



JMZ UPDATE AND FULLY COST RECOVERABLE PROGRAM



DEVELOPMENT OF FEE STRUCTURE

May 2020 – Staff proposed an increase in ticket price from \$10 to \$18 as a budget reduction strategy

May 2020 – Council directed Staff to return with a report or item on the Junior Museum and Zoo, six months after it reopened, and what it would look like to eliminate the General Fund subsidy through a fully cost recoverable program

June 21, 2021 – Council approved a \$10 ticket price as part of the FY 2022 Adopted Budget and an October 2021 opening date



UPDATE November 2021 – June 2022

- JMZ opened its doors in November 2021
- November – December open on weekends and returned to a regular schedule (Tuesday-Sunday) in January 2022
- **Cost Recovery:** FY2 2022 Adopted = 65%
FY 2022 Actuals = 54%
- **Factors Impacting Revenue:** COVID-19 surges, lower class enrollments, minimal facility rentals, members overbooking reservations
- **Factors Impacting Expenses:** vacancy savings, contracts and supplies savings, lower than estimated allocated charges

COMPARING THE ADOPTED BUDGET TO ACTUALS

| | FY 2022 Adopted* | FY 2022 Actuals* |
|--|----------------------|----------------------|
| Ticket Price | \$10 | \$10 |
| Attendance | 138,780 | 62,634 |
| Membership Price Ranges | \$108 - \$430 | \$125 - \$288 |
| # of memberships sold | 2,000 | 2,917 |
| Classes and Camps Revenue | \$933,200 | \$554,000 |
| Facility Rental Revenue | \$120,000 | \$33,500 |
| Total Revenue | \$2,285,000 | \$1,476,700 |
| Staffing Expense | \$2,413,600 | \$2,380,600 |
| Non-Personnel Expenses | \$408,600 | \$221,100 |
| Allocated Charges** | \$675,000 | \$154,300 |
| Total Expense | \$3,497,200 | \$2,756,000 |
| General Fund Impact*** (subsidy)/contribution | (\$1,212,000) | (\$1,279,000) |
| <i>Cost Recovery</i> | <i>65%</i> | <i>54%</i> |

* The revenues and expenses have been rounded to the nearest hundred.

** Allocated Charges include direct services such as electricity and refuse collection. They do not include General Fund Cost Allocation Plan charges such as Human Resources or Administrative Services support, which are typically included in determining cost recovery levels. Allocated Charges are generally budgeted at the department level, not by specific facilities. Therefore, the estimates included in this report are the result of staff analysis of FTE and building square footage ratios managed by the Community Services Department. These estimates will be refined in collaboration amongst internal stakeholders and brought forward as part of the annual budget process as further information becomes available.

*** A negative number in Net General Fund Impact indicates a subsidy is required from the General Fund for operations.



ACHIEVING A FULLY COST RECOVERABLE PROGRAM

| | FY 2023 Adopted * | Scenario 1 50% Ticket Price Increase | Scenario 2 60% Ticket Price Increase | Scenario 3 70% Ticket Price Increase | Scenario 4 80% Ticket Price Increase |
|--|------------------------------|---|---|---|---|
| Ticket Price | \$10 | \$15 | \$16 | \$17 | \$18 |
| Attendance | 138,750 | 138,750 | 138,750 | 138,750 | 138,750 |
| Membership Price Ranges | \$108 - \$430 | \$225 - \$518 | \$175 - \$432 | \$125 - \$316 | \$125 - \$288 |
| # of memberships sold | 2,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| Classes and Camps Revenue | \$935,700 | \$935,700 | \$935,700 | \$935,700 | \$935,700 |
| Facility Rental Revenue | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 |
| Total Revenue | \$2,518,800 | \$3,889,300 | \$3,889,900 | \$3,889,500 | \$3,998,000 |
| Staffing Expense | \$2,552,100 | \$2,552,100 | \$2,552,100 | \$2,552,100 | \$2,552,100 |
| Non-Personnel Expenses | \$408,600 | \$408,600 | \$408,600 | \$408,600 | \$408,600 |
| Allocated Charges** | \$900,000 | \$900,000 | \$900,000 | \$900,000 | \$900,000 |
| Total Expense | \$3,860,700 | \$3,860,700 | \$3,860,700 | \$3,860,700 | \$3,860,700 |
| General Fund Impact*** (subsidy)/contribution | \$(1,341,900) | \$28,600 | \$29,200 | \$28,700 | \$137,300 |
| <i>Cost Recovery</i> | <i>65%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>104%</i> |

Assumptions

- FY 2023 Adopted as the baseline
- Scenarios include adjustments to revenue for ticket and membership prices
- Discounted tickets for lower income families are accounted for in the scenarios
- Assumes steady revenue from rentals



LIMITATIONS

- Avian Influenza
 - No interactions with birds
 - Impacts to visitor experience
- Staffing
 - Vacancies
 - Part-time vs. Full-time positions
 - Recruitment and retention trends



NEXT STEPS

- Develop a roadmap to achieve a desired cost recovery level
- FY 2024 proposed budget will consider gradual fee increases
- Staff will continue to analyze available data
- JMZ is increasing volunteers to assist visitors





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