

File No. 260393

Committee Item No. 3

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

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Committee: Budget and Finance Committee Date May 6, 2026

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Completed by: Brent Jalipa Date April 30, 2026

Completed by: Brent Jalipa Date _____

1 [Loan Agreement - San Francisco Zoological Society - Operations and Long-Term Financial
2 Sustainability - Up to \$8,500,000]

3 **Resolution authorizing the Recreation and Park Department to enter into an agreement**
4 **to loan up to \$8,500,000 to the San Francisco Zoological Society ("SFZS") to support**
5 **the operations and long-term financial sustainability of the San Francisco Zoo**
6 **contingent on various milestones and terms and conditions effective upon approval of**
7 **this Resolution, to be repaid over 10 years in the form of deductions from the SFZS's**
8 **Management Fee; allowing for the City to terminate the Lease and Management**
9 **Agreement with the SFZS in the event the loan is not timely repaid or if the conditions**
10 **in the loan agreement are otherwise not met; and authorizing the Recreation and Park**
11 **Department General Manager to enter into amendments or modifications to the loan**
12 **agreement that do not materially increase the obligations or liabilities to the City and**
13 **are necessary to effectuate the purposes of the permit or this Resolution.**

14
15 WHEREAS, The City and County of San Francisco (the "City") owns the San Francisco
16 Zoo, which is under the administrative jurisdiction of the Recreation and Park Department
17 ("RPD"); and

18 WHEREAS, The Zoo is operated and managed by the San Francisco Zoological
19 Society ("SFZS") under a Lease and Management Agreement (the "Lease"), which the City
20 approved as of July 1, 1993 and which is scheduled to be renewed in 2028; and

21 WHEREAS, The Lease requires the SFZS to operate and manage the Zoo in
22 exchange for City paying SFZS a Management Fee equal to \$4,000,000 per year, subject to
23 various additional terms and conditions and subject to the budget and fiscal provisions of the
24 Charter, and with oversight through the Joint Zoo Committee which consists of three SFZS
25 Board Members and three members of the Recreation and Park Commission; and

1 WHEREAS, The San Francisco Zoo plays an important role in the city as a cultural,
2 educational, and environmental asset, serving as a home to more than 2,000 animals and
3 providing a vital connection between people and wildlife, offering residents and visitors
4 opportunities to learn about conservation, biodiversity, and the natural world, helping drive
5 local economic activity and supporting nearby businesses; and

6 WHEREAS, The Zoo is facing major financial challenges, and in Fiscal Year (FY) 2025
7 alone, experienced \$7,000,000 in losses on an approximately \$30,000,000 operating budget,
8 and to help address this has requested an up to \$8,500,000 loan from the City to further
9 identify, evaluate, and implement methods to improve its attendance and help resolve its
10 financial challenges, which may include obtaining Giant Pandas, opening improved Big Cat
11 exhibits, and launching new promotive programs; and

12 WHEREAS, The City has engaged in conversations with the Zoo regarding its financial
13 and other challenges, and has reviewed Zoo's recent financial data and its 5-year financial
14 projections under different scenarios; and

15 WHEREAS, The City has analyzed the cost and complexity of immediately terminating
16 SFZS's lease, rehoming all Zoo animals and caring for them in the period until they are
17 rehomed, and determined that it would not be feasible or financially prudent for the City to
18 terminate SFZS's lease at this time; and

19 WHEREAS, The Legislative Budget Analyst (BLA) completed an audit of the Zoo's
20 operations, published on May 1, 2026, and outline recommendations for Zoo and City actions
21 to improve Zoo operations and fiscal sustainability; and

22 WHEREAS, The Zoo has been accredited through the Association of Zoos and
23 Aquariums (AZA) for over 50 years, since the start of the accreditation program which
24 provides the highest standard and best practices for Zoos and Aquariums, with only 10% of
25

1 the approximately 2,800 animal exhibits licensed by the United States Department of
2 Agriculture that are AZA accredited; and

3 WHEREAS, The Zoo's last AZA five-year accreditation was in 2022, and the Zoo is
4 currently working towards completing all requirements for the next five-year AZA accreditation
5 in March of 2027, and anticipates to successfully complete all requirements and receive full
6 accreditation again; and

7 WHEREAS, RPD desires to support the SFZS if SFZS can develop a clear strategy
8 and effective guiding principles for its programmatic and financial decisions, and demonstrate
9 an ability to implement them, and has been reviewing the SFZS's proposal with assistance
10 from the City Controller and Mayor's Office; and

11 WHEREAS, The City is willing to provide a \$6,500,000 loan to help address the Zoo's
12 projected operational deficit for the period between Q2 of Calendar Year 2026 (CY26) through
13 Q2 of CY27, and to hold an additional \$2,000,000 in reserve for purposes of an additional
14 loan to the Zoo post AZA accreditation should City determine at that time that SFZS has made
15 sufficient progress towards financial stability and its long-term goals; and

16 WHEREAS, City will be seeking to appropriate funds for these purposes through a
17 supplemental appropriation and de-appropriation (File No. 260360) and via the annual
18 appropriations ordinance; and

19 WHEREAS, Subject to the appropriation of these funds, RPD and SFZS have
20 negotiated a Term Sheet for a Loan Agreement which is on file with the Clerk of the Board in
21 File No. 260393 and includes, among other provisions, the following significant milestones
22 and terms and conditions:

23 **(1) Term:** The City will provide the loan for a period of 10 years.

24 **(2) Interest Rate:** The City pooled investment rate (currently 3.7%).

- 1 **(3) Financial Sustainability Plan:** SFZS will develop, with a specialized zoo
2 consultant, a Financial Sustainability Plan (FSP) that includes a repayment strategy
3 for the City's one-time \$6.5 million loan, and an annual budget that balances annual
4 expenses with revenues, taking into account three scenarios regarding Giant
5 Pandas.
- 6 **(4) Strategic Plan:** SFZS will develop, with a qualified zoo consultant, a 5-year
7 strategic plan for programmatic decisions to improve attendance and revenue that
8 aligns with the financial sustainability plan. This includes any major additions,
9 removals, or renovations of exhibits. The Zoo will also participate in a separate,
10 long-term visioning process with City staff and other partners, to determine the
11 SFZS's long-term vision, which will also guide the 5-year strategic plan.
- 12 **(5) Payment Schedule:** Starting in Q1 of CY28, the City will incrementally decrease its
13 monthly management fee by payments to the SFZS to cover loan remaining. A
14 \$6.5M loan would result in a monthly fee payment reduction of \$64,886.57. The
15 SFZS may elect to not withdraw the entirety of any loan payment.
- 16 **(6) Increased Reporting:** On a quarterly basis, SFZS will report to the City on its
17 progress to improve attendance, new member acquisition, fundraising efforts,
18 expenses and financial records, and progress on the capital project associated with
19 Giant Pandas.
- 20 **(7) Accreditation with AZA:** SFZS must successfully achieve full accreditation by the
21 AZA for the 5-year period beginning in Spring 2027.
- 22 **(8) BLA Audit:** The City will evaluate the BLA report following its publication and
23 reserves the opportunity to negotiate and impose additional conditions on the SFZS
24 in response to the report recommendations.
- 25

1 **(9) Immediate Expense Reduction:** SFZS will immediately reduce its annual
2 operational expenses by a minimum of 10%.

3 **(10) No New Liabilities or Animals:** Apart from Giant Pandas, SFZS will not take on
4 any new animals requiring capital habitat investment or staffing resources, or any
5 other new liabilities, unless a dedicated funding source for such investment or
6 liability was previously obtained by the SFZS.

