



City Administrative Officer

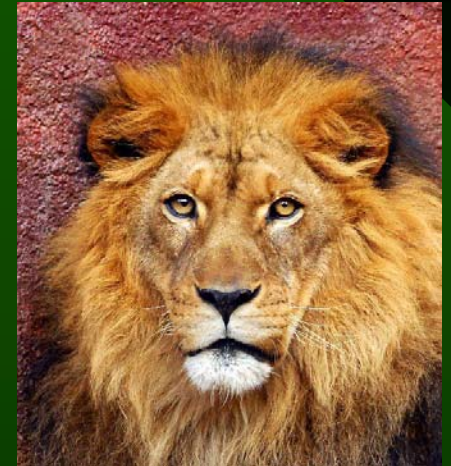
# COMMUNITY PARTNERSHIP



**City Council**  
**August 12, 2011**



# Community Partnership for the LA Zoo



- Authorize the CAO to issue a request for proposals (RFP) for a community partnership for the LA Zoo
- Instruct the CAO to discuss this matter with labor
- Instruct the CAO to report back and present recommendations for Mayor and Council consideration



# 2010-11 Zoo Structure

- Operated as a City Department
- \$17.5 million operating budget
  - \$6.0 million General Fund subsidy
- \$8.6 million in support costs subsidized by the General Fund
- 229 authorized full-time positions
- Advisory Zoo Commission
- Council approves admission fee increases
- General Manager – Zoo Director
- Budget subject to annual appropriation through City budget process
- Operation and management under direct control by Mayor and Council





# Requests for Proposals



- The City Attorney recommended conducting an RFP process to select an operator
- The City Attorney concluded that a competitive process is required to maintain transparency and fairness in the selection process



## Other Zoos that Transitioned



- Denver
- Dallas
- Tulsa
- Lincoln Park (Chicago)
- Woodland Park (Seattle)
- Zoo Atlanta
- Houston
- Fresno



City Administrative Officer



Government Operated   
 Non Profit 



# Government-owned facilities with community partnerships

- Hollywood Bowl
- Los Angeles County Museum of Art
- Seattle Aquarium
- Central Park (New York City)





## Why a community partnership for the LA Zoo?



- Maintain the LA Zoo as an affordable educational institution
- Share the cost of operating the LA Zoo with another entity
- Relieve financial pressure on other General Fund Departments
- Keep the LA Zoo open

