



December 22, 2015

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Arts, Parks, and River Committee
c/o Eric Villanueva, Office of the City Clerk
Room 395, City Hall
Los Angeles, CA 90012

**REPORT BACK: BUDGET AND FINANCE COMMITTEE MEMO NO. 14 (R 62.)
REGARDING THE ZOO AND GLAZA BUDGETS: SALARIES, EXPENDITURES,
FUNDING SOURCES AND SERVICES**

This report is provided in response to the 2015-16 Budget and Finance Committee Report adopted by the City Council on May 26, 2015 (C.F. 15-0600) relative to the Fiscal Year 2015-16 City Budget. The Budget and Finance Committee report adopted by the Council referred Budget Memo No. 14, prepared by the Zoo Department and contained in Attachment A, to this Committee and further instructed that the Zoo report back on both GLAZA and the Zoo's overall budgets including salaries and expenditures, and a comprehensive picture of funding and services of both parties. For the purposes of this report, Fiscal Year 2014-15 budget data is used as final expenditure information is not yet available. A chart with the detail of the 2014-15 Zoo and GLAZA's budget by program and sources of funds is contained in Attachment B.

BACKGROUND

The Los Angeles Zoo and Botanical Gardens (Zoo) opened on November 28, 1966 under the management of the Department of Recreation and Parks. In 1997, the Zoo Department (Department) was established by ordinance as an independent Council-controlled City Department with the authority to operate, manage, maintain, and control all of the Zoo property in a manner that would enhance the existing animal exhibits, visitor amenities and infrastructure, as well as design and construct new exhibits and facilities. Specific responsibilities included providing optimal conditions for animal welfare and safety, educating visitors and the community about wildlife, providing a recreational destination for visitors, promoting conservation of species and their habitats, and conducting scientific research. Further, the Zoo was created to promote the educational offerings and exhibits at the Zoo as a resource to attract economic development to the City of Los Angeles.

The Greater Los Angeles Zoo Association (GLAZA) is a non-profit corporation created in 1963 for the purpose of assisting the City in establishing, developing, beautifying, and improving the Zoo. GLAZA's primary responsibility is to seek and provide financial support toward the Department's operating budget and to help fund the Zoo's capital improvements. GLAZA currently supports the Zoo through the direct administration of the following programs: fundraising, membership, publications, website, docent and volunteers, marketing, public relations, site rentals and catered events, community and special events and visitor amenities.

OPERATING AGREEMENT

In 1997, the City Council approved a 25-year Operating Agreement, between the City and GLAZA to establish and govern the relationship between the two parties for the primary purpose of providing a high quality Los Angeles Zoo for the residents of the City (C.F. 94-0989-S1). The current Agreement will expire on September 29, 2022. It specifies the responsibilities and roles of each, including GLAZA's responsibility to obtain financial contributions and similar support from the private sector, to be used for the City's operations and capital improvements at the Zoo.



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Under the terms of this Agreement, the Zoo Director is authorized to negotiate and execute separate Memorandum of Understanding (MOU) for fundraising, membership, and other activities or services to be performed by GLAZA, provided that the terms do not exceed the expiration date of the Operating Agreement or a maximum of three years. Each MOU must be approved by the City Attorney and comply with the objectives and strategies of the Business and Marketing Plan approved and adopted by the Mayor and City Council.

ZOO DEPARTMENT BUDGET

The Zoo Department's 2014-15 Adopted Budget for direct programs was \$19,809,007 (not including employee benefits or other related costs) and provided for 227 authorized full-time positions. Specifically, the Department is responsible for the following operations, programs and services:

Animal Care Division

This program provides for the daily care of the Zoo's animals by planning, purchasing, preparing, and distributing the animals' daily meals; cleaning and maintaining animal exhibits; daily observation of animals' behavior and recording in daily logs; managing animal records permits; sharing animal behavior information with other zoos; coordinating the Zoo's behavioral enrichment, research and conservation programs. In addition, staff participates with the Association of Zoos and Aquariums Species Survival Programs and Taxon Advisory Groups and uses the information to manage the captive population. The 2014-15 Budget for this division was \$7,464,999 which provided for 102 full-time positions.

Animal Health Division

This program provides veterinary care and health care management for the Zoo's animal collection by performing diagnostic tests, preventative health care, and surgical procedures; maintains animal health records and manages the animal quarantine facility. In addition, staff supports the Association of Zoos and Aquariums wildlife conservation programs by performing the quarantine procedures necessary to conduct animal transactions. The 2014-15 Budget for this division was \$1,698,958 which provided for 17 full-time positions.