7 **(11) Board of Directors:** SFZS will gradually increase its Board capacity to reach a
8 contribution goal of 10% of Zoo's annual operating budget and add a board member
9 with extensive financial management experience, including deep knowledge of
10 finances, financial controls, and financial planning. This individual should have
11 experience in financial analysis, risk management, and financial strategy. The City
12 will review the qualifications of the board member to ensure the experience is
13 sufficiently met.

14
15 WHEREAS, The Term Sheet further provides that if SFZS does not meet these
16 milestones, then City will have the ability to terminate the loan and demand immediate
17 repayment, regardless of the length of time remaining in the loan term, as well as to terminate
18 the SFZS Lease; and

19 WHEREAS, The Loan Agreement will provide significant recreational benefits by
20 supporting the Zoo and preserving a long-standing beloved San Francisco recreational and
21 educational establishment and tourist attraction; now, therefore, be it

22 RESOLVED, That given the SFZS's unique history and experience managing the Zoo
23 to date, and given their existing remaining Lease term at this time, the Board of Supervisors
24 finds it is appropriate and in the public interest for the City to loan funds to the SFZS; and, be
25 it

FURTHER RESOLVED, That the Board of Supervisors hereby authorizes RPD to execute a Loan Agreement with terms substantially similar to the Term Sheet on file with the Clerk; and, be it

FURTHER RESOLVED, That the RPD General Manager is authorized to take any and all steps necessary to execute and deliver the Loan Agreement, and is authorized to enter into any further additions, amendments, or other modifications to the Loan Agreement that the General Manager, in their discretion following consultation with the City Attorney and the City Controller, determines are in in the best interests of the City, do not materially increase the obligations or liabilities of the City or materially decrease the payments or other benefits to the City, and are necessary or advisable to effectuate the purpose and intent of this Resolution; and, be it

FURTHER RESOLVED, The General Manager shall place a final signed copy of the Loan Agreement in the Board File within 30 days after it is executed.

RECOMMENDED

/s/

Sarah Madland

Interim General Manager of the Recreation and Park Department

Items 2 & 3 Files 26-0360 and 26-0393	Department: Recreation and Park Department (RPD)
EXECUTIVE SUMMARY	
Legislative Objectives - The proposed resolution in File 26-0393 would authorize the Recreation and Park Department (RPD) General Manager to execute a ten-year agreement to loan the San Francisco Zoological Society (SFZS), the nonprofit organization that manages the San Francisco Zoo, \$6.5 million, with an additional \$2 million in reserve, for a total loan of up to \$8.5 million. - The proposed ordinance in File 26-0360 would de-appropriate \$2.5 million from the Open Space Acquisition Reserve and appropriate this funding to the Park, Recreation and Open Space Fund to be used for the initial loan disbursement to SFZS in FY 2025-26. Key Points - SFZS is projecting a two-year net operating cash deficit of \$11.89 million between January 2026 and December 2027. As of June 2025, the Zoo had \$9.2 million in net assets without donor restrictions and that figure is lower as of this writing due to an ongoing draw on that balance. Beginning in calendar year 2028, SFZS is projecting a net operating cash surplus due primarily to the anticipated arrival of two giant pandas and corresponding revenue increases. To cover its projected operating cash deficit between January 2026 and December 2027, SFZS has requested a loan from the City. - The formal loan agreement has not been drafted. According to the draft loan term sheet, the loan is expected to be executed in FY 2025-26 with an initial disbursement of \$2.5 million. The remaining loan amounts will be disbursed in FY 2026-27 as SFZS meets various milestones, including completion of a financial sustainability plan and strategic plan. Fiscal Impact - RPD anticipates the loan will be entirely General Fund supported and that the Mayor's proposed FY 2026-28 budget will include (1) a \$2.5 million General Fund transfer to restore the funding proposed be de-appropriated from the Open Space Acquisition Reserve; and (2) General Fund support for the remaining \$6 million of loan disbursements. Policy Consideration - The proposed resolution in File 26-0393 would authorize a loan agreement that has not yet been drafted, without an opportunity for the Board of Supervisors to review. - No collateral secures the loan. SFZS's ability to repay the loan will be compromised if it is not able to execute the plan to bring pandas to the Zoo, if the plan is substantially delayed, or if its actual resulting revenues are not sufficient to generate an operating cash surplus. Recommendations - Approval of the proposed resolution and proposed ordinance are policy matters for the Board of Supervisors.	

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) any modification of such contracts of more than \$500,000 is subject to Board of Supervisors approval.

Charter Section 9.105 states that amendments to the Annual Appropriation Ordinance are subject to Board of Supervisors approval by ordinance, after the Controller certifies the availability of funds.

BACKGROUND

The San Francisco Zoological Society (SFZS), a nonprofit, has managed and operated the San Francisco Zoo since 1993 under a Lease and Management Agreement between SFZS and the City, acting through the Recreation and Park Commission. The City leases the Zoo premises, including all permanent structures, facilities, and animals, to SFZS for a term not to exceed 99 years. Under the terms of the agreement, SFZS is responsible for Zoo operations and management, all required permits and accreditations, and maintaining the Zoo in a clean, safe, and attractive condition. In exchange for these services, the City pays SFZS a management fee of \$4 million annually, disbursed in monthly installments. The City remains the owner of Zoo land, improvements, and animals.

The agreement is automatically extended every five years. The City and SFZS have never renewed or amended the 1993 agreement in any way, and the \$4 million management fee has not increased since it was established in 1993.

The Recreation and Park Commission is the City's representative party in the agreement and is responsible for reviewing and approving certain Zoo matters such as admission fee increases, SFZS's annual budgets, and major capital improvements to the Zoo. The Joint Zoo Committee, an advisory subcommittee of the Recreation and Park Commission made up of three Commission members, three members of the SFZS Board of Directors, and one to two animal welfare advisors, reviews Zoo matters, receives public comment, and elevates issues and actionable items to the Recreation and Park Commission.

Through a motion (M24-125) passed on December 10, 2024, the Board of Supervisors directed the Budget and Legislative Analyst's Office to conduct a comprehensive performance and management audit of the San Francisco Zoo based on a recommendation made in an October 10, 2024 report by the Joint Zoo Committee animal welfare advisors. The audit report was released on May 1, 2026 and contains 11 findings related to SFZS's financial condition, strategic and capital planning, the Lease and Management Agreement, Zoo facilities condition and maintenance, contracting and procurement, SFZS Board of Directors oversight, worker safety, workplace culture, fiscal management and internal controls, animal care and welfare, and organizational impact and guest experience.