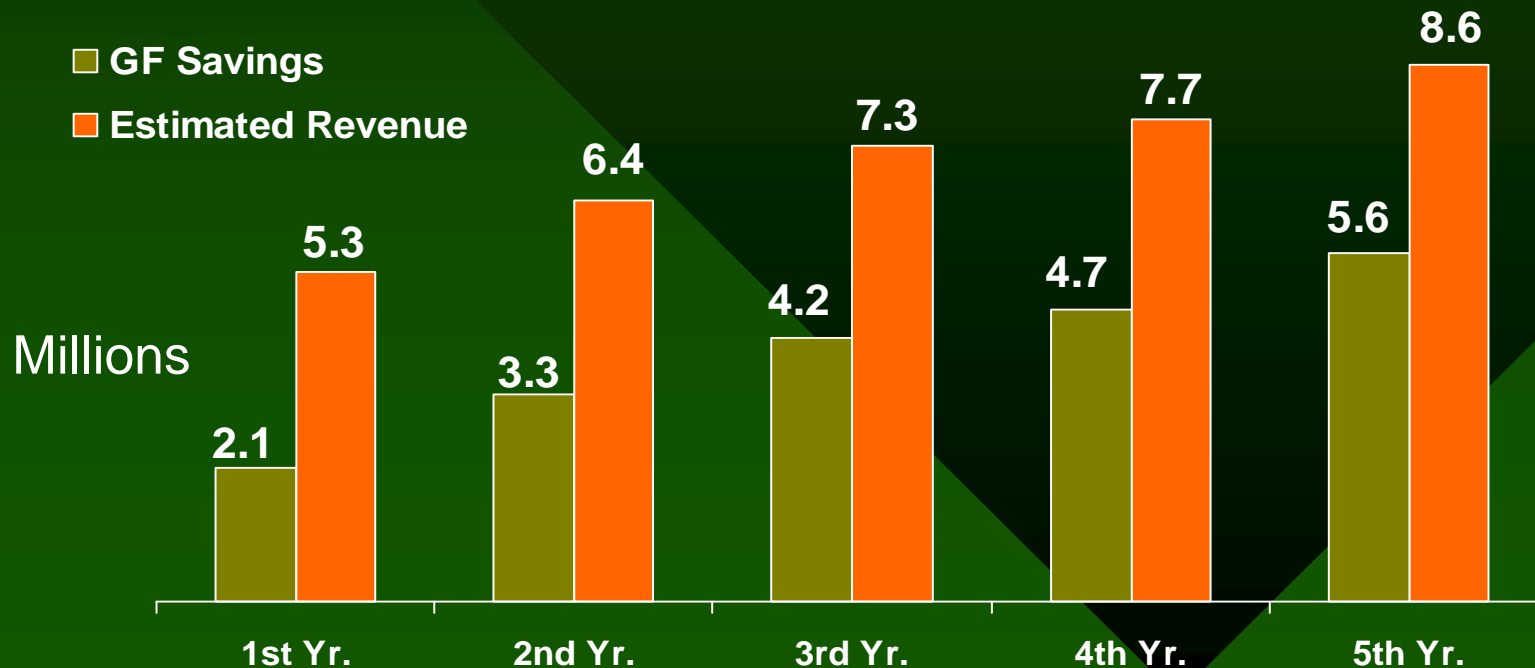




# How much will the City save through a community partnership?

