

# Zoo Governance

Creating a Public Private Partnership as the First Step in a Long-Term Plan.

Topeka City Council Meeting – 6 October 2020

# Long-Term Objective

- Create a governance model that allows for countywide public funding that supports admission costs that ensure high accessibility that grows annual visitorship to at least 300,000 guests thereby securing a successful future for the Topeka Zoo and Conservation Center.

# Long-term Plan Action Steps

1. COT shifts operational responsibility of the Zoo to Friends of Topeka Zoo (FOTZ) through a public private partnership.
2. FOTZ seeks support from the City Governing Body and County Commission for a long-term model.
3. FOTZ works with members of the Kansas Legislature to draft legislation creating a new countywide taxing district or authority, similar to the Topeka Shawnee County Public Library District or the Transit Authority.
4. Community determines whether to adopt or reject the proposed taxing district or authority through a public vote.
5. If community votes in favor, City Governing Body and County Commission appoint a Board to oversee the new district or authority.
6. If community does not vote in favor, the Public Private Partnership may become the long-term sustainable model.

## Short-Term Objective:

Pursue a Public Private Partnership  
as the first step in a long-term plan  
that will preserve the integrity of  
the Zoo

# Public Private Partnership: Background

- If the governance change would have been adopted at the time it was originally recommended in 2009, adopting a model similar to the Library District or Transit Authority could have been the logical next step.
- However, at the time of the 2009 recommendation, too many systems were too broken for any type of governance shift to occur. We had to put things back together first.
- Along the way, we needed FOTZ to become engaged in zoo operations so that services the City was no longer able to afford could continue.
- We are now in a position to pursue a model that will allow operational employees of both organizations to work under one umbrella, as one team with less repetition of service.

# Public Private Partnership: Current Relevance

- Organizational mission will remain on hold as we decide whether or not we are an organization that is growing or shrinking.
- COT staff who work at the zoo will be doing so in a much less resource supported environment. To generate resources we have to rehome some key animals and not replace older key species after they die.
- Failure to change our model keeps the team of City staff and FOTZ staff divided and continues use of necessary resources on repetitive services.
- Current model is not sustainable for current zoo.
- “Bridge” to Long-Term Action Steps 2, 3 and 4 – FOTZ will take lead on pursuing legislation to create a taxing district or authority that would be submitted to the voters for approval.

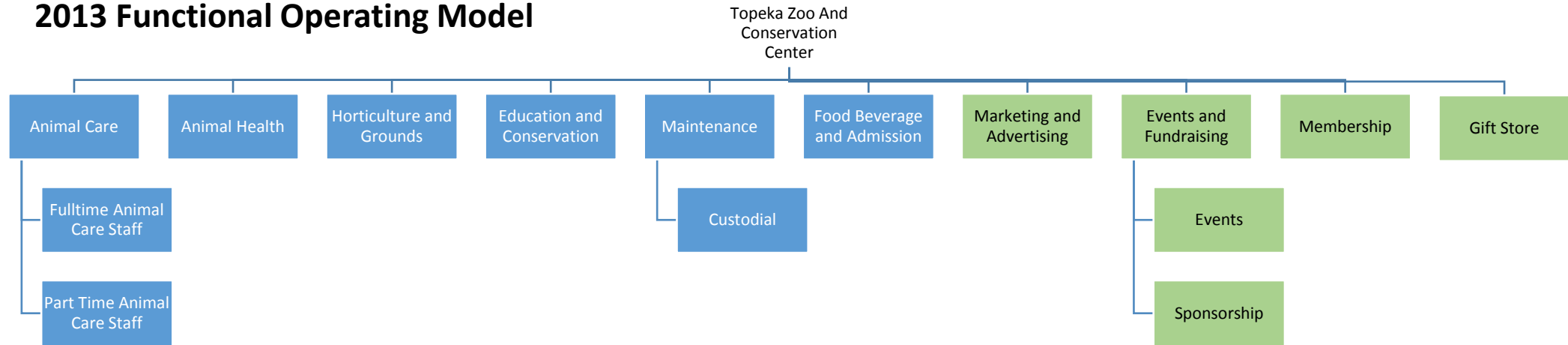
# Public Private Partnership: Current Status