Plans to Bring Giant Pandas to the Zoo

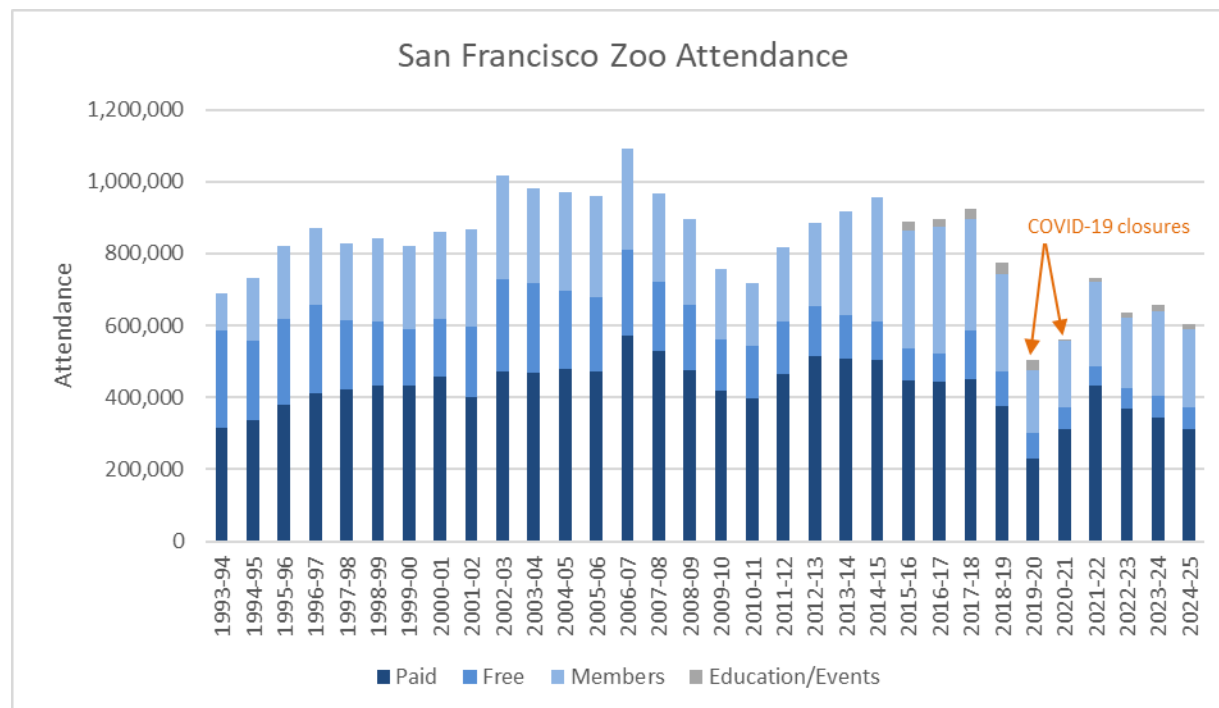
SFZS is currently working to bring giant pandas to the Zoo. According to Cassandra Costello, SFZS Chief Executive Officer, the technical agreement with China has not yet been executed. If the panda project is successful, two pandas would be loaned to SFZS for a 10-year period. SFZS is currently projecting the pandas will be on exhibit by the first quarter of calendar year 2028.

SFZS Financial Condition and Attendance Decreases

SFZS has operated with a structural deficit in its general unrestricted fund since at least FY 2018-19. Between FY 2018-19 and FY 2024-25, SFZS's total operating revenues decreased from \$22.3 million to \$19.8 million, by \$2.4 million or 11 percent, while operating expenditures increased from \$24.5 million to \$27.8 million, by \$3.3 million or 14 percent. SFZS's operating deficit grew by \$5.8 million, from \$2.2 million to \$8.0 million, during this period. To cover its annual operating deficits, SFZS has relied on non-operating revenue sources, many of which are highly variable and one-time, such as federal COVID-19 relief and estate bequests, and has also drawn on its investment reserves.

The primary cause of SFZS's growing structural deficit is decreasing attendance. Attendance-driven revenue, including admissions, retail commissions, retail sales, and parking, accounts for roughly half of SFZS's total operating revenue. Exhibit 1 below shows total Zoo attendance between FY 1993-94, when SFZS assumed responsibility for the management and operations of the Zoo, and FY 2024-25.

Exhibit 1: San Francisco Zoo Historical Attendance



Source: SFZS

According to an April 23, 2026 financial forecast prepared by SFZS, SFZS is projecting a two-year net operating cash deficit of \$11.89 million between January 2026 and December 2027. As of June 2025, the Zoo had \$9.2 million in net assets without donor restrictions and that figure is lower as of this writing due to an ongoing draw on that balance. Beginning in calendar year 2028, SFZS is projecting a net operating cash surplus due primarily to the panda exhibit and anticipated higher attendance, with corresponding increases in revenue from admissions, retail, camps, memberships, and contributions. To cover its projected operating cash deficit between January 2026 and December 2027, SFZS has requested a loan from the City. The *Performance and Management Audit of the San Francisco Zoo* recommends that the Budget and Appropriations Committee consider increasing City support to SFZS on a one-time basis in FY 2026-27 and FY 2027-28, conditional upon SFZS's demonstrated good-faith efforts to implement the recommendations in the audit report.

DETAILS OF PROPOSED LEGISLATION

File 26-0393 is a proposed resolution that would authorize the General Manager of the Recreation and Park Department (RPD) to (1) execute a loan agreement with SFZS for \$6.5 million, with an additional \$2 million in reserve, for a total loan of up to \$8.5 million and (2) enter into additions, amendments, or modifications to the loan agreement that the General Manager determines, at their discretion, are necessary, in the best interest of the City, and do not materially affect the City's obligations, payments, or benefits. The loan agreement must be "substantially similar" to the term sheet included in the legislative file for this item.

The proposed resolution states that the Board of Supervisors finds it appropriate and in the public interest for the City to loan funds to SFZS.

File 26-0360 is a proposed ordinance that would de-appropriate \$2.5 million from the Open Space Acquisition Reserve and appropriate this funding to the Park, Recreation and Open Space Fund for the portion of the loan payment to be made to SFZS in FY 2025-26.

Loan Terms

The proposed resolution summarizes key loan terms and conditions and states that the terms of the loan will be in accordance with a draft loan term sheet negotiated by RPD and SFZS. These terms and conditions (from both the proposed resolution and the draft loan term sheet) are summarized in Exhibit 2 below. According to RPD staff, the formal loan agreement has not yet been drafted.

Exhibit 2: Loan Terms and Conditions

Terms and Conditions	
SFZS Requirements	• Engage a specialized zoo strategic and financial planning consultant • Engage in a long-term visioning process with the City and other partners • Produce the following: ○ Financial sustainability plan, including a loan repayment strategy ○ Five-year strategic plan ○ Quarterly reports on basic outputs (attendance, efficiencies, new members, fundraising), progress on financial sustainability plan, and progress on panda project • Make immediate expense reductions of a minimum of 10 percent • Not take on new liabilities or animals, except for pandas, that require habitat or staffing investments unless a dedicated outside funding source is secured* • Improve the capacity of the SFZS Board of Directors to support the Zoo: ○ Adequately staff the finance committee ○ Add a Board member with substantial financial management experience ○ Double the Board's annual contribution goal each year and eventually reach a goal of 10 percent of SFZS's annual operating budget • Achieve Association of Zoos and Aquariums (AZA) accreditation** • Address concerns identified in the <i>BLA Performance and Management Audit of the San Francisco Zoo</i> • Meet specific milestones tied to release of loan funds (see Exhibit 3 below)
Total Loan Amount	\$6.5 million, disbursed according to specific milestones (see Exhibit 3 below), with an additional \$2 million in reserve. The \$2 million in reserve may be loaned to SFZS after a successful AZA accreditation review in 2027 if the City determines that SFZS has made sufficient progress towards financial sustainability and its long-term goals.
Loan Source	General Fund or debt financing at the City's discretion, according to the draft loan term sheet. The proposed resolution indicates the source of funds is General Fund.
Interest Rate	• If General Fund: City's pooled investment rate (currently 3.7 percent) • If debt financing: rate will match the City's debt issuance and financing costs (estimated 6.5 percent)
Repayment Period	10 years.
Repayment	Beginning in the first quarter of 2028, the City will decrease the management fee paid to SFZS by approx. \$1.02 million annually to cover the loan repayment.
Failure to Meet Milestones	The City may (1) terminate the loan, and/or (2) terminate the Lease and Management Agreement between SFZS and the City.

Source: File 26-0393; draft loan term sheet.

*Requirement applies until SFZS is deemed financially sustainable by the Controller.

**The San Francisco Zoo is currently AZA accredited. Its next upcoming accreditation visit will occur in spring 2027.

According to the loan term sheet, funds will be released when SFZS reaches the milestones shown in Exhibit 3 below. Prior to the start of the loan, SFZS must provide its current plans for increasing attendance and fundraising and a loan repayment plan. One year after the start of the loan, SFZS must provide its final financial sustainability plan and five-year strategic plan.