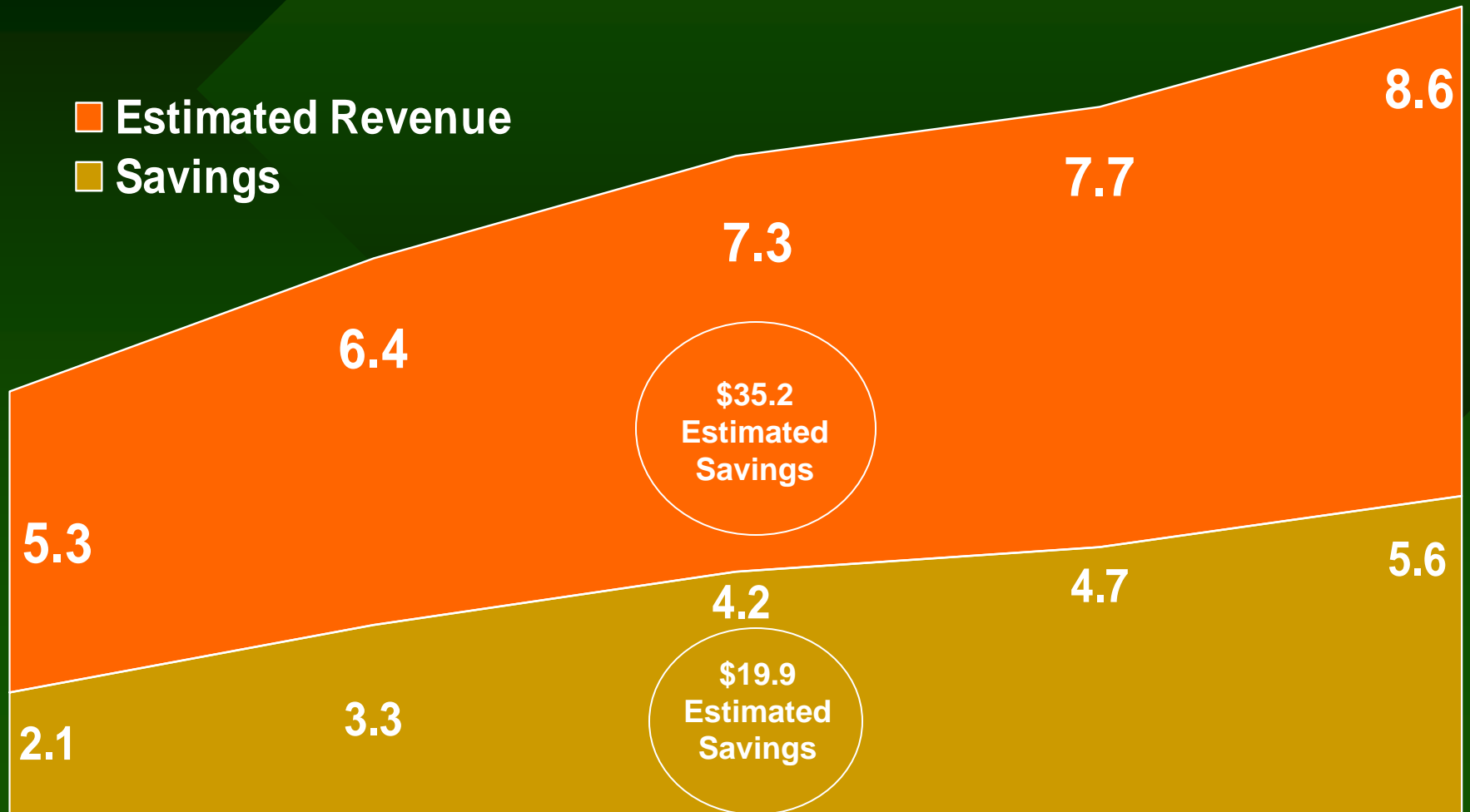


- At least \$20 million in General Fund savings over five years
- Additional savings through