Planning, Development and Construction Division

This program provides facility repair, maintenance, and construction services, as well as project management and design support. The 2014-15 Budget for this division was \$3,197,130 which provided for 26 full-time positions.

Custodial Services Program

This program provides facility-wide custodial support. The 2014-15 Budget for this division was \$925,830 which provided for 11 full-time positions.

Grounds Maintenance Program

This program provides landscape maintenance. The 2014-15 Budget for this division was \$1,732,631 which provided for 22 full-time positions.

Education Division

This Division provides public and fee-based educational programming and classes that promote and deliver the mission and messages of the Zoo, provides for all Zoo graphics and signage, and manages audio visual services. The 2014-15 Budget for this division was \$1,387,593 which provided for 11 full-time positions.

Public Relations and Marketing Division

This Division manages the Zoo's public relations activities specifically related to animal and conservation programs and crisis communications in accordance with the MOU with GLAZA. In addition, this

Division coordinates all commercial filming and photography activities. The 2014-15 Budget for this division was \$390,131 which provided for 5 full-time positions.

Admissions Program

This program facilitates general admissions sales, reservations for groups and education programs and classes, the preferred parking program and guest relations. The 2014-15 Budget for this division was \$834,474 which provided for 12 full-time positions.

General Administration and Technology Support Division

This program provides leadership and management oversight and general administration support, including accounting, recruitment and hiring, budget and finance, risk management, support for department-wide information technology services and coordination with LAPD for the Zoo's security services. The 2014-15 Budget for this division was \$2,177,261 which provided for 21 full-time positions.

GLAZA BUDGET

GLAZA's 2014-15 Adopted Budget was \$10,449,446 (including employee benefits) and provided for 42 full-time positions. Specifically, GLAZA is responsible for the following operations, programs and services:

Fundraising

As the primary private fundraising organization for the Los Angeles Zoo, GLAZA raises funds for operation, programmatic, and capital needs and projects at the Zoo. GLAZA's Development Department is responsible for both restricted and unrestricted giving. Donor restricted gifts are designated for specific purposes and include capital projects, marketing, medical equipment for the Gottlieb Animal Health and Conservation Center, education programs, animal behavior enrichment, and conservation programs. Unrestricted donations are general support and include the Business Partners, Safari Society, General Donations, Annual Appeals and Commemorative Bench and Tile Programs. The 2014-15 Budget for this department was \$1,440,286 which provided for 7.5 positions.

Membership

GLAZA operates and manages the Zoo's membership program that offers several levels of membership categories for the nearly 60,000 households currently enrolled. Revenue from membership provides a source of revenue to the Zoo's operating budget (25% per the Operating Agreement), along with the additional services of Zoo publications, the website and the volunteer and docent program. The 2014-15 Budget for this department was \$2,020,735 which provided for four positions.

Publications

GLAZA's Publications Department produces a wide variety of publications to provide members, visitors, Zoo supporters, Zoo employees and the public informed and up-to-date on happenings at the Los Angeles Zoo. The Publications Department is also responsible for maintaining the Zoo website, www.lazoo.org. The 2014-15 Budget for this department was \$581,995 which provided for four positions.

Docent and Volunteer Program

The GLAZA Volunteer Department is responsible for the recruitment, selection and training of docents and volunteers with various skills to fill needs identified by the Zoo. This program includes docents, student volunteers and general zoo volunteers that assist in a variety of areas from touring school groups to assisting in animal food prep, research and special events. The 2014-15 Budget for this department was \$251,187 which provided for two positions.

Marketing, Public Relations and Sponsorships

Pursuant to the MOU for Marketing, Public Relations, Site Rentals and Catered Events, GLAZA assumed these functions for the Zoo July 1, 2013, with the responsibility for the staffing, design implementation and management of these programs. In this capacity, GLAZA is responsible for driving attendance and achieving attendance and revenue projections through an expanded marketing program. This Department is also responsible for the comprehensive sponsorship program which also generates revenue and enhances the marketing program. The 2014-15 Budget for this department was \$2,756,000 which provided for seven positions.

Community and Special Events

GLAZA's Special Events Department develops, plans, and executes a wide array of special events and programs for multiple Zoo constituents in order to raise the Los Angeles Zoo's profile within the Los Angeles community and beyond. The 2014-15 Budget for this department was \$994,086 which provided for four positions.