- Eleven years into the process.
- Proposed license and management agreement has been drafted.
- Issues requiring further discussion:
  1. Determine license and management fee.
  2. Agree on plan for capital maintenance.
  3. Finalize employee matters – Come to an agreement with the union that represents some members of COT staff who work at the Zoo.
  4. Identify which entity will provide insurance (i.e. Who will insure what)?
  5. Finalize IT transition plan.

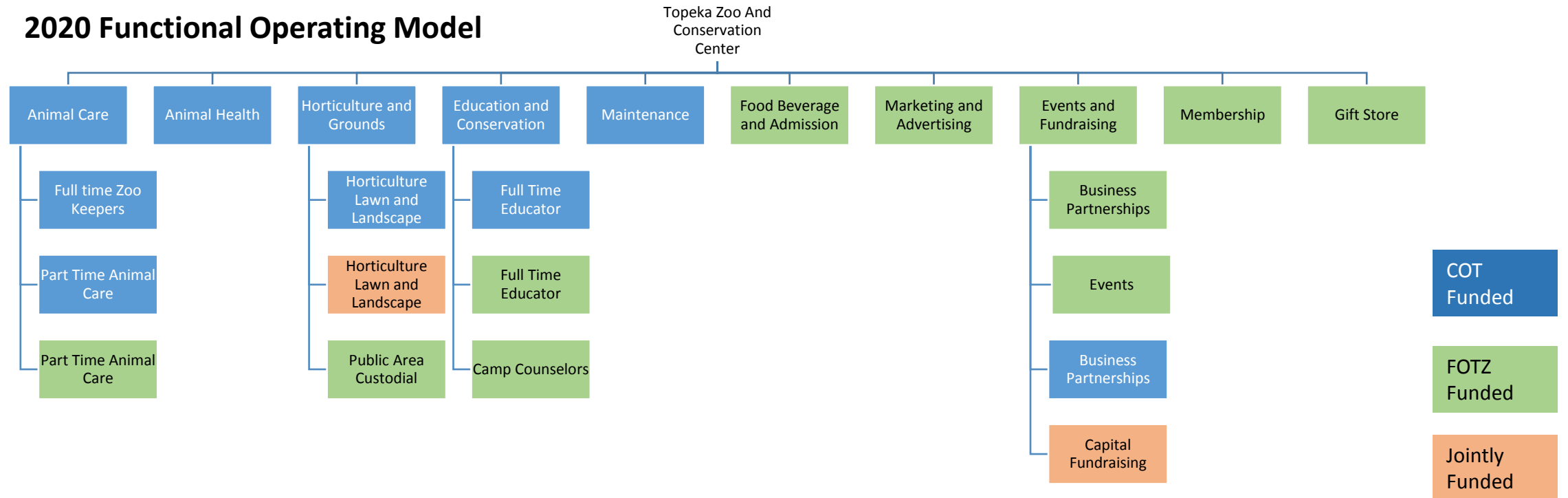
# Status of Operational Shift to FOTZ



## 2013 Functional Operating Model



## 2020 Functional Operating Model



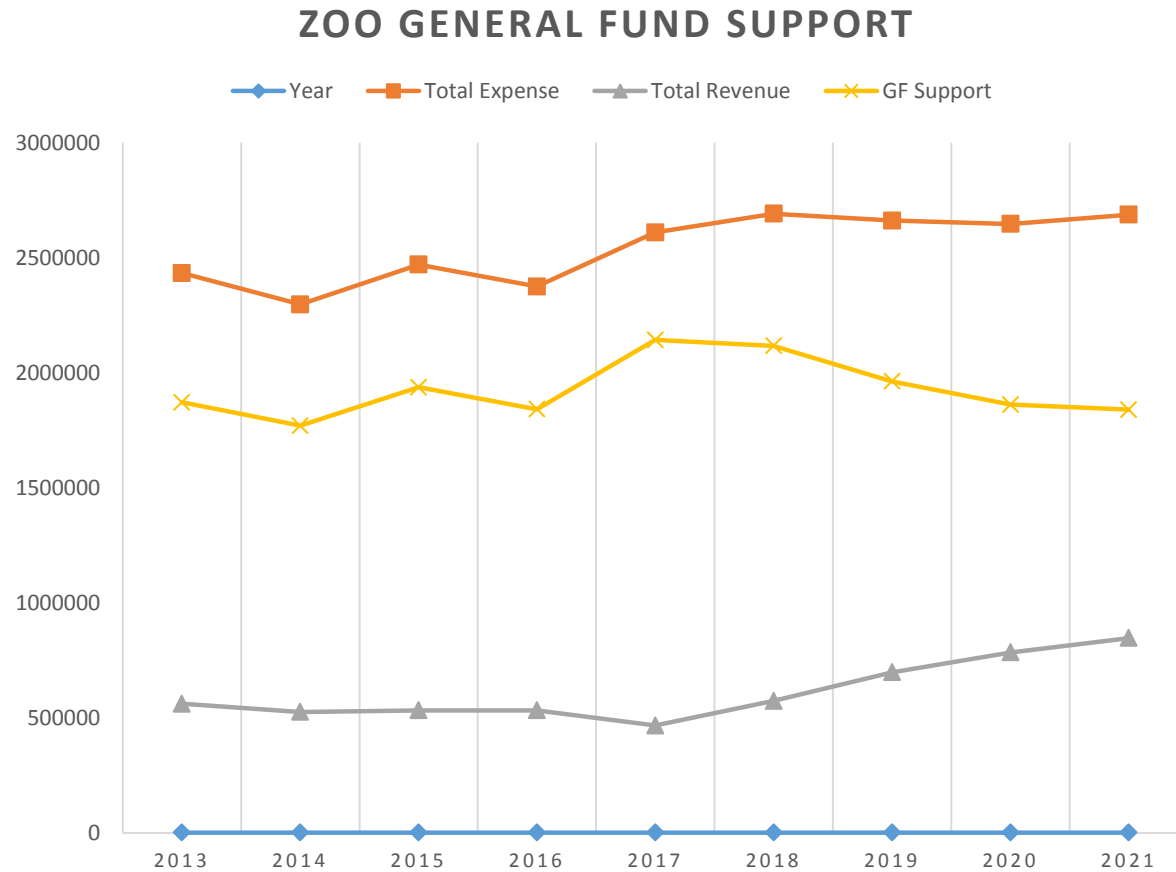
License & Management Fee

# Financial Considerations:

- Accessibility – Established through Admission Rates.
- Operations – Has typically been supported through COT General Fund.
- Future Capital Improvement/Maintenance –
  - Capital Maintenance (Capital Funding to Maintain Existing Assets) – Has typically been supported through GO Bonds or to a limited degree, COT General Fund. Typically, capital maintenance is a function of a license or management fee.
  - Capital Improvements (Capital Funding for New Improvements and Projects)\* – Future Improvements and projects will be funded through a combination of private funding secured through FOTZ and ½ Cent Countywide Retailers Sales Tax. Typically, capital improvements are not a function of a license or management fee.

\* There may be a time when the COT wants to fund a Capital Improvement on or near Zoo property outside of the License or Management agreement. Examples of this may include funding a master plan or multipurpose infrastructure needs. This license or management fee/agreement does not prohibit that.

# General Fund Operational Support - History



Year	Total Expense	Total Revenue	GF Support
2013	2,433,815	562,193	1,871,622
2014	2,297,439	526,763	1,770,676
2015	2,470,559	533,235	1,937,325
2016	2,375,174	533,335	1,841,839
2017	2,610,591	467,332	2,143,259
2018	2,691,853	574,506	2,117,347
2019	2,661,575	698,756	1,962,819
2020*	2,647,382	785,000	1,862,382
2021*	2,687,269	847,522	1,839,747

\* 2020 and 2021 are budget amounts. All other years are actual expenditures and revenue.