related costs





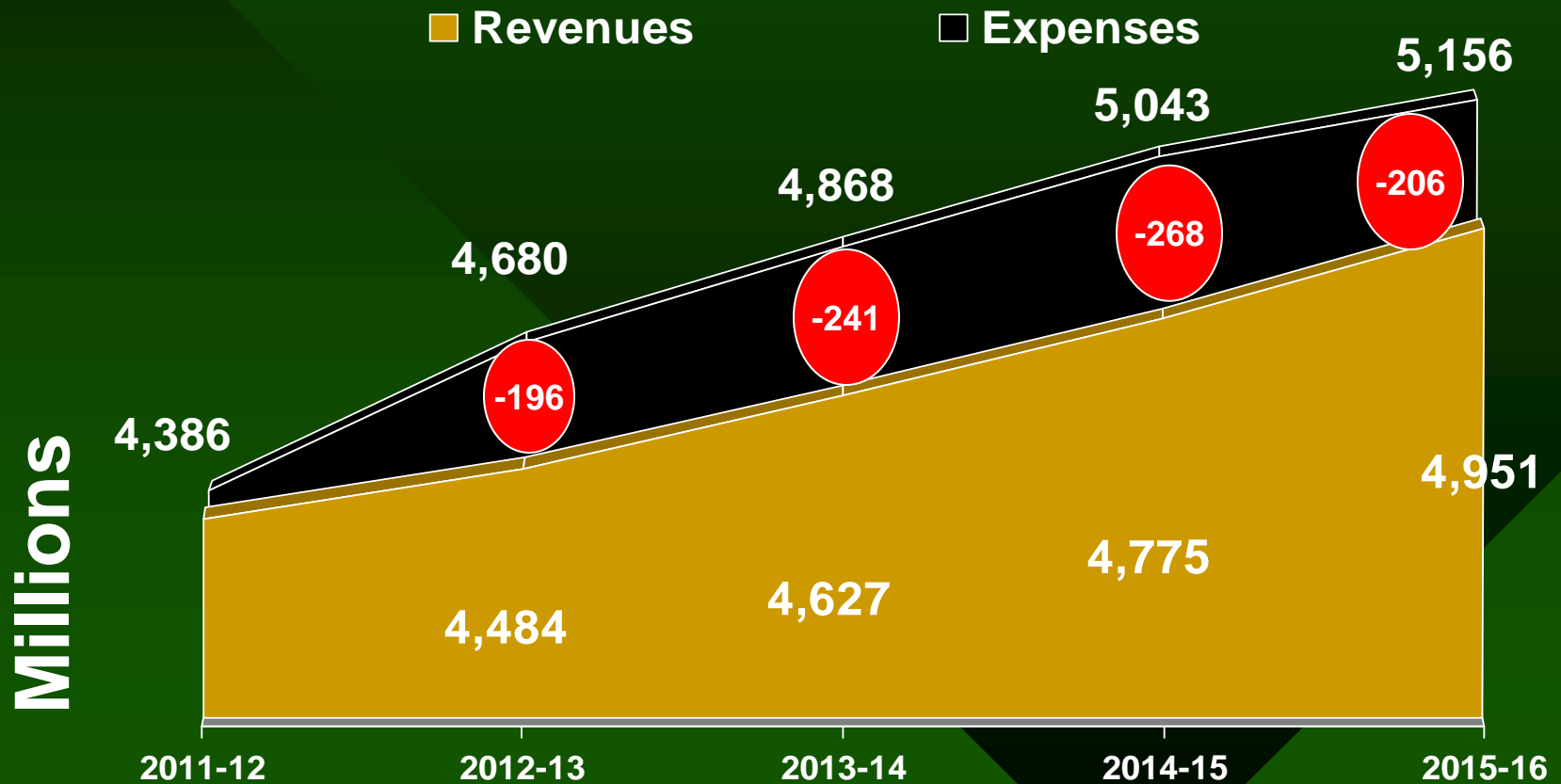
# What is the potential value of the community partnership?



