Agenda - Council - December 6, 2006

Report - Standing Policy Committee on Protection and Community Services - November 20, 2006

Item No. 2 Zoological Society of Manitoba - Renewal of Agreements
File PR-7.1.1

STANDING COMMITTEE RECOMMENDATION:

On November 29, 2006, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Protection and Community Services and submits the following to Council:

1. That the three agreements for visitor services, between the City of Winnipeg and the Zoological Society of Manitoba, be renewed for a two-year term, expiring December 31, 2008.

2. That each of the following three agreements be renewed on the same terms and conditions as currently exist, namely:

   A. Operation of the Assiniboine Park Zootique gift shop
   B. Operation of concession food services in Assiniboine Park Zoo
   C. Sale of annual passes to the Assiniboine Park Zoo.

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

Report - Standing Policy Committee on Protection and Community Services - November 20, 2006

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On November 29, 2006, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Protection and Community Services and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On November 20, 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.

RE: Renewal of Agreements with Zoological Society of Manitoba

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

ORIGINAL REPORT SIGNED BY: Clive Wightman, Acting Director
Community Services Department

REPORT DATE: October 24, 2006

RECOMMENDATION:

1. That the three agreements for visitor services, between the City of Winnipeg and the Zoological Society of Manitoba, be renewed for a two-year term, expiring December 31, 2008.

2. That each of the three agreements: 1) operation of the Assiniboine Park Zootique gift shop; 2) operation of concession food services in Assiniboine Park Zoo; 3) sale of annual passes to the Assiniboine Park Zoo, be renewed on the same terms and conditions as currently exist.

Report Summary

Key Issues:

- The agreements between the City of Winnipeg and the Zoological Society of Manitoba for visitor services at the Assiniboine Park Zoo will expire on December 31, 2006.
- The Zoological Society of Manitoba, which began in 1956 as a support organization for the Zoo, has a long history of working with the City of Winnipeg to produce special visitor events, undertake capital improvement projects, and to assist in the marketing and promotion of the Assiniboine Park Zoo. Of the three contractual agreements recommended for renewal, one (gift shop) was initiated in 1988, and two in 1997.
- Assiniboine Park Enterprise and the Zoological Society of Manitoba agree that a renewal of agreements, for a two-year term on an “as is” basis, meets the requirements of both bodies.
- In July 2006, Council adopted in principle, a new governance model for Assiniboine Park. Assiniboine Park Enterprise and its key partner organizations, including the Zoological Society of Manitoba, are undertaking explorations to examine in detail, governance and alternative operating models in Assiniboine Park. These explorations will be completed before December 2008, and are expected to provide

guidance to future negotiations between the City of Winnipeg and the Zoological Society of Manitoba.

Implications of the Recommendation(s):

General Implications

( ) None

( ) For the organization overall and/or for other departments

(X) For the community and/or organizations external to the City

( ) Involves a multi-year contract

Comment(s):

Renewal for a two-year term of these agreements will authorize the Zoological Society to continue its visitor services operations at Assiniboine Park Zoo.

Policy Implications

(X) No

( ) Yes

Comment(s):

Regulatory Implications

(X) None

( ) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

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):

The City of Winnipeg's share of revenues from the sale of annual passes to the Zoo is included within existing budget projections. Revenues from gift shop and concession sales are deposited directly into the Assiniboine Park Enterprise Reserve.

Report

REASON FOR THE REPORT:

Authority for approval of the subject agreements is with Council.

HISTORY:

The Zoological Society of Manitoba has operated the Zootique Gift Shop under contract since 1988 with a portion of sales revenue accruing to the City of Winnipeg for deposit into the Assiniboine Park Enterprise Reserve (under Council authorization, the Zoo Purposes component of the APE Reserve is to be used to augment operating costs of the Zoo).