Exhibit 3: Loan Milestones

Timeline	Fiscal Year	Funds Released	Milestone Actions
Prior to loan start	2025-26	\$0	• Current plans for attendance and fundraising growth, expenditure reductions • Loan repayment plan
Loan start	2025-26	\$2.5 million	• Begin visioning process with City
Loan start + 3 months	2026-27	\$0	• Hire consultant • First-quarter data
Loan start + 6 months	2026-27	\$1.4 million	• Draft financial sustainability plan and draft strategic plan submitted to RPD and Controller's Office • Second-quarter data
Loan start + 9 months	2026-27	\$1.3 million	• Third-quarter data
By March 2027	2026-27	\$0	• Achieve AZA accreditation
Loan start + 12 months	2026-27	\$1.3 million	• Final financial sustainability plan and strategic plan submitted to Joint Zoo Committee • Fourth quarter data
If needed	2027-28 (anticipated)	\$2 million in reserve	• \$2 million in reserve may be released if City determines sufficient progress has been made towards financial sustainability and long-term goals
As established in audit or with the City	varies	\$0	• Address audit concerns and recommendations

Source: Draft loan term sheet.

FISCAL IMPACT

As shown in Exhibit 2 above, the loan term document states that the City may use either debt financing or General Fund support to pay for the loan. However, according to Antonio Guerra, RPD Director of Administration of Finance, RPD anticipates the loan will be entirely General Fund supported:

- The proposed ordinance (File 26-0360) would de-appropriate \$2.5 million from the Open Space Acquisition Reserve and appropriate this funding to the Park, Recreation and Open Space Fund in FY 2025-26. This \$2.5 million would be used for the initial loan disbursement, anticipated to occur in FY 2025-26, that coincides with the beginning of the loan. According to Director Guerra, RPD anticipates that a \$2.5 million General Fund transfer to restore the funding to the Open Space Acquisition Reserve will be included in the Mayor's proposed FY 2026-28 budget, subject to Board of Supervisors approval.

- RPD anticipates that General Fund support for the remainder of the loan disbursements (\$6 million, inclusive of the \$2 million reserve) will be included in the Mayor's proposed FY 2026-28 budget, subject to Board of Supervisors approval.

According to Director Guerra, while RPD considered the use of certificates of participation to fund the loan payments, this scenario was determined to be more costly to SFZS. The use of certificates of participation would have resulted in a higher interest rate and transaction costs to SFZS.

Planned Uses of the Open Space Acquisition Reserve

Charter Section 16.107 establishes the Park, Recreation and Open Space Fund, which is administered by RPD to provide park and recreational services and facilities. The City is required, though a voter-approved spending requirement, to deposit an annual property tax set-aside amount into the fund. According to Charter Section 16.107(g)(3), five percent of monies deposited into the fund annually are to be dedicated to the acquisition of real property, and any unspent or uncommitted amounts are carried forward to the following fiscal year.

According to RPD staff, the Open Space Acquisition Reserve fund balance is currently \$14 million. According to Director Guerra, given the large available appropriation in the fund, RPD operations would not be affected by the proposed \$2.5 million de-appropriation. Other future planned uses for the Open Space Acquisition Reserve include a potential acquisition in the Tenderloin, an upcoming acquisition of a PG&E parcel at India Basin, and future acquisition of open space at the Schlage Lock redevelopment site.

POLICY CONSIDERATION

Absence of Loan Agreement

The proposed resolution in File 26-0393 would authorize the RPD General Manager to execute a loan agreement without an opportunity for the Board of Supervisors to review. According to RPD staff, the City Attorney's Office is currently drafting the agreement, but it has not been finalized. While the proposed resolution states that the terms of the loan would be "substantially similar" to the loan term sheet, the loan agreement itself has not been made available to the Board of Supervisors or Budget and Legislative Analyst.

Panda Scenario Uncertainty

As discussed earlier in this report, SFZS is projecting a net operating cash surplus beginning in 2028 due to higher attendance resulting from the panda exhibit and corresponding increases in revenue from admissions, retail, camps, memberships, and contributions. SFZS's projected surplus would allow it to repay the loan via monthly decreases in the management fee paid by the City. However, SFZS's ability to repay the loan will be compromised if it fails to execute the panda agreement with China, if the exhibit is substantially delayed, or if actual attendance levels, memberships, and contributions are not sufficient to generate an operating cash surplus. If SFZS does not achieve financial stability by 2028, when the loan repayment period begins, the reduction in the monthly management fee paid by the City could cause further financial distress.

to SFZS and could compromise its ability to operate the Zoo and to repay the full amount of the loan.

According to RPD staff, no collateral secures the loan.

Lease and Management Agreement and Role of Joint Zoo Committee

The Budget and Legislative Analyst's *Performance and Management Audit of the San Francisco Zoo* contain recommendations designed to improve the operations, accountability, and long-term financial sustainability of SFZS and the Zoo overall. SFZS management has agreed with all the audit recommendations directed to SFZS, and execution of these recommendations is included as a requirement in the draft loan term sheet. However, the audit report also directs several recommendations to the Recreation and Park Department, including a recommendation that the RPD General Manager initiate negotiations for a new Lease and Management Agreement because the current agreement has become outdated and ineffective. In their response to this recommendation, the RPD Interim General Manager responded that although they agree that any agreement between SFZS and the City would need stronger enforcement mechanisms and updated roles and responsibilities, RPD disagrees that a new Lease and Management Agreement is immediately necessary, as the draft loan agreement between the City and SFZS will require SFZS to meet more robust performance benchmarks and reporting requirements and require City approval of certain plans that did not previously require approval.

The audit report also recommends the RPD General Manager dissolve the Joint Zoo Committee upon the execution of a new Lease and Management Agreement and establish a more direct working relationship between the Recreation and Park Commission and SFZS. The RPD Interim General Manager agrees with this recommendation. If this recommendation is implemented, the loan term that requires SFZS to present its final financial sustainability plan and strategic plan to the Joint Zoo Committee should be revised to replace Joint Zoo Committee with the Recreation and Park Commission.

Costs of Inaction

The April 7, 2026 BLA report *Projected Fiscal Impact from Cessation of San Francisco Zoological Society Operations* estimated that if SFZS is no longer able to operate the Zoo and the City must assume responsibility for Zoo animals and grounds, the three-year cost to the City could total between \$42.5 and \$64.9 million, with ongoing annual costs thereafter.

RECOMMENDATIONS

Approval of the proposed resolution and proposed ordinance are policy matters for the Board of Supervisors.

Performance and Management Audit of the San Francisco Zoo

Prepared for the

**Board of Supervisors
of the City and County of San Francisco**

by the

San Francisco Budget and Legislative Analyst

May 1, 2026

CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST

1390 Market Street, Suite 1150, San Francisco, CA 94102 | (415) 552-9292

May 1, 2026

Supervisor Myrna Melgar, and Members of the San Francisco Board of Supervisors
Room 244, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Dear Supervisor Melgar and Members of the Board of Supervisors:

The Budget and Legislative Analyst is pleased to submit this *Performance and Management Audit of the San Francisco Zoo*. In response to a motion adopted by the Board of Supervisors in December 2024 (Motion 24-125), the Budget and Legislative Analyst conducted this performance and management audit, pursuant to the Board of Supervisors powers of inquiry as defined in Charter Section 16.114 and in accordance with U.S. Government Accountability Office (GAO) standards, as detailed in the Introduction to the report.