In Millions



# City of Los Angeles Four-Year Budget Outlook





# What have we done?



**Since 2008-09, the City has addressed \$1.9 Billion in collective deficit using:**

- “Fiscal First Aid” techniques
- Long-Term Financial Planning Solutions
- Partnership with labor

# Three-Year Plan to Fiscal Sustainability



Adopted by Council February 9, 2010 (C.F. 09-0600)

- Smart fiscal policies
- Focus on core services
- Sustainable workforce
- Alternative service delivery models



## Potential benefits of a community partnership



- ✓ • Stabilize, reduce or eliminate the General Fund subsidy
- ✓ • Increased operational efficiencies
- ✓ • Improved and expanded fundraising
- ✓ • Improved marketing and advertising
- ✓ • Greater operational flexibility
- ✓ • Greater ability to pursue commercial activities
- ✓ • Higher attendance and resultant higher revenue
- ✓ • Improved concessions and resultant higher revenue



# What has been the budget impact to other zoos that transitioned?

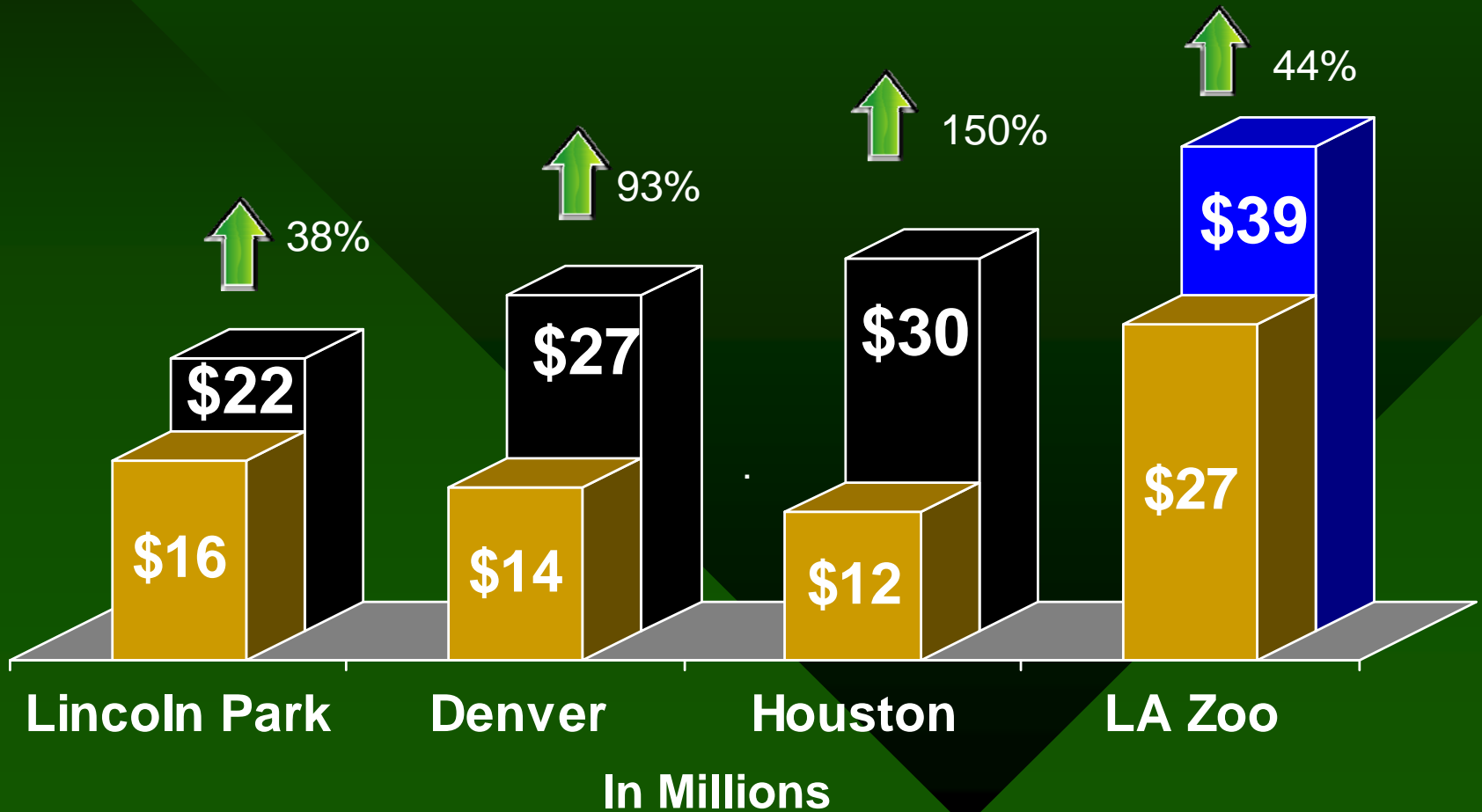


Other zoos that transitioned appear to have prospered:

- The Lincoln Park Zoo's budget increased by 38 percent
- The Denver Zoo's budget almost doubled
- The Houston Zoo's budget increased by 150 percent



