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Agency Purpose

The Minnesota Zoological Board (MZB) is established by M.S. Chapter 85A and is charged with operating the Minnesota Zoological Garden (Zoo) as an education, conservation, and recreation organization for the collection, propagation, preservation, care, exhibition, interpretation, examination, and study of wild and domestic animals.

The mission of the Zoo is to connect people, animals and the natural world. To accomplish this the Zoo provides award-winning education, recreation, and conservation programs. The Zoo belongs to the people of Minnesota and its facilities and programs are accessible to all Minnesotans.

The Zoo partners with the Minnesota Zoo Foundation (MZF), whose purpose is to raise contributed income from individuals, corporations, and foundations to support the Zoo and its mission. The Foundation conducts many fund raising activities whose net income support conservation and educational activities.

Core Functions

The Zoo provides unique opportunities for Minnesotans and out-of-state guests to experience and learn about wildlife. These experiences encourage stewardship for animals and nature and foster a greater appreciation for the earth’s rich diversity.

The 2001 Facilities Master Plan and 2005 Strategic Plan provide a reaffirmation of the Zoo’s mission. The plans establish a clear course of action to continue the Zoo’s active engagement in conservation activities and expansion of programs for developing environmentally-knowledgeable citizens. In order to meet the increasingly urgent conservation and natural-science education imperatives facing our state and the world, the Zoo is:

- ◆ continually improving the guest experience to match Minnesotans’ evolving sophistication and desire to experience wildlife in more meaningful ways;
- ◆ addressing deferred maintenance of the facility to protect the public’s investment and the health and safety of the collection and our guests;
- ◆ improving current exhibits to provide Zoo animals with optimal spaces and enrichment activities that promote the display and interpretation of natural behaviors — and where appropriate — reproduction; and
- ◆ delivering programs that provide lifelong learning and engagement with science and conservation activities in a fun environment.

Operations

The MZB is comprised of 30 citizens who are appointed to supervise and oversee the operations of the Zoo. The governor appoints 15 members of the board and another 15 members are appointed by the MZB. An important function of the MZB is to work in conjunction with the Zoo Foundation to secure private sector support for the Zoo. As the fund-raising arm of the Zoo, MZF raises general operating funds for the Zoo, as well as capital funds for new exhibits, such as the award-winning Wells Fargo Family Farm. The Zoo’s retail and food service partners have invested over \$6 million in capital improvements throughout the Zoo. The MZB appoints a director / CEO who carries out the directives of the board in the operation of the Zoo. The Zoo is managed to meet and exceed the accreditation standards of the Association of Zoos and Aquariums (AZA), as well as the regulatory requirements of the United States Department of Agriculture (USDA).

At A Glance

Zoo Information:

- ◆ More than 1.1 million annual visitors.
- ◆ More than 75,000 school children visits annually.
- ◆ Over 50,000 Minnesotans in 38 counties visited by the Zoomobile annually.
- ◆ Over 2,600 animals in a diverse collection.
- ◆ Over 50 endangered or threatened species.
- ◆ More than 875 volunteers donating nearly 87,000 hours.

Master Plan Goals:

- ◆ Enhance environmental education activities and serve increasing numbers of Minnesotans.
- ◆ Increase the capacity to affect conservation in the Zoo and beyond.
- ◆ Elevate the Zoo to a premier cultural institution and tourist destination, becoming one of the top 10 zoos in the United States.

Education programs provide guests with fun, hands-on, relevant educational interactions with the Zoo's animal and plant collections. These programs are designed to foster the development of values supportive of species survival, biodiversity, habitat preservation, and environmental stewardship.

- ◆ Educational programming is provided onsite through monorail tours, family programs, Zoo Camp, scout programs, keeper talks, and behind-the-scenes tours.
- ◆ Exhibits contain engaging graphics detailing information on animals, their habits, and habitats.
- ◆ Outreach is provided through Zoomobile programs in schools and communities as well as through web-based information and interactive programming for those who are unable to visit the Zoo. Recently the Zoo partnered with Mayo Clinic to bring zoo programs into their pediatric ward via videos.
- ◆ Curricula are developed to help teachers meet required standards. The Zoo has developed a web-based game to help teach genetics.
- ◆ An interactive 3D wildlife simulation video game invites players to take on the role of a wolf living in Yellowstone National Park. The game inspires young people to learn about and connect with wild animals.
- ◆ Innovative curriculum at the School of Environmental Studies is delivered in partnership with the education department and Independent School District No. 196. This award-winning high school is located on the grounds of the Zoo and utilizes the Zoo collection and the Zoo staff in delivering the school's environmental education program.

