

A G E N D A

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736  
TEL 503 797 1542 | FAX 503 797 1793



**METRO**

**Agenda**

MEETING: METRO COUNCIL BUDGET WORK SESSION MEETING  
DATE: April 13, 2005  
DAY: Wednesday  
TIME: 2:00 PM  
PLACE: Metro Council Chamber

**CALL TO ORDER AND ROLL CALL**

1. **Ordinance No. 05-1074**, For the Purpose of Adopting the Annual Budget For Fiscal Year 2005-06, Making Appropriations, and Levying Ad Valorem Taxes, and Declaring an Emergency

**ADJOURN**

## Oregon Zoo FY 2005-2006 Budget Summary

### Budget Assumptions

- Attendance: 1,310,000 (15,000 visitor increase over 04/05 budget)
- Total Enterprise Revenue \$13,850,000 (down 1%)
  - Admissions per cap: \$4.45
  - Food per cap: \$2.40
  - Property tax: \$9,300,000 (up 4%)
  - Donations to Operating Fund: \$945,000
- Budget includes 24.49% for PERS and a total fringe package totaling over 50% of salaries
- No admission increase in FY 05/06

### Issues

- Utilities increase of \$138,000
- Central Services increase of \$167,000
- Personnel costs increase of \$971,000

### New Revenue Opportunities

- Summer Butterfly Exhibit with separate admission: \$120,000
- Simulator revenue (with SpongeBob): \$200,000
- Parking revenue: \$200,000

### Expense Cuts

- The research and education divisions are being combined to form a new division; Conservation. Net impact: reduction of 1.0 FTE.
- The design department will be eliminated. Net impact: reduction of 1.9 FTE.
- The event staff will be transferred from the marketing division to guest services. Net reduction: .8 FTE.
- The Security Supervisor will be eliminated. The net impact is a decrease of 1.0 FTE.
- Part-time animal keeper hours will be reduced after the butterfly exhibit is completed. Net impact: reduction of .17 FTE.
- (Total FTE reduction: 4.87).
- PERS Reserve will be identified as part of fund balance should that expenditure be necessary. (Deferral of \$573,000).

### Future Considerations

Renewal and Replacement continue to go unfunded. While maintenance repairs that are related to safety and conservation are of the highest priority and are funded out of maintenance operating expenses, there is not enough funding to keep pace with routine maintenance needs. The result: the entire zoo fleet of vehicles is in desperate need of replacement (we have not purchased a new vehicle in several years), also, the appearance of areas in need of repair are now being noticed by visitors,

With recommended reserves for cash flow needs, PERS reserves, and a counter cyclical reserve to cover unexpected downturns, the Zoo Operating Fund balance will dip below reserves in the FY 06/07 budget.

There is a need for a new business model. Building no new exhibits and no expansion of programs results in decreased attendance and, thus, decreased revenue while expenses continue to increase. However, while building new exhibits and creating new programs results in increased attendance and revenue, the increase does not keep pace with the increase in operating expenses. For the past several years adopting these models has resulted in annual decrease in reserves. This is not sustainable.