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CITY OF SACRAMENTO
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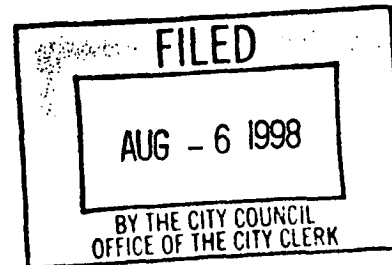
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July 28, 1998

City Council
Sacramento, California

Honorable Members in Session:



SUBJECT: UPDATE ON FIRST YEAR OF CITY/SACRAMENTO ZOOLOGICAL SOCIETY MANAGEMENT AGREEMENT

LOCATION: Four

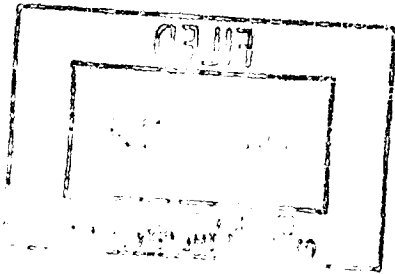
RECOMMENDATION: This report is for City Council information only. No action is required.

CONTACT PERSON: Maria Baker, Zoo Director, 264-5886

FOR COUNCIL MEETING OF: August 6, 1998

SUMMARY:

On February 25, 1997, the City of Sacramento entered into an agreement (97-021) with the Sacramento Zoological Society (SZS) to take over the day - to - day management of the Zoo beginning July 1, 1997. This report summarizes the events of the first year under the new management agreement.



COMMITTEE/COMMISSION ACTION:

Report to City Council from the Sacramento Zoological Society on the first year of business under the new management alliance.

BACKGROUND:

In January, 1996, the Sacramento Zoo was inspected by a team of zoo professionals to access how the Zoo was meeting its obligations toward the professional goals of the American Zoo and Aquarium Association (AZA) and to reapply for accreditation status. Such reviews occur every five years. In February, 1996, the AZA Accreditation commission voted to table the accreditation status of the Sacramento Zoo due to the decrease in City funding over the previous five years. The accreditation committee additionally could not get a sense that the budgetary constraints would not continue and saw that the several critical problems were observed at the Zoo due to these constraints. Problem areas included critically low levels of staffing for animal care and maintenance, extensive deferred maintenance, veterinary constraints, funding for operations and capital improvements, and lack of animal holding. It was felt that although the Zoo had accomplished many exciting projects over the five-year period, the lack of future funding posed such a critical situation that it was necessary to bring this to the attention of both the City and the Zoological Society. The Zoo was given one year to resolve this issue and have a plan in place which would address how the Zoo would move forward.

For the next year, after a great deal of work on behalf of the City Council, City Manager's Office and the board of the Sacramento Zoological Society, a management agreement was created which would turn over the management of the Zoo to the Zoological Society, while the City continued to own the property, the assets and the animals. All City staff would remain as such until that time as they may vacate their positions through natural attrition, at which time a vacancy would be filled by an employee of the Zoological Society. The agreement was signed on February 25, 1997. On March 19, 1997, while appearing before the AZA Accreditation Commission, Zoo Director Maria Baker was informed that the Sacramento Zoo had once again achieved accreditation status and that the AZA commission was extremely impressed with the commitment and support of the City of Sacramento and the Sacramento Zoological Society. On July 1, 1997, the SZS officially took over the management of the Sacramento Zoo.

In its first year of managing the Zoo, the Sacramento Zoological Society completed two new exhibits, one for Lion-manned Tamarin and one for Snow Leopard. In February,

1998, two white tigers were added to the Zoo's collection on a temporary basis until January 1, 1999. Additionally, the Zoo held a three month promotion exhibiting robotic dinosaur and Ice Age mammals. These exhibits created an increase in Zoo attendance of 22% or 448,930 (the highest attendance since 1992/93). Additionally, visitors utilizing the Zoo during rentals, catering events, fundraising events, lectures, classes, workshops, and Zoo member activities added another 20,000 to the attendance usage for the Zoo. In terms of admissions revenue, the 1997/98 fiscal year saw an increase of 19% to reach an additional \$161,262 over the previous fiscal year. Our belief that the Sacramento Zoological Society would see a higher level of donations and sponsorships came through; starting with a generous \$100,000 donation for our next exhibit, as well as sponsorships for our robotic program, education programs, and memberships.

Issues addressed from the Accreditation Report from the American Zoo and Aquarium Association included the hiring of additional animal care and maintenance staff, and increasing maintenance funding, all of which have increased in our first year. In evaluating our business, it was decided that the Zoological Society should focus on the development of the Zoo and not the management of a food and beverage, retail and catering operation. On October 1, 1997, the Zoological Society contracted out these operations to Service Systems Association headquartered in Denver, Colorado. They increased the retail inventory, renovated our lower concessions stand, and did some minor remodeling to our new Kampala concession stand. The Zoological Society receives a percent of gross, and to date we are netting more revenue than ever before.

Other activities which occurred during the year included:

- * Complete renovation of an old concession stand into an educational center donated by the Sacramento Sierra Trades Council.
- * Construction of a new off exhibit cat holding facility donated by the Sacramento Sierra Trades Council.
- * Total reorganization of the Marketing and Development Departments into a single, more efficient and collaborative working unit entitled the Marketing and Community Relations Department.
- * Created a new Accounting/Admissions Department and a Department of Human Resources.

- * Community Volunteerism saw a tremendous increase, to the point some groups had to be put on a waiting list due to time and personnel constraints.

- * Animal Successes included:
 - Birth of a Mongoose Lemur (primate)
 - Birth of and African Bongo Antelope
 - Birth of a South American Saki Monkey
 - Birth of endangered Thick-billed Parrots
 - Introduction of White Tigers
 - Creation of an African Tortoise Exhibit
 - Construction of the Lion Manned Tamarian Exhibit
 - Completion of the Snow Leopard Exhibit

FINANCIAL CONSIDERATIONS:

Sacramento Zoological Society completed its first year of operating the Sacramento Zoo and is currently in the black and doing well. It is important to note that this would not be the cause without the financial contribution from the City of Sacramento and that it is acknowledged the increase in attendance and admissions revenue still remains lower than the goal to be reached over the next few years. The attendance and revenue had reached such a low level during the 1995/96 and 1996/97 fiscal years that an upward trend was critical to achieve. Attendance included an increase in school participants, coupon holders and group admissions which do not pay the regular entrance fee. Thus, it is now important to increase the number of visitors who will pay full price in order to see the revenue needed for the Zoo to move forward. Financial caution is important to note at this point. But the Zoological Society achieved the goal of creating a positive image of the Zoo and involving the community in our "come-back".

ENVIRONMENTAL CONSIDERATIONS: None

POLICY CONSIDERATIONS: None

MBE/WBE: None

Respectfully submitted,



Maria Baker
Zoo Director

APPROVED:



Thomas V. Lee
Deputy City Manager

RECOMMENDATION APPROVED:



William H. Edgar
City Manager

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