Visitor Amenities: Concessions, Carousel and Site Rentals

GLAZA has operated the Los Angeles Zoo's concessions since the Zoo's opening day in 1966. In 1997, GLAZA hired a concessionaire to manage these operations to ensure the most professional amenities for Zoo visitors. In October 2011, GLAZA began operating the Tom Mankiewicz Conservation Carousel that they commissioned and raised funds to completely design and construct for the Zoo. As part of the Marketing MOU, GLAZA assumed responsibility for Site Rentals and is responsible for increasing the Zoo's use for private events to increase revenue and further enhance the Zoo's exposure and awareness. The 2014-15 Budget for this department was \$324,578 which provided for one position.

General Administration and Information Technology Support

This program provides leadership and management of GLAZA including all finance functions, human resources, legal affairs and risk management, general administration and information technology support services. The 2014-15 Budget for this division was \$2,070,569 which provided for 12.5 full-time positions.

CONCLUSION

The Los Angeles Zoo and Botanical Gardens has remained a safe family destination to the Los Angeles community for over 49 years, having served over 76 million visitors. The Zoo strives to be a leading conservation, educational and recreational institution that not only provides excellent care for the living collection of over 1,100 animals, but also creates dynamic experiences to connect people and animals. This has all been achieved in partnership with the Greater Los Angeles Zoo Association. Together we are focused and committed to the future of the Zoo.

Respectfully submitted,


John R. Lewis, General Manager
Zoo Department

cc: Barbara Romero, Office of the Mayor
Miguel Santana, Office of the CAO
Sharon Tso, Office of the CLA
Dov Lesel, Office of the City Attorney
Connie Morgan, Greater Los Angeles Zoo Association

**CITY OF LOS ANGELES
LOS ANGELES ZOO
INTER-DEPARTMENTAL CORRESPONDENCE**

DATE: May 4, 2015

TO: Miguel A. Santana, City Administrative Officer
Office of the City Administrative Officer

FROM: John R. Lewis, General Manager
Zoo Department



**SUBJECT: ZOO DEPARTMENT - BUDGET AND FINANCE COMMITTEE REPORT
BACK QUESTION NO. 209**

This memo is in response to the Budget and Finance Committee's request for information regarding the following:

- How much the proposed \$1 increase in the current and next fiscal year impact attendance, membership, revenue and the membership recoup factor;
- How much revenue can be attributed to increased attendance, compared to the impact of the dollar increase and its impact on membership;
- Include an analysis of the impact of any discounts offered by the Greater Los Angeles Zoo Association (GLAZA) for membership on the recoup factor (e.g. Groupon, Living Social, Direct mailings, etc.); and
- An overview on the revenue distribution between membership and admissions and how the revenue is allocated.

ADMISSION FEE INCREASE

The Los Angeles Zoo has raised its admission fees for the last seven years going from \$10/\$5 to \$19/\$14 for adults and children, and the proposed rates to be \$20/\$15 in Fiscal Year 2015-16. During Fiscal Years 2007-08 to 2012-13, fee increases were needed to keep pace with growing operating costs and to respond to significant budget shortfalls due to the economic downturn. Each year, the Zoo was faced with the tough decision to either raise its ticket prices, or cut programs and services which ultimately impacts the overall visitor experience.

The fee increases implemented in Fiscal Years 2013-14, 2014-15 and proposed in 2015-16 are in conjunction with a three-year Memorandum of Understanding (MOU) with GLAZA for Marketing, Public Relations, Site Rentals and Catered Events executed in May 2013. As part of this MOU, the strategy was to increase the admission fee and then increase paid attendance to generate increased revenue for the Zoo and for GLAZA to reinvest in marketing efforts that far exceeded what the Zoo Department had been able to accomplish within its available resources. While marketing efforts have

significantly increased in the last two years as a result of the Marketing MOU, paid general admissions as a percent of total admissions has remained flat. As a result, GLAZA has changed its marketing strategy to incorporate Night-Time Ticketed Events to generate revenue that can offset the daytime attendance and general admissions revenue that is not meeting budgeted projections.

The \$1 admission increase is projected to result in additional revenue of \$751,000 in Fiscal Year 2014-15, and the proposed \$1 increase for Fiscal Year 2015-16 is budgeted to result in \$850,000 in additional revenue. The attached chart reflects the admission fee history and revenue attributed to the increase each year along with advertising and marketing expenditures (Attachment 1).

