Agenda - Executive Policy Committee - December 10, 2008

Report - Standing Policy Committee on Protection and Community Services - December 1, 2008

Item No. 1 Renewal of Agreements with Zoological Society of Manitoba
eFile PR-7.1.1

STANDING COMMITTEE RECOMMENDATION:

On December 1, 2008, the Standing Policy Committee on Protection and Community Services concurred in the recommendation of the Winnipeg Public Service 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 two-year terms, expiring December 31, 2010.

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; and 3) sale of annual passes to the Assiniboine Park Zoo, be renewed on the same terms and conditions as currently exist, include a renewal clause for an additional two-year extension by mutual consent, and also include assignment and cancellation clauses related to the integration of Assiniboine Park operations under the Assiniboine Park Conservancy, Inc.

3. 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 - December 10, 2008

Report - Standing Policy Committee on Protection and Community Services - December 1, 2008

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On December 1, 2008, the Standing Policy Committee on Protection and Community Services concurred in the recommendation of the Winnipeg Public Service 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, Director Community Services Department
REPORT DATE:	November 26, 2008

RECOMMENDATION(S):

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, 2010.

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; and 3) sale of annual passes to the Assiniboine Park Zoo, be renewed on the same terms and conditions as currently exist, include a renewal clause for an additional two-year extension by mutual consent, and also include assignment and cancellation clauses related to the integration of Assiniboine Park operations under the Assiniboine Park Conservancy, Inc.

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, 2008.

- A renewal of agreements for a two-year term on an “as is” basis, with an option for extension of the agreements for an additional two years by mutual consent will secure provision of services to Zoo visitors while allowing sufficient time for integration of Assiniboine Park operations under one authority.

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

(X) Involves a multi-year contract

Comment(s):

Renewal 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 ($34,500) from the sale of annual passes to the Zoo is included within existing budget projections. Revenues from gift shop ($26,000) and concession sales ($43,000) 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. Agreements were renewed by Council on two subsequent occasions, most recently on December 6, 2006 for the term ending December 31, 2008.

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. Most recently the Zoological Society has raised funds to construct a Steller's Sea Eagle exhibit as well as make a major contribution to the renovation of the former Pandas in Person exhibit. 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, 2008, 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 2007 and the first seven months of 2008 are shown in the chart below. Projected 2009 revenue from Annual Pass sales is $34,500.00.

Food Services	Gift Shop	Annual Passes
2007 $43,756	2007 $26,319	2007 $30,565
2008* $37,273	2008* $23,239	2008* $22,084

* as of July 31, 2008

Assiniboine Park Enterprise and the Zoological Society of Manitoba agree 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, 2010. Including a renewal clause for an additional two-year term will provide for an extension of the Agreements should that be necessary prior to integration of services under the Assiniboine Park Conservancy.

In January 2008, Council approved the inaugural Board of Directors of the Assiniboine Park Conservancy, a not-for-profit corporation established to manage, fundraise, restore and redevelop Assiniboine Park. The Conservancy is presently working on a strategic plan for Council approval as well as working with park partner organizations including the Zoological Society with an objective of integrating all park operations under the authority of the Conservancy. When the City of Winnipeg authorizes the Assiniboine Park Conservancy to take over Assiniboine Park operations under terms of a Management Agreement, agreements such as the subject ones with the Zoological Society will either be assigned to the Conservancy or cancelled.

Financial Impact Statement

Date: November 26, 2008

Project Name:

First Year of Program 2009

Renewal of Agreements with Zoological Society of Manitoba

	2009	2010	2011	2012	2013
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	(34,500)	(34,500)	(34,500)	-	-
Net Cost/(Benefit)	$ 34,500	$ 34,500	$ 34,500	$ -	$ -
Less: Existing Budget Amounts	34,500	34,500	34,500	-	-
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 as indicated above. Revenues from gift shop ($26,000) and concession sales ($43,000) are deposited directly into the Assiniboine Park Enterprise Reserve.

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

- Legal Services

External Consultation With:

- The Zoological Society of Manitoba
- The Assiniboine Park Conservancy

THIS REPORT SUBMITTED BY:

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