In 1997, Council approved two new, five-year agreements with the Zoological Society. One detailed terms wherein the Society would provide concession food services at the Assiniboine Park Zoo with an annual return to the City of Winnipeg (deposited into Assiniboine Park Enterprise Reserve). The second, "One Pass" agreement authorized

the Zoological Society to include free admission to the Assiniboine Park Zoo, in their Zoological Society memberships. The City of Winnipeg receives a share of these revenues, which are included in operating budgets.
In 2002, with Council approval, all three agreements were amended and renewed for a three-year term expiring December 31, 2004. In 2005, Council approved renewal of the three agreements for a two-year term ending December 31, 2006.

The Zoological Society of Manitoba was started in 1956 as a support organization to the Assiniboine Park Zoo. Over the intervening decades, the Zoological Society has partnered with the City of Winnipeg on special projects including the Pandas in Person Project, development of the Winnipeg Down Under exhibits and Kinsmen Discovery Centre. The Zoological Society has been the Zoo's key partner in joint development of special Zoo events and attractions, marketing and promotion of the Zoo, and visitor services that enhance the enjoyment and education of all Zoo visitors.

DISCUSSION:

Under agreements expiring December 31, 2006, the Zoological Society of Manitoba is responsible for most visitor services at the Assiniboine Park Zoo. The Society operates the gift shop and food services at the Zoo, with 10% of gross sales revenues remitted to the City of Winnipeg for deposit into the Assiniboine Park Enterprise Reserve. The Society also sells Zoological Society memberships that entitle members to unlimited Zoo admission. One-third of gross sales revenue from these annual passes ($65.00 plus GST for a family) is remitted to the City of Winnipeg. These funds are included in existing and projected Zoo admission revenues, offsetting Zoo operating expenses. Revenues for 2005 and the first eight months of 2006 are shown in the chart below. Projected 2006 revenue from Annual Pass sales is $23,000.

Food Services	Gift Shop	Annual Passes
2005 $46,372	2005 $26,172	2005 $23,548
2006* $32,137	2006* $20,164	2006* $20,410

* as of August 31, 2006

Assiniboine Park Enterprise and the Zoological Society of Manitoba concur that all three of the existing agreements should be renewed under the same terms and conditions as expressed in the existing agreements for a two-year term ending December 31, 2008.

Within the time frame of the recommended agreements term, Assiniboine Park Enterprise and its key partner organizations, including the Zoological Society of Manitoba, will study in detail, implications and operations of a new governance model for Assiniboine Park (adopted in principle by Council in July 2006) as well as continue to analyze and test the feasibility of the Assiniboine Park Framework Plan, which includes a development plan for the Assiniboine Park Zoo. These explorations will be completed before December 2008 and are expected to provide information and guidance to

anticipated future negotiations between the City of Winnipeg and the Zoological Society of Manitoba for contracts beyond December 31, 2008.

Financial Impact Statement

Date: October 24, 2006

Project Name:

First Year of Program 2007

Renewal of Agreements with Zoological Society of Manitoba

	2007	2008	2009	2010	2011
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:Revenue/Recovery	(23,000)	(23,000)	-	-	-
Net Cost/(Benefit)	$ 23,000	$ 23,000	$ -	$ -	$ -
Less: Existing Budget Amounts	23,000	23,000	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

The City of Winnipeg's share of revenues from the sale of annual passes to the Zoo is included within existing budget projections. Revenues from gift shop and concession sales are deposited directly into the Assiniboine Park Enterprise Reserve.

Cindy Fernandes, B. Com (Hon),CMA
Acting Manager
Finance & Administrative Services

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

- Legal Services

External Consultation With:

- The Zoological Society of Manitoba is in agreement with the proposal to renew their three agreements with the City of Winnipeg, under the same terms and conditions as currently exist, for a two-year term expiring December 31, 2008.

THIS REPORT SUBMITTED BY:

Department: Community Services
Division: Assiniboine Park Enterprise, Chief Operating Officer
Prepared by: Frank Caldwell, Manager, Assiniboine Park Enterprise
File No.