ATTENDANCE AND MEMBERSHIP IMPACTS

The impact of any admission fee increase on attendance is very difficult to ascertain because attendance can vary greatly from one year to the next based on a variety of factors, such as new exhibit openings, advertising, marketing and public relations efforts, special events, construction and especially weather. As a result, it is difficult to directly correlate attendance changes, and more specifically paid attendance changes to a fee increase, particularly as the paid visitor demographic can change from one year to the next. Analysis of attendance data indicates that for the last several years paid attendance as a percentage of total attendance has continued to decrease and or remain unchanged going from 53% in Fiscal Year 2006-07 down to 48% in Fiscal Year 2013-14. During this same time period, members as a percentage of total attendance has increased going from 31% to a projected 42% this fiscal year, despite membership pricing increases and membership household decreases. The number of member households has decreased by 10% going from nearly 66,000 households in Fiscal Year 2006-07 to 59,000 households in Fiscal Year 2013-14. While there are many variables to take into consideration when assessing the impact of a \$1 increase on both attendance and membership, what is certain is that a coordinated pricing strategy is essential for mutual success. The attached chart provides a history of total attendance, paid attendance, membership households and membership attendance (Attachment 2).

PRICING AND RECOUP FACTORS

While zoos and zoological associations are reciprocal partners in their objectives, if there is not alignment and consistency in pricing, the two organizations can arguably be competitors as they are selling the same product but packaged and priced differently. As such, the industry looks at the cost of admission against the cost of membership to see how many visits it would take to "recoup" the membership investment. For families, industry experts recommend that the ratio be between 1.91¹ and 2.12².

¹ Schultz & Williams, AZA Membership Review and Comparisons

² Morey Group, Striking the Right Balance: How to Maximize Revenue from Marketing & Membership

Historically, the Zoo and GLAZA have not had a coordinated pricing strategy and as a result GLAZA's membership pricing did not always keep pace with the Zoo's admissions price increases. For the last several years the recoup factor varied from a high of 2.5 to a low of 1.79, however, member attendance as a percentage of total attendance has consistently increased during this time period. The Business and Marketing Plan adopted by the City Council in September 2014 (C.F. 13-1469) recognized a pricing strategy based on industry standards that achieved a recoup factor of at least 1.9 based on general admission rates and membership pricing. Since implementing this coordinated pricing strategy, membership attendance, as a percentage of total attendance, has continued to grow at a steady pace. This may be the result of various discounts utilized as part of the membership program strategy. The attached chart provides historical attendance pricing, family membership pricing and discounts, and recoup factors (Attachment 3).

MEMBERSHIP DISCOUNTS

GLAZA's membership program utilizes a variety of financial incentives to attract new members, to renew existing members and to regain lapsed members. This strategy is an industry-standard utilized among zoo membership programs. In addition, for the last two years GLAZA has utilized a Living Social offer selling 1,000 new memberships annually at a 20% discounted rate. This offer provides a significant marketing exposure as well as an opportunity to attract new members in a different demographic. While some memberships are sold online and onsite at the full price, many memberships are paid at a discounted rate. These incentives have resulted in the average payment in all membership categories being below the full-priced rates.

For Fiscal Year 2013-14, 48% of family memberships were purchased at a discounted price resulting in the average payment of \$105.62 compared to the full price of \$119.00. Based on this average paid rate, the recoup factor was actually 1.7 compared to the factor of 1.9 established based on the full-priced rates. While all of the discounting incentives GLAZA undertakes are consistent with the industry standard, the impact was not considered in the context of the recoup factors established in the Business Plan. The GLAZA membership marketing strategy, along with pricing and the recoup factors will be reevaluated to ensure paid and member attendance optimization can be achieved.

REVENUE ALLOCATION

Admissions Revenue

In accordance with the Los Angeles Administrative Code Section 22.714, entitled Zoo Enterprise Trust Fund, *"All revenues derived from the operation of the Department or activities at the Zoo...shall be deposited into a special interest earning trust fund to be designated as the "Zoo Enterprise Trust Fund" which fund is hereby established within the Treasury of the City of Los Angeles....All costs and expenses incurred in the operation, management, maintenance and control of the Department or related thereto,*

shall be paid solely from the Fund. The monies deposited in the Fund shall be expended solely for the purpose set forth herein and shall not revert to the General Fund. Admissions revenue is collected by the Zoo Department and deposited into the Zoo Enterprise Trust (ZETF) and is expended on the Zoo's operating budget.