Recreational experiences provide family-oriented activities that are educational as well as entertaining. Guests to the Zoo have fun and leave with a greater understanding, appreciation, and respect for animals and nature.

- ◆ More than one million visitors come to the Zoo annually, a figure only a few zoos in the country match.
- ◆ New and exciting exhibits are developed as funding is available. In 2007, the Minnesota Zoo renovated and re-opened the Medtronic Minnesota Trail, and in 2008, the Zoo opened Russia's Grizzly Coast, a state-of-the-art exhibit featuring sea otters, brown bears (grizzlies), wild boars, Amur leopards, and Amur tigers.
- ◆ Zoo guests have a very positive view of the Zoo and the emphasis on animal viewing experiences in a naturalistic setting. The Zoo collects customer satisfaction data from comment cards, annual surveys, and "Secret Shopper" reports.
- ◆ Zoo guests have the opportunity to view live animal demonstrations featuring our dolphins and bird collections. The Farm invites guests to feed and brush goats, as well as view milking demonstrations.
- ◆ An annual summer concert series hosted by the Zoo is consistently rated the top outdoor venue in the metropolitan area.

Conservation programs are delivered locally, nationally and internationally. Conservation efforts strive to preserve biodiversity and promote an understanding of animals and nature. The Zoo partners with other organizations to promote the survival of threatened and endangered species and ecosystems.

- ◆ The Zoo participates in 24 AZA Species Survival Plans. The Zoo supports AZA studbook keepers for eleven species.
- ◆ Conservation staff continues to coordinate worldwide tiger conservation programs through the Tiger Global Conservation Strategy and are working with the Chinese government to plan for a program intended to reintroduce the South China Tiger back into the wild.
- ◆ The Zoo works on re-introduction programs for threatened species. Successful programs include: Trumpeter Swans (in cooperation with the Department of Natural Resources) and Asian Wild Horses in Mongolia.

Key Goal

As stated in the Minnesota Zoo Strategic Plan, dated October 2005, the aspiration of the Minnesota Zoo is "to become one of America's Top Ten Zoos."

To become one of America's top ten zoos, the Minnesota Zoo must

- ◆ be recognized by the general public, the government, community leaders, the media and industry peers for excellence in exhibits/facilities and programs;
- ◆ provide better environmental education to more people;
- ◆ lead and participate in more wildlife conservation activities;
- ◆ attract more visitors, increase membership and earn more revenue; and
- ◆ raise more contributed income.

The Minnesota Zoo will attain this goal through

- ◆ addition of exciting, state-of-the-art exhibits and guest facilities;
- ◆ new and expanded education efforts;
- ◆ significantly stronger marketing, positioning and public relations efforts;
- ◆ new, expanded and more visible conservation programs; and
- ◆ greater investment in fund-raising capacity.

Key Measures

Education Programs

Continue to increase participation in Education programs by at least 2,000 individuals each year.

Education programs include Zoomobile, Monorail, Zoo Camp, Family Programs, school field trips to the Zoo, teacher workshops, pre-school programs, scout classes, overnight programs, and our mentor program. It does not include individuals who access our website to obtain information on animals and conservation or the number participating in WolfQuest. Participation in these programs is all tracked individually. At fiscal year end numbers are compiled and included in our Annual Report. Quality is measured by survey of participants.

Total Education Program Participants:

FY 2007	FY 2008 ¹	FY 2009 (est.)	FY 2010 (est.)	FY 2011 (est.)
321,000	326,279	328,300	330,300	332,300

¹ Additional classroom space was added.

Recreation Programs

Maintain minimum Zoo attendance at FY 2009 levels into the future.

The Guest Experience encompasses everything from ease of entry into the zoo to cleanliness, food service, interaction with animals, quality of exhibits, comfort and amenities. We measure the success by attendance and member numbers. We determine effectiveness through guest surveys and the Secret Shopper program. Attendance and Membership goals are incorporated into our strategic plan. In our strategic plan, completed in 2005, we estimated attendance for FY 2009 at 1,100,000. Given the success of the previous two years, goals were adjusted at that time. With the opening of Russia’s Grizzly Coast, we anticipated an increase in attendance. Generally, a year or two after opening a major new exhibit a zoo will see some decline in attendance. We are setting a goal to maintain attendance at this new level.