# GO Bond CIP Maintenance Support

Project	Year	Cost
Animals and Man Roof Replacement	2010	\$89,504
Hippo Wall and KS Carnivore Roof	2011	\$170,402
Rainforest Roof Replacement	2011	\$1,012,187
Necropsy Room	2011	\$109,256
Security Fence Phase 1	2011	\$155,477
Animals and Man Boiler Replacement	2012	\$105,547
Quarantine Facility	2012	\$1,034,287
Rainforest AC Upgrade	2013	\$242,400
Security Fence Phase 2	2013	\$126,130
Pond Repair	2015	\$217,709
Greenhouse/Storage	2016	\$154,200
Digital X-Ray	2016	\$91,140
Fire Hydrant Install	2017	\$154,000
Zoo Parking Lot Resurfacing and Drainage	2018	\$416,079
Storm Drainage	2019	\$1,456,000
		\$5,534,318

Average Capital Maintenance cost through the CIP is somewhere between \$338,226 and \$614,924 annually.

Current maintenance approach will be addressed in next week's presentation.

# License Fee Examples

License Fee	Amt	Capital Maintenance	Accessibility/ Ticket Cost	Term	Structure	Pros	Cons
Zoo Advisors Model	2.25 mils flat or 2.125 mils average over 10 years starting at 2.5 mils then decreasing.	Accomplished by License Fee	Adult - \$7.75 Child - \$6.25 Senior - \$7.25	10 Years	Year 1 - 2.5 mils Year 2 - 2.375 mils Year 3 - 2.25 mils Year 4 - 2.125 mils Year 5 - and beyond - 2.0 mils	Based on best practice and benchmarking. Perpetuates success. Promotes growth and accomplishes capital maintenance. Supports current admission rates.	Fee is higher than current support in General Fund.
Neutral General Fund Impact Model	1.55 mils flat for the contract term.	Approved CIB - FOTZ is contracted with to perform capital maintenance.	Adult - \$9.75 Child - \$8.25 Senior - \$9.25	10 Years	Flat over contract term. Fee increases if mil levy increases	Fits within approved 2021 COT Budget.	Most likely requires an animal program reduction. Places higher burden on user through higher admission.
Negotiated Fee Model	2 mils flat for the contract term.	Negotiated CIB	Adult - \$8.75 Child - \$7.25 Senior - \$8.25	10 Years	Flat over contract term.	Admission rate can increase at a more gradual impact.	Fee is higher than current support in General Fund. May require an animal program reduction.

# But... We are in a pandemic?

- COVID-19 has taught COT and FOTZ staffs how to engage and perform in crisis management situations.
- If either organization has to make pandemic-related future reductions, either organization can make them. We have developed the related data sets.
- If positioned as a non-profit, bounce back will be more rapid.

# Proposed Timeline

- October 13 – Financial Matters
  - General Fund Neutral Model, Capital Maintenance, Contingency Planning
- October 20 – Property Ownership; Insurance; Proposed License Fee
  - Overview of applicable Articles 4, 5 and 15; 8 and 9
- November 10 – City Employees
  - Overview of Article 7 and Employee Services Agreement
  - Executive Session - AFT Labor Agreement
- November 17 – Action Items
  - Approval of License and Management Agreement with FOTZ and Employee Services Agreement
  - Approval of AFT Working Agreement
- Around January 1 – Transition Begins



# Desired Feedback

- Over the next several meetings your guidance and feedback will be sought on the following items:
  - License and management fee amount, structure and term.
  - The future of Zoo capital maintenance.
  - Transition of personal property and property insurance.
  - Transition of some City staff to FOTZ employment.
  - Public engagement relating to a governance transition.
  - Contingency funding and planning.