To: CITY COUNCIL

Agenda Date: 5/12/2020

Subject: FY 2021 Proposed Budget – Junior Museum and Zoo Adjustments for Municipal Fees

On March 3, 2020, the Finance Committee reviewed and recommended to City Council a proposed operating plan for the Junior Museum and Zoo, including a recommended staffing complement and cost recovery levels. Since presenting to the Finance Committee, staff have updated the recommended operating plan in response to uncertainty around the economy, construction delays due to County Health Orders, and future potential limits on public gatherings. City Council will consider the scenarios presented to the Finance Committee in Staff Report 11093 and additional information presented in Staff Report 11222.

In light of the challenging budget situation that the City currently faces, staff recommend increasing the Junior Museum and Zoo’s (JMZ) cost recovery goals from approximately 50% to 85% with corresponding increases to ticket prices and memberships. Recommended pricing changes are included in the table below:

<table>
<thead>
<tr>
<th></th>
<th>Proposed to Finance Committee on 3/3/2020 CMR 11093</th>
<th>Proposed to City Council on 5/12/2020 CMR 11222</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily Entrance Ticket</td>
<td>$10 ($0 - 2 and younger)</td>
<td>$18 ($0 - 2 and younger)</td>
</tr>
<tr>
<td>Discounted Ticket Fee</td>
<td>$2</td>
<td>$2</td>
</tr>
<tr>
<td>Annual Family Membership - Resident</td>
<td>$110</td>
<td>$150</td>
</tr>
<tr>
<td>Annual Family Membership - Non-Resident*</td>
<td>$145</td>
<td>$216</td>
</tr>
<tr>
<td>Annual Family Plus Membership - Resident</td>
<td>$185</td>
<td>$300</td>
</tr>
<tr>
<td>Annual Family Plus Membership - Non-Resident*</td>
<td>$245</td>
<td>$430</td>
</tr>
</tbody>
</table>

* Non-Resident fees are set at approximately 30% above resident fee rates

*Family Membership fee structure updated to provide resident vs non-resident, and a Family Plus service that allows members to select a premium package with additional benefits. Ticket Admission fee structure updated to include a daily and a discounted ticket as additional options for non-membership entrance.
These recommended changes would also require updates to the Municipal Fee Schedule as follows:

- **Family Membership**
  - Originally Proposed Range: $110 - $245
  - New Range: $150 - $430

- **Ticketed Admission Fee**
  - Originally Proposed Range: $2 - $13*
  - New Range: $2 - $24*

*Originally proposed fees ranged above the recommended $10 ticket fee to allow for a non-resident ticket fee and/or a surge pricing ticket fee if desired after opening. The new proposed ticket range includes the same ability.

These changes will result in updated FY 2020-21 Resource Impacts which are outlined in the table below:

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$1,917,000</td>
<td>$1,871,000</td>
<td>$3,200,000</td>
</tr>
<tr>
<td><strong>Staffing Expense</strong></td>
<td>$2,380,000</td>
<td>$2,117,000</td>
<td>$2,380,000</td>
</tr>
<tr>
<td><strong>Non-personnel Expense</strong></td>
<td>$498,000</td>
<td>$498,000</td>
<td>$498,000</td>
</tr>
<tr>
<td><strong>Allocated Charges</strong></td>
<td>$900,000</td>
<td>$900,000</td>
<td>$900,000</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td>$3,778,000</td>
<td>$3,515,000</td>
<td>$3,778,000</td>
</tr>
<tr>
<td><strong>Net General Fund Impact</strong></td>
<td>$1,858,000</td>
<td>$1,644,000</td>
<td>$580,000</td>
</tr>
</tbody>
</table>

*In FY 2022, the JMZ is expected to be fully operational for a full-year. This column projects the resource impact of the facility in its first full year, showing an 85% cost recovery expectation. The updated pricing recommendations, public confidence in visiting large, high-trafficked facilities, and other data may impact this projection.

These changes and the opening date delay from October 2020 to March 2021 (as detailed in CMR 11222) will result in approximately $214,000 in decreased expenses to the General Fund than originally proposed in CMR11093/FY21 Proposed Budget.

**DEPARTMENT HEAD:**

Kristen O'Kane
Assistant Director Community Services

**CITY MANAGER:**

Ed Shikada
City Manager