# Budget Impact







# LA Zoo Adopted Budget FY 2006-07 to 2011-12



Salaries Expenses

Millions



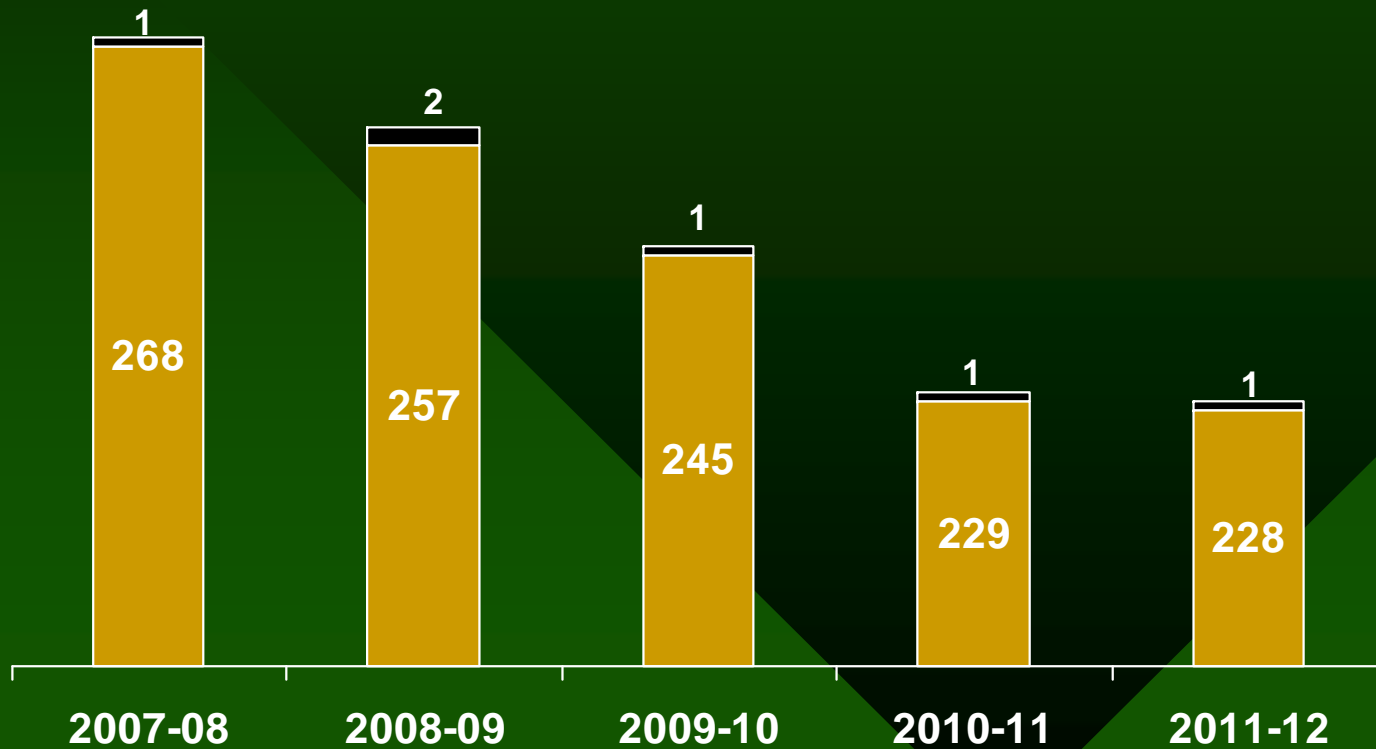


# Authorized Zoo Staffing FY 2006-07 to 2011-12



■ Regular

■ Resolution





# Impact of Budget Reductions on LA Zoo Services



- Reduction in public programming (i.e., two-year closure of contact area, elimination of Adventure Theater programming)
- Increased wait times for admissions and reservations
- Reduction in custodial services (i.e., infrequent restroom cleaning and trash collection)
- Reduction in grounds maintenance
- Almost 50 percent reduction in signature special events
- Significant delays in preparation of revenue, financial and management reports