	FY 2007	FY 2008	FY 2009 (est.)	FY 2010 (est.)	FY 2011 (est.)
Attendance	1,030,418	1,162,696	1,200,000	1,200,000	1,200,000
Membership Households	33,725	35,538	39,400	40,500	40,500

Conservation and Animal Programs

Maintain accreditation from the Association of Zoos and Aquariums (AZA) under their increasingly rigorous standards.

As stated on the AZA website: “The Accreditation Commission evaluates every zoo or aquarium to make sure it meets AZA's standards for animal management and care, including living environments, social groupings, health, and nutrition. We also make sure that animals are provided with enrichment, which stimulates each animal's natural behavior and provides variety in their daily routine.

The Accreditation Commission also evaluates the veterinary program, involvement in conservation and research, education programs, safety policies and procedures, security, physical facilities, guest services, and the quality of the institution's staff. And because a zoo or aquarium needs a strong foundation in order to continue to meet high

standards, accreditation also evaluates each institution's finances, its governing authority, and its support organization. In other words, we look at everything!"

For more detailed information on the accreditation process, visit:
<http://www.aza.org/Accreditation/AccreditationIntro/index.html>

Budget

Funding of the operation of the Zoo is a combination of general fund and Natural Resources Fund dollars, earned income from charges to visitors at the Zoo, and contributions from the private sector. The Zoo has an annual operating budget of approximately \$20 million from all sources. In the past decade the percentage of state funding has declined, while earned revenue and contributions have increased. In the early 1980s the state appropriation was approximately 60% of the total operating budget. In FY 2008 state appropriations from the general fund (\$7 million) and other state sources (\$400,000) was 38% of the total operating budget.

The Minnesota Zoo Foundation, with the support of the MZB, is using recently appropriated state bond funds as leverage to launch a comprehensive campaign for private capital and operating funds. To date over \$8 million has been raised.

Approximately 250 people (212 FTE) are permanent full, part-time or intermittent employees. During the peak summer months the Zoo adds a large number of part-time and temporary employees and student interns to handle the increased operation needs. They bring the full-time number to 340.

Contact

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The Minnesota Zoo website at www.mnzoo.org gives guests easy access to useful information about the Minnesota Zoo, its collection of animals, and the Zoo's involvement in conservation activities.

Dollars in Thousands

	Current		Governor Recomm.		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	7,000	7,193	7,193	7,193	14,386
Recommended	7,000	7,193	6,361	6,361	12,722
Change		0	(832)	(832)	(1,664)
% Biennial Change from 2008-09					-10.4%
Natural Resources					
Current Appropriation	137	138	138	138	276
Recommended	137	138	138	138	276
Change		0	0	0	0
% Biennial Change from 2008-09					0.4%
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	7,000	7,193	6,361	6,361	12,722
Natural Resources	137	138	138	138	276
Statutory Appropriations					
Miscellaneous Special Revenue	10,778	11,847	12,540	12,307	24,847
Gift	1,767	4,314	2,836	2,874	5,710
Total	19,682	23,492	21,875	21,680	43,555
<u>Expenditures by Category</u>					
Total Compensation	13,108	14,281	14,650	15,063	29,713
Other Operating Expenses	5,950	6,632	6,049	6,212	12,261
Capital Outlay & Real Property	480	2,421	1,020	250	1,270
Other Financial Transactions	144	158	156	155	311
Total	19,682	23,492	21,875	21,680	43,555
<u>Expenditures by Program</u>					
Minnesota Zoo	19,682	23,492	21,875	21,680	43,555
Total	19,682	23,492	21,875	21,680	43,555
Full-Time Equivalent (FTE)	211.9	221.7	222.1	222.1	

<i>Dollars in Thousands</i>				
	FY2009	Governor's Recomm.		Biennium
		FY2010	FY2011	2010-11
<i>Fund: GENERAL</i>				
FY 2009 Appropriations	7,193	7,193	7,193	14,386
Technical Adjustments				
Current Law Base Change		(125)	(125)	(250)
Subtotal - Forecast Base	7,193	7,068	7,068	14,136
Change Items				
Operating Budget Reallocation	0	(707)	(707)	(1,414)
Total Governor's Recommendations	7,193	6,361	6,361	12,722
<i>Fund: NATURAL RESOURCES</i>				
FY 2009 Appropriations	138	138	138	276
Subtotal - Forecast Base	138	138	138	276
Total Governor's Recommendations	138	138	138	276
<i>Fund: MISCELLANEOUS SPECIAL REVENUE</i>				
Planned Statutory Spending	11,847	12,540	12,307	24,847
Total Governor's Recommendations	11,847	12,540	12,307	24,847
<i>Fund: GIFT</i>				
Planned Statutory Spending	4,314	2,836	2,874	5,710
Total Governor's Recommendations	4,314	2,836	2,874	5,710