Upon entering into the Marketing MOU with GLAZA, the Zoo agreed to share a portion of the increased admissions revenue with GLAZA for marketing efforts. This increased admissions revenue would be the result of the agreed upon annual \$1 dollar increase in admission rates and the increase in paid attendance. The agreed upon maximum marketing refund from admissions revenue sharing was \$591,000 in Fiscal Year 2013-14, \$1,358,872 in Fiscal Year 2014-15 and \$2,238,290 in Fiscal Year 2015-16. In Fiscal Year 2013-14, GLAZA did not receive a share of the admissions revenue as the total actual revenue fell below budgeted projections. As mentioned above, the marketing strategy has been changed to include NTTE revenue as part of the revenue sharing model. Based on revised projections, the amount of GLAZA's share is estimated to be \$797,109 for the 2014-15 Fiscal Year.

Membership Revenue

Membership revenue is derived from the sales of memberships in seven different categories for individuals, families and donor club levels. The Operating Agreement between the City and GLAZA authorizes GLAZA to retain 25 percent of membership revenues for the administration of the membership program and instructs GLAZA to remit 25 percent to the City. The remaining monies from membership fees are to be deposited in the City's ZETF unless the Zoo Director and GLAZA enter into an MOU requiring GLAZA to perform other specific services for the Zoo. If the MOU does not allocate all the remaining monies received from membership fees within twelve months of receipt, all such unallocated fees are to be deposited in the ZETF. Historically, through an MOU, the Zoo and GLAZA have agreed that GLAZA may retain all remaining membership revenue up to the total cost of the membership program and additional MOU services of the publications and volunteer programs. This MOU expired on June 30, 2012, but the Zoo and GLAZA have agreed to continue to operate informally under the terms of the prior MOU, until a new MOU can be executed which is expected to occur before the end of the current fiscal year.

GLAZA has provided information and data regarding the membership revenue and its actual expenditures and distributions for Fiscal Years 2012-13 and 2013-14 and projections for 2014-15 (See Attachment 4). Expenditures and distributions include the 25% remittance to the Zoo in accordance with the Operating Agreement, along with salaries and expenses associated with the membership, publications and volunteer departments in GLAZA. In addition, membership revenue has been expended on indirect costs related to the membership program including special events staff that support member events, information technology staff related to membership technology support and database management, and GLAZA management, accounting and administrative support staff. In Fiscal Years 2012-13, 2013-14 and 2014-15, GLAZA

utilized surplus membership revenue for working capital support of the marketing and public relations program. The disposition of future surpluses will be codified in the new MOU. The attached chart provides historical admissions and membership revenue and the allocation between the Zoo and GLAZA. (Attachment 5).

CONCLUSION

This memo serves to answer the various questions relative to the proposed \$1 increase on admission fees and its impact on attendance, membership and revenue. This memo further provides information regarding GLAZA's membership program, membership revenue distribution and allocation, as well as discounting and its impact on the recoup factor. The Zoo and GLAZA will work cooperatively to reevaluate the membership program, along with pricing and the recoup factor to ensure that paid attendance, member attendance and revenue optimization can be achieved.

ADMISSIONS FEE AND REVENUE HISTORY

Fiscal Year	Admissions Fee		Total Admissions Revenue	Total Attendance	Paid Attendance [^]	Revenue from Fee Increase	Advertising & Marketing Investment
	Adult	Child					
2006-07	\$ 10.00	\$ 5.00	\$ 6,363,959	1,564,674	823,099	\$ -	\$ 1,000,000
2007-08	\$ 10.00	\$ 5.00	\$ 6,749,938	1,602,170	825,601	\$ -	\$ 1,250,000
2008-09	\$ 12.00	\$ 7.00	\$ 7,661,824	1,556,162	794,789	\$ 1,589,578	\$ 1,250,000
2009-10	\$ 13.00	\$ 8.00	\$ 7,784,989	1,459,080	707,761	\$ 707,761	\$ 800,000
2010-11	\$ 14.00	\$ 9.00	\$ 8,862,531	1,543,232	742,445	\$ 742,445	\$ 800,000
2011-12	\$ 16.00	\$ 11.00	\$ 10,912,299	1,660,450	814,568	\$ 1,629,136	\$ 800,000
2012-13	\$ 17.00	\$ 12.00	\$ 10,826,962	1,506,274	733,317	\$ 733,317	\$ 800,000
2013-14	\$ 18.00	\$ 13.00	\$ 11,767,915	1,550,343	744,442	\$ 744,442	\$ 1,338,252 ~
2014-15* (Estimated)	\$ 19.00	\$ 14.00	\$ 12,859,938	1,572,272	751,380	\$ 751,380	\$ 1,664,500 ~
2015-16* (Budgeted)	\$ 20.00	\$ 15.00	\$ 15,060,945	1,604,172	856,785	\$ 856,785	\$ 1,826,800 ~