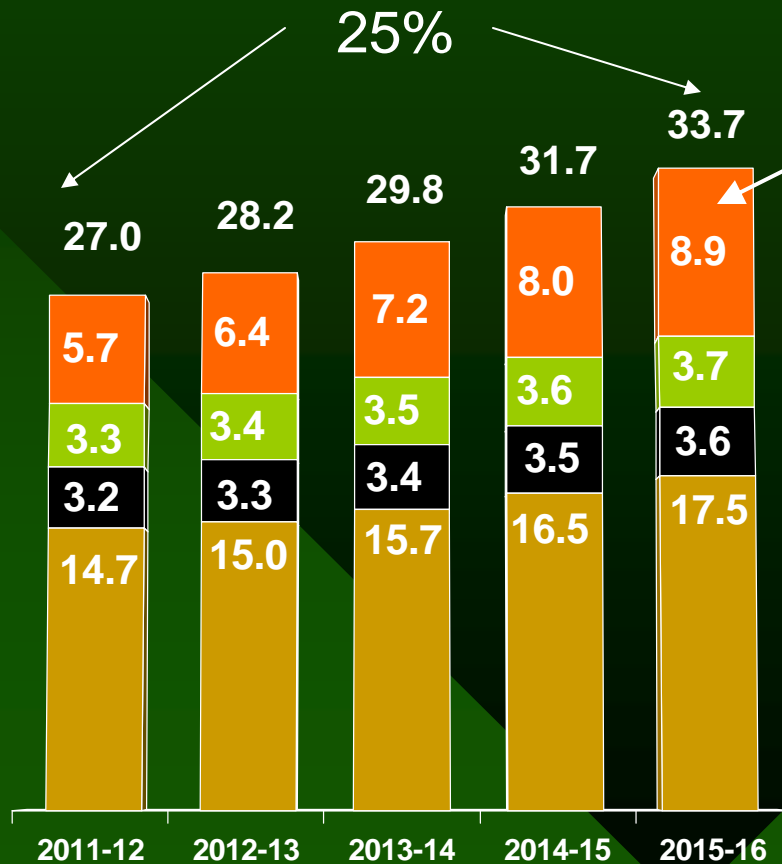


# Projected Zoo Expenditure Growth for the Next Five Years



■ Salaries ■ Expenses ■ Other Support Costs ■ Pensions and Emp Benefits

Millions



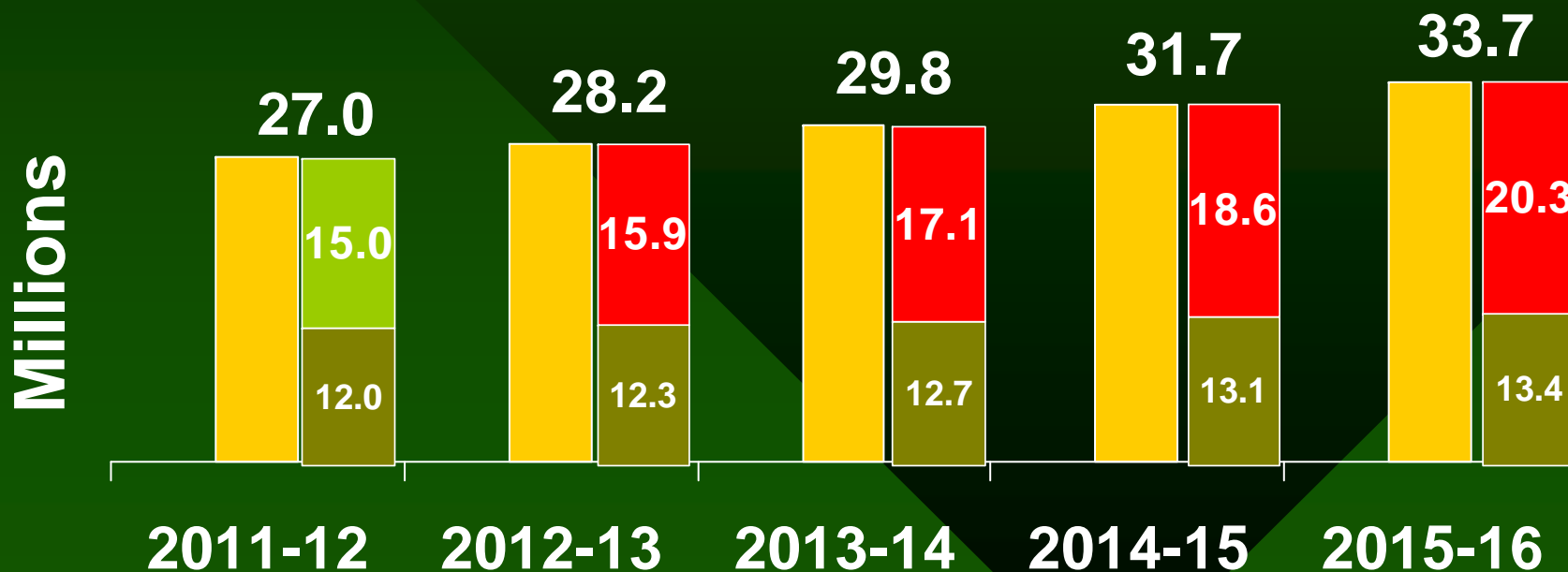
56% Increase Pensions and Employee Benefits