The performance audit contains 11 findings and 49 recommendations, of which 37 are directed to the San Francisco Zoological Society, nine are directed to the Recreation and Park Department, one is directed to the Board of Supervisors, one is directed to the Recreation and Park Commission, and one is directed to Office of Resilience and Capital Planning. The Executive Summary, which follows this transmittal letter, summarizes the Budget and Legislative Analyst's findings and recommendations. The recommendations are intended to improve management and oversight of the San Francisco Zoo. In addition, the report contains a benchmarking analysis with peer zoos, a summary and assessment of key terms from the Lease and Management Agreement between the San Francisco Zoological Society and the City, and the main collection animal census from December 2015 and December 2025.

The Chief Executive Officer of the San Francisco Zoological Society, the Interim General Manager of the Recreation and Park Department, and the Chief Resilience Officer and Director of the Office of Resilience and Capital Planning have provided written responses to our performance and management audit, which are attached to this report starting on page E-1. The San Francisco Zoological Society agrees with all 37 applicable recommendations. The Recreation and Park Department agrees with seven applicable recommendations, including the one recommendation directed to the Recreation and Park Commission, and partially agrees with three recommendations. The Office of Resilience and Capital Planning agrees with one applicable recommendation.

Supervisor Melgar and Members of the Board of Supervisors

May 1, 2026

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We would like to thank the staff at the San Francisco Zoological Society, the Recreation and Park Department, and the Office of Resilience and Capital Planning, as well as staff from the peer zoos we surveyed, for the assistance they provided during the audit.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'DG' or 'Dan Goncher', written in a cursive style.

Dan Goncher
Principal

cc: President Mandelman
Supervisor Chan
Supervisor Chen
Supervisor Dorsey
Supervisor Fielder
Supervisor Mahmood
Supervisor Sauter
Supervisor Sherrill
Supervisor Walton
Supervisor Wong

Mayor Lurie
San Francisco Zoological Society Chief Executive Officer
Recreation and Park Department Interim General
Manager
Recreation and Park Commission President
Chief Resilience Officer and Director of the Office of
Resilience and Capital Planning
City Attorney's Office
Mayor's Budget Director
Controller
City Administrator

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Executive Summary

Through a motion (M24-125) passed on December 10, 2024, the Board of Supervisors directed the Budget and Legislative Analyst's Office to conduct a comprehensive performance and management audit of the San Francisco Zoo, based on a recommendation made in an October 10, 2024 report by the Joint Zoo Committee animal welfare advisors. The scope of this performance and management audit included a comprehensive assessment of the San Francisco Zoological Society's operations, governance, and compliance with applicable laws and policies. The scope included, but was not limited to, an assessment of management and governance, financial condition and controls, staff working conditions, guest safety and experience, and animal care and conservation.

Section 1: Financial Condition, Transparency, and Contingency Planning

The San Francisco Zoological Society (SFZS) has operated with a structural deficit in its general unrestricted operating fund since at least FY 2018-19 and does not have a healthy or stable financial condition. Low and decreasing operating revenues have been insufficient to support increases in operating expenses, which has required SFZS to use one-time non-operating revenues such as estate bequests, COVID-19 relief funds, and investment draws to cover operating expenses. This structural deficit results primarily from low and decreasing attendance, which depresses earned revenue from admissions, retail, and parking, along with SFZS's inability to leverage assets for loans or to issue debt for capital projects. In addition, the \$4 million management fee paid to SFZS by the City, which is SFZS's second-largest revenue source after admissions revenue, has not increased since the amount was set in 1993, while at the same time the City has increased its charges for utilities. Recent operating budgets presented publicly by SFZS have assumed unrealistically high revenues based on attendance figures that are not supported by recent trends and have not transparently communicated the state of SFZS's financial condition or its structural deficit.

Recommendations

The SFZS Chief Executive Officer should:

- 1.1 By December 31, 2026, develop and submit to the Board of Directors and the Recreation and Park Commission plans to address SFZS's structural deficit, including:

- a. Targeted reductions to non-essential expenditures by December 31, 2026. These reductions could include the elimination of vacant positions, temporary delays in employee hiring and promotions, structural reorganization strategies to increase department efficiencies, or the discontinuation of non-essential contracted services. The reductions should specifically evaluate contracted services in the General and Administration Department and identify where cost savings could be achieved by competitive solicitation for some services.
- b. Steps to increase Zoo attendance and associated revenue by December 31, 2026. The plan should include specific, realistic attendance and revenue milestones, a timeline, and strategies to achieve revenue goals such as ticket and parking price increases, fee-based guest experiences, and targeted advertising. The plan should also identify specific needs, strategies, and costs for marketing, graphics, facilities maintenance, exhibit enhancements, technology, and other areas to support the plan's attendance and revenue goals.
- c. Steps to increase its fundraising and development revenue by December 31, 2026. The plan should include specific, realistic fundraising and development milestones, a timeline, and strategies to achieve revenue goals such as targeted donor and corporate sponsor outreach, fundraising events, and other development strategies. The plan should also identify specific needs, strategies, and costs for donor relations, marketing, graphics, and other areas to support the plan's fundraising and development goals.

The Chair of the Board of Supervisors Budget and Appropriations Committee should:

- 1.2 Consider increasing City support for SFZS in the City's two-year FY 2026-28 budget on a one-time basis in FY 2026-27 and FY 2027-28 by between \$4.5 and \$8 million each year. These amounts would be in addition to the existing \$4 million management fee paid to SFZS by the City (under the terms of the current management agreement) and **should be conditional** upon SFZS's demonstrated good-faith efforts to implement the recommendations in this audit report, particularly recommendations related to transparency, strategic and master planning, and financial and procurement controls. If SFZS fails to make this good-faith demonstration by June 1, 2026, the Chair and Committee should consider placing these amounts on Budget and Finance Committee Reserve and be held until the Committee is satisfied with SFZS's efforts and progress.

The Director of the Office of Resilience and Capital Planning should:

- 1.3 Evaluate the use of debt financing to support and fund the capital project needs of City-owned Zoo buildings and grounds by December 1, 2027, in consultation with the Office of Public Finance.

The SFZS Chief of Finance should:

- 1.4 Annually submit a detailed operating budget to the General Manager of the Recreation and Park Department for review and approval prior to submission to the Recreation and Park Commission. The operating budget should include prior-year actual expenditures and attendance figures in its budget presentation materials provided to the Recreation and Park Commission.
- 1.5 Develop a financial contingency plan that fully meets AZA requirements by June 1, 2026. Going forward, the financial contingency plan should be updated every year and included in SFZS's budget presentation materials to the General Manager of the Recreation and Park Department and the Recreation and Park Commission.

The General Manager of the Recreation and Park Department should:

- 1.6 Annually review SFZS's proposed operating budget for reasonableness and attend the Recreation and Park Commission meeting when it is discussed to be available for questions.

Section 2: Planning and Vision

The San Francisco Zoological Society (SFZS) does not have a current strategic plan, a current campus master plan, or an animal collection plan that articulates a strategic, forward-looking vision for SFZS's animal collection. SFZS also does not have a capital budget or written plans, budgets, or timelines for its major capital projects. Although the Association of Zoos and Aquariums (AZA) Visiting Committee identified deficiencies in SFZS's strategic and master planning during its most recent accreditation report in 2022, we did not find evidence demonstrating that SFZS took meaningful action between 2022 and 2025 to address these deficiencies. We also found that SFZS has not achieved several primary strategic goals related to exhibit modernization, historic building restoration, and attendance and revenue growth that were identified in previous planning materials. Without up-to-date, detailed plans, it is not clear that SFZS's strategic decisions and project investments have been made thoughtfully or to make

the best use of SFZS's resources. Insufficient planning and capital budgeting could also affect SFZS's accreditation outcome during future AZA accreditation reviews.