[^]Net of paying school groups as they are not subject to the admission fee increase

MOU with GLAZA for Marketing, Public Relations, Sites Rentals & Catered Events

*Projected and budgeted attendance reflects daytime attendance (general admission)

~Estimated Expenditures and/or Budget per the Business and Marketing Plan

ATTENDANCE AND MEMBERSHIP HISTORICAL INFORMATION

Fiscal Year	Total Attendance	Paid Attendance [^]	% of Total Attendance	Member Households	Member Attendance	% of Total Attendance
2006-07	1,564,674	823,099	53%	65,955	492,274	31%
2007-08	1,602,170	825,601	52%	61,575	506,512	32%
2008-09	1,556,162	794,789	51%	63,086	525,818	34%
2009-10	1,459,080	707,761	49%	67,132	542,632	37%
2010-11	1,543,232	742,445	48%	68,184	599,628	39%
2011-12	1,660,450	814,568	49%	67,307	662,125	40%
2012-13	1,506,274	733,317	49%	65,691	588,878	39%
2013-14	1,550,343	744,442	48%	59,267	619,154	40%
2014-15* (Estimated)	1,572,272	751,380	48%	61,520	656,305	42%
2015-16* (Budgeted)	1,604,172	856,785	53%	57,232	578,286	36%

[^]Net of paying school groups as they are not subject to the admission fee increase

MOU with GLAZA for Marketing, Public Relations, Sites Rentals & Catered Events

*Projected and budgeted attendance reflects daytime attendance (general admission)

HISTORICAL ADMISSIONS/MEMBERSHIP PRICING & RECOUP FACTORS

Fiscal Year	Admissions			Family Admissions		Family Membership	Membership Recoup Factor	Estimated % Discount Per Family Membership	Average Discounted Family Membership
	Adult	Child		2 Adult/2 Child					
2006-07	\$ 10.00	\$ 5.00		\$ 30.00		\$ 65.00	2.17	Data Not Available	
2007-08	\$ 10.00	\$ 5.00		\$ 30.00		\$ 75.00	2.50	Data Not Available	
2008-09	\$ 12.00	\$ 7.00		\$ 38.00		\$ 75.00	1.97	Data Not Available	
2009-10	\$ 13.00	\$ 8.00		\$ 42.00		\$ 75.00	1.79	11%	\$ 66.41
2010-11	\$ 14.00	\$ 9.00		\$ 46.00		\$ 89.00	1.93	12%	\$ 78.36
2011-12	\$ 16.00	\$ 11.00		\$ 54.00		\$ 99.00	1.83	11%	\$ 88.03
2012-13	\$ 17.00	\$ 12.00		\$ 58.00		\$ 114.00	1.97	13%	\$ 99.06
2013-14	\$ 18.00	\$ 13.00		\$ 62.00		\$ 119.00	1.92	11%	\$ 105.62
2014-15* (Estimated)	\$ 19.00	\$ 14.00		\$ 66.00		\$ 126.00	1.91		
2015-16* (Budgeted)	\$ 20.00	\$ 15.00		\$ 70.00		\$ 134.00	1.91		

*Projected and budgeted attendance reflects daytime attendance (general admission)

MOU with GLAZA for Marketing, Public Relations, Sites Rentals & Catered Events

Greater Los Angeles Zoo Association
Membership Program Revenue & Allocations

BUDGET	FY2012-13 Budget	FY2013-14 Budget	FY2014-15 Budget
Revenue			
Membership Fees	\$ 5,090,244	\$ 5,489,179	\$ 5,906,121
L.A. Zoosociates Fees	240,805	269,402	333,747
Other Membership Revenue ¹	64,200	68,040	97,500
	<u>\$ 5,395,249</u>	<u>\$ 5,826,621</u>	<u>\$ 6,337,368</u>
Expenses			
Transfer to Los Angeles Zoo of 25% of fees	\$ 1,332,762	\$ 1,439,645	\$ 1,559,967
Membership Department	2,109,264	2,021,055	2,030,735
Management and Accounting	412,956	471,722	494,100
Information Technology/Database	314,696	320,428	347,703
Program Management	42,603	48,136	54,039
Special Events	88,557	92,648	85,179
Publications: amount covered by Membership	843,478	860,801	832,626
Volunteers and Docents	375,241	352,063	397,501
Working Capital Support for Marketing and PR	-	220,123	535,518
	<u>\$ 5,519,557</u>	<u>\$ 5,826,621</u>	<u>\$ 6,337,368</u>

