

ARTS, PARKS, HEALTH, AGING AND RIVER COMMITTEE REPORT relative to the Los Angeles Zoo's (Zoo) three-year Strategic and Business Marketing Plan for Fiscal Year (FY) 2014-15 through FY 2016-17 pursuant to Los Angeles Administrative Code Section 22.711 and associated Memorandums of Understanding (MOU) with the Greater Los Angeles Zoo Association (GLAZA).

Recommendation for Council action:

NOTE and FILE the following reports relative to the Zoo's three-year Strategic and Business Marketing Plan for FY 2014-15 through FY 2016-17 pursuant to Los Angeles Administrative Code Section 22.711 and MOU with GLAZA:

<u>Department</u>	<u>Date</u>
Los Angeles Zoo	August 19, 2014
Los Angeles Zoo	August 18, 2014
Los Angeles Zoo	June 20, 2014
Chief Legislative Analyst	March 21, 2014
Los Angeles Zoo	March 13, 2014

Fiscal Impact Statement: Not applicable.

Community Impact Statement: None submitted.

(Budget and Finance Committee waived consideration of the above matter)

Summary:

On December 11, 2013, Council referred to this matter to the Arts, Parks, Health, Aging and River (APHAR) and Budget and Finance Committees. Subsequently, on March 23, 2014, the APHAR Committee considered March 13, 2014 Zoo and March 21, 2014 Chief Legislative Analyst (CLA) reports relative to the Zoo's three-year Strategic and Business Marketing Plan for FY 2014-15 through FY 2016-17 pursuant to Los Angeles Administrative Code Section (LAAC) 22.711 and MOU with GLAZA.

According to the CLA, on June 24, 2013, the Budget and Finance Committee considered a June 21, 2013 CLA report analyzing the proposed MOU and recommended that Council:

- a. Reject the MOU and all other agreements, whether new or previously existing, until the Plan has been submitted to Council.
- b. Authorize the Zoo to expend funds for marketing, advertising and public relations on its own.

In addition, the CLA recommended that the Zoo to retain a larger portion of LA Zoo membership revenues and consider the possibility of contracting directly for concession, site rentals and catering, rather than allowing GLAZA to do so.

Subsequently, the Budget and Finance Committee sent the matter to Council with the following

options:

- a. Defer the ratification of the MOU and all other agreements for 60 days until the Plan was submitted to Council along with similar instructions recommended by the CLA, including membership revenue retention and consideration of direct concession contracting.
- b. Approve the MOU with no further instructions to the Zoo or other relevant departments.

On June 28, 2013, Council received and filed the Budget and Finance Committee Report with the above options relative to the proposed MOU. Due to the fact that the Committee Report was not acted upon, the original MOU remained in effect, including the ratification clause that required the Zoo to submit its Plan to the Council no later than November 1, 2013 and that Council approve the Plan and ratify the MOU no later than December 31, 2013. On November 10, 2013, the Zoo submitted a three-year Plan (2014-15 through 2016-17).

On December 9, 2013, the Arts, Parks, Health, Aging and River (APHAR) and Budget and Finance Committees jointly considered the Plan. and a December 6, 2014 City Administrative Officer report which recommended that Council:

- a. Approve the Plan
- b. Ratify the MOU.

In its consideration, the Committees instructed the CLA to further analyze the Plan and make recommendations for any amendments, if necessary, to both the Plan and the MOU with GLAZA. The deadline to ratify the MOU was changed to March 31, 2014. An amendment to the MOU, executed on December 26, 2013 by the Zoo and GLAZA, has reflected this change (Attachment B of the March 21, 2014 CLA report, attached to the Council file).

The CLA reviewed the MOU and Plan and coordinated a number revisions based on previous Committee instructions which are summarized in the March 21, 2014 CLA report and considered at the March 24, 2014 meeting of the APHAR Committee. Finally, because there are inconsistencies and updated projections between the Plan and MOU, the CLA recommended that the MOU be revised and made consistent with the figures projected in the Plan. In addition, the CLA recommended that the Zoo be instructed to release a Request for Proposals (RFP) for the concessions at the Los Angeles Zoo, including, but not limited to retail, food services, catering, concession machines, stroller/wheelchair rentals, and trams and report to Council with a status update within 90 days. This agreement has not been sent out to RFP since 1997.

The CLA also recommended that the Zoo and GLAZA report to Council within 90 days with a detailed budget of the Zoo's membership program, including revenues and expenditures for the previous five years. This will assist the Zoo in determining the amount of additional membership revenue it can realize. With additional funds from revised concession and/or membership agreements, the CLA recommended that the Zoo consider establishing a capital improvement fund for improvements and projects specified in the Plan. Also recommended was for the Zoo to delete the General Fund subsidy from the Plan since this is an annual budget decision to be determined by the Mayor and Council. Finally, the CLA recommended that the Zoo incorporate GLAZA's financial contributions into the Plan since its contributions are a significant part of the Zoo's budget.

After consideration and having provided an opportunity for public comment, the Committee moved to continue this matter pending further revisions to the MOU and Plan. On August 25, 2014, the

APHAR Committee reconsidered this matter to include additional consideration of June 20, August 18, and August 19, 2014 Zoo reports. After further consideration and having provided an opportunity for public comment, the APHAR Committee moved to note and file all relevant reports in connection with this file as listed in the above recommendation. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ARTS, PARKS, HEALTH, AGING AND RIVER COMMITTEE

MEMBER VOTE

O'FARRELL: YES
LABONGE: YES
BUSCAINO: YES
CEDILLO: ABSENT
PRICE: YES

ARL
8/25/14

-NOT OFFICIAL UNTIL COUNCIL ACTS-