Recommendations

The SFZS Chief Executive Officer should:

- 2.1 By July 1, 2027, develop and submit to the General Manager of the Recreation and Park Department both a strategic plan and campus master plan that are consistent with the parameters established by the Association of Zoos and Aquariums. Ensure that curators and animal keepers have the opportunity to provide input on future new exhibit and exhibit retrofit planning in the strategic plan and campus master plan. Regularly report at least quarterly to the Board of Directors, or a committee of the Board, on progress toward goals established in the strategic plan and campus master plan.
- 2.2 By July 1, 2027, and concurrently with the development of the new strategic plan, revise the institutional collection plan in collaboration with curators and animal keepers to include specific details and rationales for planned future animal acquisitions and dispositions, as well as resources needed (such as exhibit modifications) to support these plans.

The SFZS Chief of Finance should:

- 2.3 Annually submit a one- or two-year capital budget as well as an operating budget to the General Manager of the Recreation and Park Department, or their designee, for review and approval. The capital budget should include detailed information on funding sources and uses, as well as timelines for project completion.

The General Manager of the Recreation and Park Department should:

- 2.4 Review the strategic plan, campus master plan, and annual capital budget prepared by SFZS for reasonableness and attend the Recreation and Park Commission meetings when these items are discussed to be available for questions and discussion.

Section 3: Management Agreement and City Oversight

The 1993 Lease and Management Agreement between the City and the San Francisco Zoological Society (SFZS) has become outdated and ineffective, resulting in unclear expectations, weak financial provisions, and no practical enforcement mechanisms. SFZS frequently failed to comply with key agreement terms related to capital improvements, transparency, and public access.

Meanwhile, the Recreation and Park Commission has provided largely passive oversight and has not consistently exercised its oversight responsibilities. The absence of structured monitoring, defined roles, or periodic reviews of the agreement has allowed obligations to drift over time and diminished the City's ability to safeguard a major public asset. A new agreement with modern controls, more active oversight, and clarified responsibilities is needed to restore accountability and ensure SFZS operates in alignment with City priorities and public expectations.

Recommendations

The General Manager of the Recreation and Park Department should:

- 3.1 Initiate negotiations for a new lease and management agreement for the operations of the San Francisco Zoo by December 31, 2026 and report to the Recreation and Park Commission regarding the status of negotiation progress by March 1, 2027. The provisions of the new agreement should include enforcement mechanisms, updated roles and responsibilities of each party, and financial obligations that are adjusted for changing financial needs and economic conditions. The agreement should require active review by all parties before agreement renewal and should be approved by the Board of Supervisors at least once every 10 years.
- 3.2 Dissolve the Joint Zoo Committee upon the execution of a new lease and management agreement between the City and SFZS and establish a more direct working relationship between the Recreation and Park Commission and SFZS.
- 3.3 Implement an internal contract monitoring procedure for SFZS that is aligned with the Citywide Nonprofit Monitoring and Capacity Building Program and Fiscal Monitoring Program, including fiscal monitoring, standardized document review, and written procedures for documenting findings and corrective actions.

The Recreation and Park Commission should:

- 3.4 Develop written internal guidance based on the new lease and management agreement that explicitly defines Commissioners' oversight responsibilities and requires regular reporting and discussion of SFZS's core financial, operational, developmental, and accreditation materials at Commission meetings.

Section 4: Maintenance and Facilities Condition

The San Francisco Zoological Society (SFZS) lacks comprehensive written capital and maintenance plans and facility condition assessments for the development, improvement, and upkeep of San

Francisco Zoo and Gardens (Zoo) facilities and grounds. SFZS also lacks updated guidelines for the submission and processing of work orders and for using the work order database system. Work orders often take too long to be completed, and there are concerns among staff across the Zoo about how maintenance tasks are prioritized.

The lack of such plans and guidelines, coupled with the age of Zoo facilities and under-investment in repairs and maintenance, has contributed to a less-than-ideal state in the Zoo's appearance and aesthetics, particularly in the older, eastern sections of the Zoo. Continued neglect will compound deterioration of Zoo facilities and could lead to increased safety risks for both animals and staff. To address these issues, SFZS needs a comprehensive facility condition assessment and a detailed maintenance plan with a clear schedule for improvements, updated guidelines for work order submittal and completion, and additional maintenance and horticulture staff.

Recommendations

The SFZS Director of Buildings and Capital Investments should:

- 4.1 Develop updated guidelines for the use of Facility Dude no later than December 1, 2026, including instructions on how to submit work orders, assign priority levels, and close work orders. These guidelines should include clearly defined responsibilities for submitting and closing work orders and establish a protocol for handling work orders that need to be reprioritized or postponed.
- 4.2 Establish formal targets for (a) the number of open work orders, and (b) the number of days to close work orders by priority level by December 1, 2026.
- 4.3 Establish a method to track the number of open work orders each month, along with the contributing factors behind any increases or decreases, no later than December 1, 2026. This tracking method should set targets for acceptable and critical thresholds and allow maintenance staff to monitor monthly trends in work order volume. This tracking method should also track the orders received over the radio and the larger maintenance projects to provide a complete picture of maintenance workload.

The SFZS Chief Executive Officer and Director of Buildings and Capital Investments should:

- 4.4 Conduct, or engage a qualified firm to conduct, a comprehensive facilities condition assessment, including an evaluation of the structural condition, safety, and aesthetics of the Zoo buildings and exhibits, no later than December 31, 2026. Consult with the General Manager of the Recreation and Park Department and the Director of Public Works for assistance in properly assessing City-owned property and buildings.

- 4.5 Develop detailed written capital and maintenance plans based on the facilities condition assessment no later than March 31, 2027, including a schedule of improvements, anticipated costs, a timetable for completion, and a strategy for funding maintenance needs.

The SFZS Chief Executive Officer and Chief of Finance should:

- 4.6 Increase funding for repairs and maintenance in the FY 2026-27 budget. Funding amounts should be based on the results of the facility condition assessment and the established capital and maintenance plans once they have been completed.
- 4.7 Budget for additional staff for maintenance and horticulture in the upcoming FY 2026-27 budget and consider hiring personnel who can also handle exhibit design and modifications. These roles do not need to be exclusively dedicated to exhibit modifications and could instead be responsible for both maintenance and exhibit design.

The SFZS Chief Executive Officer should:

- 4.8 Review and submit to the Board of Directors a historical summary of open work orders and work order timeliness, including the factors contributing to increases or decreases in open work orders, radio-dispatched orders, and larger projects, on a monthly basis starting no later than October 1, 2026 to provide enhanced oversight of facilities and maintenance.

The General Manager of the Recreation and Park Department should:

- 4.9 By December 31, 2026, develop and present to the Board of Supervisors and the Recreation and Park Commission a capital project timeline and cost estimate to carry out the repairs to the Mothers Building as recommended in the 2015 Mothers Building conditions assessment, including: (a) document and stabilize murals with an operable HVAC system to regulate temperature and humidity; (b) waterproof the west wall; (c) perform seismic upgrades; (d) repair or replace damaged or missing concrete elements, and (e) upgrade the mechanical, electrical, and plumbing systems. The capital project timeline and cost estimate should be based on the current condition of the Mothers Building and address any further deterioration that has occurred since the 2015 conditions assessment.
- 4.10 Work with the Office of Resilience and Capital Planning to include restoration of the Mothers Building in the City's 2028-2039 Capital Plan.

Section 5: Contracting and Procurement

The San Francisco Zoological Society (SFZS) does not have adequate policies and procedures in place to maintain a system of procurement consistent with standards for nonprofit organizations established by the City and the State of California. SFZS did not have documented procurement policies of any kind in place during the scope of this audit and does not have a well-organized system for maintaining contracts or other procurement documentation. Further, SFZS has made payments to relatives of SFZS employees without a record of a competitive procurement process, which risks at least the appearance of favoritism in contracting. Although this lack of policy and potential nepotism do not constitute a legal violation, SFZS management should take steps to operate in line with industry standards, including robust procurement policies and procedures and consistent documentation to ensure that SFZS receives the highest quality service or product at the lowest cost, particularly given SFZS's strained financial condition.