# Projected City Costs



■ Zoo Expenditures   ■ Operating Revenues   ■ General Fund   ■ Deficit





# What are Zoo's options if the City is unable to provide subsidy?



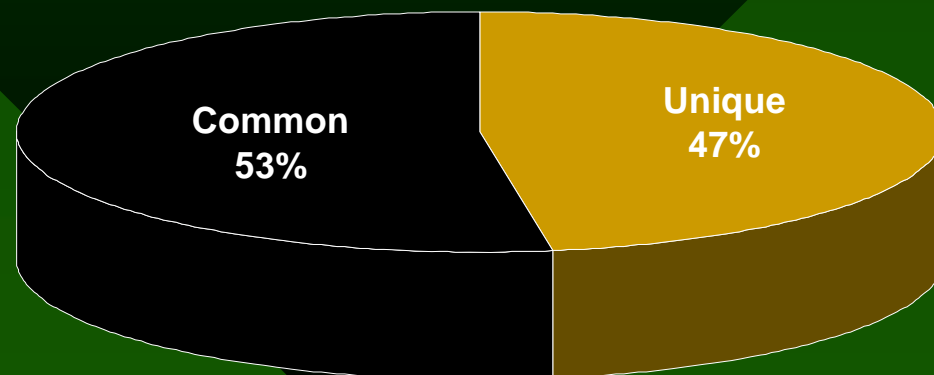
- Substantially raise admission prices
- Reduce staffing
- Shut down exhibits
- Seek new “attraction type” revenue sources
- Contract out services
- Reduce education programming
- Close the LA Zoo



# Zoo Workforce



- The 2011-12 Adopted Budget includes 228 regular authority positions, one resolution authority position and one substitute authority position
- 109 are in classifications unique to the Zoo
- 121 are in classifications common among City Departments





# Will there be layoffs?



- No City employees will be laid off as a result of the transition to a community partnership.





# What will happen to employee salaries and benefits?

No changes to existing employee salaries and benefits will result from the transition to a community partnership.





# What about the Zoo GM?



According to the City Attorney,

- The LA Zoo General Manager cannot have dual employment;
- There must be a City employee in charge of, and responsible for managing and supervising, City employees that remain at the LA Zoo;
- The organizational structure should be an element of the proposal; and,
- Each prospective operator should be required to address how the organizational structure would interface with the City's employee workforce and supervision requirements.



# Would the Zoo Department and Zoo Commission be abolished?



- Policy decision for Council.
- The Zoo Commission will continue to exist under a community partnership.
- The CAO recommends to strengthen the Zoo Commission's authority to provide oversight of the community partnership and require at least one commissioner to be an expert on animal welfare.
- The organizational structure of the LA Zoo would be an element of the proposal by any prospective operator.



## Would animal welfare be negatively affected?



- No, animal welfare will not be negatively affected by a community partnership.
- There is consensus among stakeholders that the Association of Zoos and Aquariums (AZA) accreditation is an absolute requirement under any operating structure.
- Of the eight zoos that transitioned over the last ten years, none has lost AZA accreditation.



## Would public access to information be affected?



- The community partner would be required to provide public access to information that normally would be considered a matter of public record at any publicly-owned facility.
- The LA Zoo will remain a City department. Therefore, the LA Zoo budget will continue to be a part of the Citywide budget.



# Would the City still be able to issue bonds for capital improvements?



- Yes, the City will still be able to issue bonds for capital improvements at the LA Zoo.
- The City bond counsel stated that accommodation of the proposed alternative management structure within the City debt requirement is feasible.
- The draft RFP requires the selected operator to commit to a five-year capital program.



## Who would own the animal collection?



- The City will maintain ownership of the animal collection.
- Prior City approval will be required for all changes to the animal collection.
- The community partner must comply with AZA Acquisition/Disposition Policy, which supports AZA's commitment to "save and protect the wonders of the living natural world"



## How will the City's contribution be leveraged?

The community partner is expected to match the City's annual contribution with increased fundraising.

The LA Zoo's budget could increase by 44 percent under a community partnership.







# What will happen to the admission prices?



- One of the goals of a community partnership is to provide opportunities and enhancements while maintaining the LA Zoo as an affordable destination.
- Any future increases to admission prices are subject to Council approval.



# Next Steps



- Authority to release RFP from full Council
- Release RFP in the Summer of 2011
- Review of responses and selection of operator in the Fall of 2011
- Transition period from Winter 2011 through Spring 2012
- Community Partnership – July 2012



# SUMMARY

- Maintain the LA Zoo as an affordable educational institution
- Share the cost of operating the LA Zoo with another entity
- Relieve financial pressure on other General Fund Departments
- No layoffs as a result of the community partnership
- No negative impact on animal welfare and public access to information
- Increased fundraising capability for a better, improved LA Zoo