoo Coordinator / Frank Caldwell, Manager, A.P.E.
File No.