Recommendations

The SFZS Chief of Finance should:

- 5.1 Establish a system to centrally store and manage contract documentation that allows for easy reference and document retrieval no later than October 1, 2026.
- 5.2 Ensure that SFZS financial management systems have the basic functionality of producing simple reports that list contractor names, including at least the contract term period and total contract amount, or develop an alternative system for maintaining this information no later than October 1, 2026.
- 5.3 Develop policies and procedures for contracting and procurement, which should be codified in a manual and approved by the Board of Directors, no later than October 1, 2026. Train all relevant finance and administration staff on the contracting and procurement procedures no later than December 1, 2026. These policies should establish thresholds and procedures for competitive solicitations and clear practices for evaluating bids and documenting the basis for contractor selection. Records of all contracts and solicitations should be maintained for a reasonable period of time, but no fewer than five years, which should be specified within the contracting and procurement manual.

Section 6: Board of Directors Oversight

The San Francisco Zoological Society (SFZS) Board of Directors has not sufficiently evaluated executive performance, maintained meeting minutes and records, and ensured that the former SFZS Chief Executive Officer (CEO) provided the Board with adequate visibility into San Francisco

Zoo and Gardens (Zoo) operations and access to key materials between FY 2019-20 and FY 2024-25. Specifically, the Board did not require that the former SFZS CEO provide a copy of the Zoo's 2022 Association of Zoos and Aquariums accreditation report to the full Board of Directors, and as a result allowed workplace culture and leadership communication issues identified in the report to persist for at least three years between 2022 and 2025. While the Board of Directors is in the process of implementing changes to its governing and committee structures since the departure of the former CEO, the age of the SFZS Board policies, most of which predate the current governance relationship with the City, makes many of these policies or their contents obsolete and inconsistent with City expectations and standards for contracted nonprofit board governance. The Board of Directors should revise its internal policy manual to reflect modern Zoo operations and ensure the Board has sufficient documentation and information to fulfill its core oversight and management responsibilities

Recommendations

The General Manager of the Recreation and Park Department should:

- 6.1 As a condition of negotiating and executing a new Lease and Management agreement, require the SFZS Board of Directors to revise its internal Board policies by December 31, 2026 to reflect the Zoo's current governance structure and practices and adhere the San Francisco Controller's standards for contracted nonprofit board policy manuals. When making these revisions, the Board of Directors should:
 - a. Ensure revised policies establish a centralized system for recording and retaining meeting minutes for Board and committee meetings. The Board should further consider establishing a mechanism to share approved minutes for all committees with the Recreation and Park Department.
 - b. Establish annual performance reviews for all SFZS officers appointed by the Board.
 - c. Formalize committee structures with SFZS staff liaisons who have assigned performance measures and documentation sharing responsibilities from their respective departments at the Zoo.
 - d. Establish a policy to review and update the Board policy manual at least every two years.

Section 7: Worker Safety

The San Francisco Zoological Society (SFZS) does not have current policies and procedures for developing and documenting safety risk assessments, documenting certain types of safety

incidents, or overseeing the implementation of remediation plans to prevent recurrence of safety incidents. Existing SFZS incident and accident report forms do not require the person filling out the form to identify the individual responsible for remediation or corrective action, nor do they specify a timeline for completion. SFZS's current practices and processes rely on staff initiative, with no clearly defined responsibilities, oversight, or accountability mechanisms in place.

In January 2022, the Visiting Committee of the Association of Zoos and Aquariums (AZA) recommended that SFZS develop a written risk assessment for working and sharing space with dangerous animals, but SFZS was unable to provide documentation to our audit team demonstrating that it developed the recommended risk assessments. Further, animal staff have expressed frustration and dissatisfaction with both the process of reporting safety concerns and the resolution of those concerns. AZA guidelines state that all reasonable safety concerns should be thoroughly assessed and corrected.

Recommendations

The SFZS Chief Executive Officer, Executive Vice President of Animal Wellness, and Director of Human Resources should:

- 7.1 Conduct a safety risk assessment according to AZA's guidelines by December 31, 2026, and establish a process for regular risk assessments and safety evaluations going forward.
- 7.2 By July 1, 2026, update the SFZS Policy and Procedure Manual and Injury and Illness Prevention Plan Handbook to include:
 - a. A policy to document and report incidents that do not result in injury but present a safety concern.
 - b. A process for tracking and reporting all types of major safety incidents and their remediation plans. The policy should specify which parties are responsible for investigating and documenting all types of incidents, guidelines for developing remediation plans (for example, timelines and responsible parties), and establishing oversight mechanisms (for example, the Safety Committee, the Safety and Security Team, or Human Resources) for ensuring that the remedial actions are implemented.
- 7.3 By July 1, 2026, modify all internal incident reporting forms to require employees filling out the form to indicate whether the incident is a major safety incident, whether remediation or corrective action is required, the individual responsible for developing and executing corrective actions, and the timeline for the corrective action.

The SFZS Director of Human Resources should:

- 7.4 Beginning on July 1, 2026, conduct regular (annual or biannual) anonymous staff surveys to assess satisfaction with both the mechanisms for reporting safety concerns and the resolution of those concerns. Survey results should be reported to the SFZS Board of Directors. This survey may be combined with the staff survey recommended in Section 8 of this report.
- 7.5 By July 1, 2027, evaluate whether improvements in the maintenance work order system and workplace culture have enhanced the process and resolution of safety concerns and improved employee satisfaction with these processes, or if further changes to the reporting mechanisms are necessary. Evaluation results and additional remediation steps, if necessary, should be reported to the SFZS Board of Directors.

The SFZS Vice President of Technology should:

- 7.6 By July 1, 2026, establish a recurring training schedule for staff on monitoring fire detectors using the Nest app. Additionally, review and update the list of staff members with app access to reflect personnel changes (e.g., staff departures and new hires). The training should include a walkthrough of the app to ensure all relevant staff have appropriate access and understand its functionality.

Section 8: Workplace Culture, Organizational Structure, and New Leadership

In interviews, focus groups, and an employee survey, San Francisco Zoological Society (SFZS) staff expressed widespread significant dissatisfaction with the communication and transparency under the previous SFZS leadership, and high numbers of staff reported experiencing and witnessing favoritism, retaliation, and/or discrimination. Despite the clear, explicit identification of a communication and culture problem by the Association of Zoos and Aquariums (AZA) Visiting Committee in 2022, there is no evidence that former SFZS leadership took meaningful action to address these issues between 2022 and 2025. The perceived retaliation, favoritism, and lack of communication and transparency all contributed to a widespread view among staff that SFZS has a toxic work environment. Relatedly, SFZS leadership repeatedly restructured its senior leadership team without clear documentation or alignment between responsibilities and professional qualifications, which contributed to many employees' expressed sentiments of discrimination and favoritism.

Staff reported an overall more positive and optimistic perception of the new SFZS leadership and noted that it is more open, communicative, and proactive than the previous leadership. However, repairing the workplace culture and rebuilding trust will require time and sustained effort from SFZS leadership, and SFZS should implement several initiatives to improve workplace culture and accountability.