ZOOLOGICAL BOARD

Change Item: Operating Budget Reallocation

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	\$(707)	\$(707)	\$(707)	\$(707)
Revenues	0	0	0	0
Other Fund				
Expenditures				
Revenues	357	357	357	357
Net Fiscal Impact	\$(350)	\$(350)	\$(350)	\$(350)

Recommendation

The Governor recommends that the Zoo review its fee structure in all categories, taking the economy into consideration, and increase revenues to help meet expenditure reductions. In addition, the Governor recommends that the zoo review its business operations to find savings of at least \$350,000 per year.

Background

The Minnesota Zoo operates in a competitive business climate. The Board reviews attendance assumptions and pricing annually as part of its budget process. Both admission and membership pricing, their two largest categories of revenue, are reviewed against the local market and national trends. They anticipate that, despite the economy, the market will allow for some modest adjustments in pricing. A risk in the current climate is sustaining or growing contributions from the private sector, including foundations and corporations. They will continue to monitor this closely.

The Board of Directors, and its Finance Committee, meet quarterly and review all revenues and expenditures. The Zoo has seen a trend of increased attendance and increased revenue. Operating costs have increased also, both with an increased animal collection and, in particular, with increases in utilities, supplies, state employee contractual obligations and benefit costs.

Zoo staff and the Board and Foundation Executive Committees will be undertaking a comprehensive review of the zoo's operations with an eye toward creating an operation that is sustainable well into the future.

The percentage of the Zoo's annual operating budget provided by state general fund appropriation has been decreasing over time. Nationally, the average level of public (taxpayer) support for all zoos is approximately 50% of annual operating costs

Relationship to Base Budget

This proposal represents an approximate 3.5% reduction in the overall annual operating budget of approximately \$20M. Some of this change will be mitigated with increased revenues. In the current fiscal year, the state general fund appropriation covers 34% of the Zoo's total expenditures. Under this proposal, the state general fund appropriation will account for about 32.5% of the Zoo's budget.

Key Goals and Measures

The guest experience is a key to the mission of the Zoo. One way to measure a positive guest experience is attendance. Attendance also drives revenues. As noted in the Agency Profile, the trend has been increasing attendance and memberships.

	FY 2007	FY 2008	FY 2009 (est.)	FY 2010 (est.)	FY 2011 (est.)
Attendance	1,030,418	1,162,696	1,200,000	1,200,000	1,200,000
Membership Households	33,725	35,538	39,400	40,500	40,500

Their goal will be to maintain attendance and membership levels as indicated above, even with potential price increases and expenditure reductions.

Alternatives Considered

With the capital investment the state has made, the Zoo has been able to increase attendance, membership and private contributions. The Zoo has made progress in all areas of their Strategic Plan and are well on their way to meeting their goal of becoming one of America's Top Ten Zoos. As the zoo looks at expenditure reductions, they do not want to impact the guest experience, the zoo's accreditation, animal care standards, or safety. That said, they have begun exploring a number of alternatives throughout all operations, to look at what can be done differently while maintaining momentum.

Statutory Change: Not Applicable at this time. Changes to the zoo's enabling legislation, Chapter 85A, may be proposed after the Board's review.

Dollars in Thousands

	Actual FY2008	Budgeted FY2009	Governor's Recomm. FY2010 FY2011		Biennium 2010-11
<u>Non Dedicated Revenue:</u>					
Taxes:					
General	35	35	35	35	70
Total Non-Dedicated Receipts	35	35	35	35	70
<u>Dedicated Receipts:</u>					
Departmental Earnings:					
Miscellaneous Special Revenue	10,997	11,583	11,734	12,146	23,880
Grants:					
Miscellaneous Special Revenue	20	0	0	0	0
Other Revenues:					
Miscellaneous Special Revenue	116	125	125	125	250
Gift	2,057	4,105	3,305	2,035	5,340
Total Dedicated Receipts	13,190	15,813	15,164	14,306	29,470
Agency Total Revenue	13,225	15,848	15,199	14,341	29,540