Agenda - Executive Policy Committee - March 16, 2005

Report - Standing Policy Committee on Protection and Community Services - March 7, 2005

Item No. 3 Renewal of Agreements with Zoological Society of Manitoba
File PR-7.1.1

STANDING COMMITTEE RECOMMENDATION:

On, March 7, 2005, the Standing Policy Committee on Protection and Community Services concurred in the administrative recommendation 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, 2006.

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

   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.

Agenda - Executive Policy Committee - March 16, 2005

Report - Standing Policy Committee on Protection and Community Services - March 7, 2005

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On March 7, 2005, 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: **Renewal of Agreements with Zoological Society of Manitoba**

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

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

REPORT DATE: February 15, 2005

RECOMMENDATION(S):

- 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, 2006
- 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 expired on December 31, 2004.
- 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 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.
- Assiniboine Park Enterprise and its key partner organizations, including the Zoological Society of Manitoba, are undertaking studies, governance reviews, and business planning to test the feasibility of the Assiniboine Park Framework Plan, including the Assiniboine Park Zoo Master Plan. These explorations will examine governance alternatives, operating models and existing contracts. Studies will be completed before December 2006 and are expected to provide guidance to future negotiations between the City of Winnipeg and the Zoological Society of Manitoba for contracts beyond the proposed renewal term for agreements expiring December 31, 2006.

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**
- **X** **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):**

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): Revenues from sale of annual passes to the Zoo are contained within existing budget projections. Revenues from gift shop and concession sales are deposited into the Assiniboine Park Enterprise Reserve.

REASON FOR THE REPORT:

Authority for approval of the subject agreements is with City 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 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.

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 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, 2004, 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 is remitted to the City of Winnipeg. These funds are included in existing and projected Zoo admission revenues, offsetting operating expenses. Revenue for 2003 and 2004, as of Dec 31, 2004 are shown in the chart below.

Food Services	Gift Shop	Annual Passes
2003 $38,124	2003 $23,876	2003 $16,124
2004 $42,556	2004 $24,896	2004 $22,468

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, 2006.

Within the time frame of the recommended agreements term, Assiniboine Park Enterprise and its key partner organizations including the Zoological Society of Manitoba will be working to test the feasibility of the Assiniboine Park Framework Plan, which includes a development plan for the Assiniboine Park Zoo. Under Council direction of July 21, 2004 administration will be examining the sustainability, feasibility, capital requirements and support for the Framework Plan. These explorations will examine governance alternatives, operating models and existing contracts. Studies will be completed before December 2006 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, 2006.

FINANCIAL IMPACT STATEMENT:

Revenues from the sale of annual passes to the Zoo are contained within existing budget projections. These revenues have been projected at an amount of $22,000 for 2005 and 2006. Revenues from gift shop and concession sales are deposited into the Assiniboine Park Enterprise Reserve.

Financial Impact Statement

Date: February 15, 2005

Project Name:

First Year of Program 2005

Renewal of Agreements with Zoological Society of Manitoba

	2005	2006	2007	2008	2009
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	(22,000)	(22,000)	-	-	-
Net Cost/(Benefit)	$ 22,000	$ 22,000	$ -	$ -	$ -
Less: Existing Budget Amounts	22,000	22,000	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

Revenues from the sale of annual passes to the Zoo are contained within existing budget projections. Revenues from gift shop and concession sales are deposited into the Assiniboine Park Enterprise Reserve.

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

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

- Legal Services.

- 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, 2006.

THIS REPORT SUBMITTED BY:

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