ACTUALS	FY2012-13 Actuals Final	FY2013-14 Actuals Final	FY2014-15 Year-End Projections
Revenue			
Membership Fees	\$ 5,227,227	\$ 5,150,838	\$ 5,819,612
L.A. Zoosociates Fees	278,750	297,426	346,686
Other Membership Revenue ¹	53,374	58,257	66,066
	<u>\$ 5,559,351</u>	<u>\$ 5,506,521</u>	<u>\$ 6,232,364</u>
Expenses			
Transfer to Los Angeles Zoo	\$ 1,376,513	\$ 1,363,145	\$ 1,540,496
Membership Department	1,839,676	1,867,757	1,947,715
Management and Accounting	428,021	485,746	494,100
Information Technology/Database	269,906	371,490	360,827
Program Management	46,265	55,438	54,039
Special Events	84,494	100,904	80,087
Publications: amount covered by Membership	804,670	833,600	818,099
Volunteers and Docents	353,628	307,626	408,592
Working Capital Support for Marketing and PR	356,179	120,815	528,409
Surplus Transferred to Zoo	-	-	-
	<u>\$ 5,559,351</u>	<u>\$ 5,506,521</u>	<u>\$ 6,232,364</u>

¹ - Revenue not subject to the 25% transfer to the City of Los Angeles Zoo Department.

ADMISSIONS AND MEMBERSHIP REVENUE ALLOCATION

Fiscal Year	Total Admissions Revenue	Night-Time Ticketed Events Revenue	Zoo Share	GLAZA Share	Total Membership Revenue	Zoo Share^	GLAZA Share
2006-07	\$ 6,363,959	\$ -	\$ 6,363,959	-		Data Not Available	
2007-08	\$ 6,749,938	\$ -	\$ 6,749,938	-		Data Not Available	
2008-09	\$ 7,661,824	\$ -	\$ 7,661,824	-		Data Not Available	
2009-10	\$ 7,784,989	\$ -	\$ 7,784,989	-	\$ 4,473,102	\$ 1,106,686	\$ 3,366,416
2010-11	\$ 8,862,531	\$ -	\$ 8,862,531	-	\$ 5,106,864	\$ 1,263,721	\$ 3,843,143
2011-12	\$ 10,912,299	\$ -	\$ 10,912,299	-	\$ 5,767,089	\$ 1,426,576	\$ 4,340,513
2012-13	\$ 10,826,962	\$ -	\$ 10,826,962	-	\$ 5,559,351	\$ 1,376,513	\$ 4,182,838
2013-14	\$ 11,767,915	\$ -	\$ 11,767,915	-	\$ 5,506,521	\$ 1,363,145	\$ 4,143,376
2014-15* (Estimated)	\$ 12,775,949	\$ 1,121,160	\$ 13,100,000	\$ 797,109	\$ 6,232,364	\$ 1,540,496	\$ 4,691,868
2015-16* (Budgeted)	\$ 15,060,945	\$ 1,062,429	\$ 13,850,000	\$ 2,273,374		Data Not Available	

^This amount is based on GLAZA's accrual accounting transfer amount and may differ from the Zoo's actual fiscal year receipts.

MOU with GLAZA for Marketing, Public Relations, Sites Rentals & Catered Events

ADOPTED BUDGET - FY 2014-15

ZOO DEPARTMENT - OPERATING BUDGET		Full-time Authorized Positions	GLAZA - OPERATING BUDGET		Full-time Authorized Positions
Animal Care	\$ 7,464,999	102	Marketing, PR & Sponsorships	\$ 2,756,000	7.0
Planning, Development & Construction	\$ 3,197,130	26	General Administration and Information Technology	\$ 2,070,569	12.5
General Administration and Information Technology	\$ 2,177,261	21	Membership	\$ 2,030,735	4.0
Grounds Maintenance	\$ 1,732,631	22	Fundraising	\$ 1,440,286	7.5
Animal Health Care	\$ 1,698,958	17	Community and Special Events	\$ 994,086	4.0
Education	\$ 1,387,593	11	Publications	\$ 581,995	4.0
Custodial Services	\$ 925,830	11	Docent & Volunteers	\$ 251,187	2.0
Admissions	\$ 834,474	12	Visitor Amenities: Concessions, Carousel & Site Rentals	\$ 324,578	1.0
Public Relations & Marketing	\$ 390,131	5		\$ 10,449,436	42
	\$ 19,809,007	227			
Salaries	\$ 16,666,681	84%	Salaries	\$ 3,765,357	36%
Expense	3,142,326	16%	Benefits	\$ 1,303,270	12%
TOTAL ZOO BUDGET¹	\$ 19,809,007	100%	Expense	\$ 5,380,809	51%
			TOTAL GLAZA BUDGET	\$ 10,449,436	100%

¹ - The Zoo's benefits are funded in other City budgets by the General Fund (\$7,852,458)

ZOO REVENUE		GLAZA REVENUE		GLAZA SHARE	ZOO SHARE
ADMISSIONS	\$ 13,461,562	MEMBERSHIP	\$ 6,337,368	\$4,777,401	\$1,559,967
MEMBERSHIP	1,584,334	CONCESSIONS	\$ 2,137,067	\$ 334,341	\$1,802,726
CONCESSIONS	1,201,907	UNRESTRICTED FUNDRAISING	\$ 2,042,375		
NIGHT TIME EVENTS	1,121,160	GLAZA MARKETING REFUND	\$ 1,181,228		
EDUCATION FEE-BASED PROGRAM RECEIPTS	315,000	NIGHT-TIME EVENTS	\$ 1,436,661	\$ 616,995	\$ 819,666
4-D THEATER REVENUE	300,000	BEASTLY BALL (Net of Expenses)	\$ 984,203		
CAROUSEL RECEIPTS	288,536	CAROUSEL	\$ 466,481	\$ 194,515	\$ 271,966
PREFERRED PARKING RECEIPTS	116,550	NET ASSETS RELEASED FROM RESTRICTIONS	\$ 410,750		
PARKING LOT RENTAL REVENUE	50,000	INDIRECT COST RECOVER (From Restricted Fundraising)	\$ 150,000		
RHINO VIP TOURS	26,250	INVESTMENT REVENUE/ENDOWMENT DISTRIBUTIONS	\$ 129,081		
FILM RECEIPTS	20,000	SITE RENTALS	\$ 74,273		
TOTAL REVENUE	\$ 18,485,299	OTHER MISC. RECEIPTS	\$ 38,016		
GENERAL FUND	-	TOTAL REVENUE	\$ 15,387,503		
ZOO ENTERPRISE TRUST FUND (ZETF)	\$ 2,278,259				
ZOO SURPLUS DEVELOPMENT FUND	600,000	GLAZA BUDGET TRANSFERS TO THE ZOO:			
GLAZA CONTACT YARD	78,329	Membership Transfer	\$ 1,559,967		
GLAZA BE ANIM KEEPER ENDOWMENT FUNDING	59,901	Concessions Transfer	\$ 1,048,472		
WESTERN UNIVERSITY REIMBURSEMENT	59,901	Zoo Surplus Development Fund Transfer	\$ 600,000		
GLAZA OVERTIME REIMBURSEMENT	50,000	Carousel Transfer	\$ 271,966		
PROP K REIMBURSEMENT	47,835	Contact Yard Staffing	\$ 78,329		
INTEREST INCOME	47,250	Behavioral Enrichment Transfer	\$ 65,000		
HOUSEHOLD HAZARDOUS WASTE	20,000	Zoo Overtime Reimbursement	\$ 50,000		
TOTAL ZETF/RECEIPTS/REIMBURSEMENTS	\$ 3,241,475	TOTAL TRANSFERS TO THE ZOO	\$ 3,673,734		
GRAND TOTAL SOURCES OF FUNDS	\$ 21,726,774	GLAZA PROGRAMS AND OPERATIONS			
ZOO DEPARTMENT BUDGET APPROPRIATION	\$ 19,809,007	ZOO PROGRAMS (Administered from GLAZA Accounts)	\$ 454,254		
GLAZA MARKETING REFUND	1,482,722	GLAZA PROGRAMS AND OPERATIONS	\$ 10,449,436		
RESERVE FOR FLUCTUATIONS	435,045	TOTAL GLAZA EXPENSES	\$ 10,903,690		
GRAND TOTAL	\$ 21,726,774	NET RESULTS OF OPERATIONS	\$ 810,079		

Please note that Zoo and GLAZA revenue amounts are not consistent, (i.e. concessions, membership, night-time events, carousel) due to the timing of their respective budget processes.