Recommendations

The SFZS Chief Executive Officer should:

- 8.1 Beginning July 1, 2026, hold quarterly all-staff meetings to promote transparent, consistent, and open communication between leadership and staff. Use these meetings to share major updates, such as plans for new exhibits, animal acquisitions, and the status of ongoing projects. Also, provide basic information about reporting channels and the hotline (e.g., the number of sustained, ongoing, and closed reports).
- 8.2 By December 31, 2026, develop job descriptions for all positions that lack them and conduct a comprehensive review to determine if others need to be updated.
- 8.3 By December 31, 2026, conduct a formal staffing and classification assessment of senior management and operational divisions. The review should compare staff qualifications and experience to current job descriptions, confirm that reporting lines provide appropriate oversight and accountability, and realign roles as needed to ensure competent supervision of all operational functions and services.

The SFZS Director of Human Resources should:

- 8.4 By July 31, 2026, establish a formal accountability mechanism to ensure that all reported workplace concerns are appropriately addressed and resolved. Establish formal timelines and procedures for investigating and documenting cases related to retaliation, discrimination, and harassment. These timelines and procedural steps should be documented and incorporated into the SFZS Policies and Procedures Manual.
- 8.5 Beginning on July 1, 2026, conduct regular (annual or biannual) anonymous staff surveys to assess satisfaction with supervisors, workplace culture, reporting mechanisms, and concern resolution. Report the survey results to the SFZS Board of Directors. This staff survey may be combined with the staff survey recommended in Section 7 of this report.
- 8.6 By December 31, 2026, revise and update the Employee Handbook to ensure it reflects current standards and best practices. The updated handbook should include criteria for promotion or advancement to and between management roles, so that all staff can be aware of promotional requirements.

- 8.7 By December 31, 2026, provide first annual training and development opportunities to enhance the managerial and leadership skills of middle managers.

The SFZS Chief Executive Officer and the Director of Human Resources should:

- 8.8 By July 31, 2026, review the 2022 Strategic Communication Plan, revise it as needed to make it current and comprehensive, obtain approval from the Board of Directors, and implement the updated plan. Ensure the revised plan includes measurable metrics and outcomes that can be assessed periodically and evaluate whether efforts to improve communication have resulted in meaningful improvement in employee sentiment.

Section 9: Fiscal Management and Internal Controls

Although the San Francisco Zoological Society (SFZS) has recently made improvements to some of its fiscal policies and internal controls, several key policies were not in place prior to 2024, and policy gaps remain in the areas of budget development, contracting and procurement, donor and employee relations expenses, and employee conflicts of interest. Insufficient or outdated policies, procedures, and internal controls increase the risk of fraud, waste, and abuse. Further, in our transaction sampling, we observed deficiencies in internal controls related to expense reimbursements and travel expenditures prior to 2024. We also found that SFZS has not engaged in a recent full-scale competitive solicitation process for the selection of its audit firm and has used the same firm since at least 2006. Finally, while SFZS receives funding from the City in the form of an annual \$4 million management fee, SFZS does not prepare an annual cost allocation plan or a budget that controls or specifies its use of this funding, and as a result neither SFZS nor the City can ensure that the management fee does not support unallowable costs such as fundraising expenses or the purchase of alcoholic beverages.

Recommendations

The SFZS Chief of Finance should:

- 9.1 By December 31, 2026, conduct a comprehensive review of all SFZS fiscal policies, procedures, and internal controls, using the resources and sample policies developed by the Controller's Office, and submit proposed revisions and updates to the Board of Directors for approval. The review should identify outdated policies, necessary new policies, and specifically include policies on: budget development and budget control, donor-restricted funds, purchases for donor and employee relations, contracting and procurement, and conflicts of interest. Review and update all financial policies and procedures at minimum every two years, or when executive leadership turnover occurs.

- 9.2 Upon expiration of SFZS's current contract with its audit firm, or if the contract is on a year-to-year basis no later than December 31, 2026, engage in a competitive solicitation process for the selection of an audit firm for a new five-year agreement. SFZS's current auditors may be included in the solicitation if their performance is satisfactory as determined by the Chief of Finance and Board of Directors.

The General Manager of the Recreation and Park Department should:

- 9.3 Include the requirement for an annual cost allocation plan in any new or amended lease and management agreement between SFZS and the City, in consultation with the Controller's Office.

Section 10: Animal Care and Welfare Evaluation

Our subject matter expert in zoo management and operations, Dennis E. Pate, has conducted an evaluation of animal care and welfare at the San Francisco Zoo. He has determined that the animals at the San Francisco Zoo and Gardens appear to be in generally good physical condition and are well cared for by the animal and veterinary staff, but staff are somewhat limited by a history of poor planning and older facilities that do not reflect the notion of a modern zoo that integrates animal care, visitor experience, and education goals. Further, Mr. Pate has determined that veterinary care and animal diets appear to be appropriately managed, and observed no abnormal animal behavior during several days of site visits in October and November 2025. He determined that animal wellness/enrichment staff is strong, but has shrunk in the last two years and should be better coordinated with animal care staff.

While most animals observed were housed in appropriate social groupings, the mandrill population is housed in a space with two young males who are ready to leave the group once appropriate housing can be found (the presence of two juvenile males in the same space can cause in-fighting). Exhibit barriers and safety mechanisms appeared adequate with some historical exceptions, including the grizzly bear and jaguar exhibits. The appropriateness and aesthetics of exhibit spaces vary with the African Savanna and lemur exhibits as model spaces while animals housed in older spaces are either cramped (orangutans) or are aesthetically out of date (Bear Country area, rhinoceros, Przewalski's horse, and lion exhibits).

Recommendations

The SFZS Chief Executive Officer should:

- 10.1 Consistent with the recommendation in Section 2 of this report, revise the institutional collection plan, in collaboration with Animal Division leadership, curators, and keepers,

to include specific details and rationales for planned future animal acquisitions, as well as resources needed (such as exhibit modifications) to support these plans. Ensure that the following issues are addressed in the collection plan:

- a. A plan for housing and/or exhibit modifications for the mandrill population should in-fighting occur between the two juvenile males.
 - b. A plan for moving the orangutans to a more appropriate exhibit.
- 10.2 Assess staffing needs for animal wellness and enrichment given recent turnover and backfill vacant positions as appropriate.
- 10.3 Work with animal wellness/enrichment, animal behavior, and animal care staff to ensure there is sufficient communication and collaboration between these divisions, including the establishment of a follow-up structure for goals set by animal wellness staff.

Section 11: Organizational Impact and Guest Experience

The San Francisco Zoological Society (SFZS)'s core mission-driven activities related to education, conservation, and the guest experience declined between 2019 and 2025 due to reductions in the number and continuity of educational programs, curtailed research publication and scientific output, and deferred maintenance of interpreted signage. During this same period, SFZS did not implement many elements of staff-developed marketing and public relations strategies. These conditions collectively weakened community engagement and the guest experience at the San Francisco Zoo and Gardens and, without effort and investment to support public-facing activities like public relations, educational programming, targeted marketing, and signage repair, will continue to affect SFZS's ability to increase attendance and donor support.

Recommendations

The SFZS Chief Executive Officer should:

- 11.1 By December 31, 2026, develop and implement a three- to five-year remediation plan in consultation with appropriate senior leadership that plans for, and prioritizes, the restoration of public-facing functions that affect attendance, revenue stability, and public trust. The plan should clearly distinguish short-term remediation activities from longer-term strategic planning needs and should identify timelines and responsible parties for implementation. This effort should focus on the following objectives:
- a. Repair and replace zoo signage that is either in physical disrepair or contains inaccurate information.

- b. Restore educational programs.
- c. Develop an operational annual marketing plan and public relations protocols.
- d. Restructure staff scientist capacity to follow a written institutional scientific research plan.

Introduction

Through a motion (M24-125) passed on December 10, 2024, the Board of Supervisors directed the Budget and Legislative Analyst's Office to conduct a comprehensive performance and management audit of the San Francisco Zoo, based on a recommendation made in an October 10, 2024 report by the Joint Zoo Committee animal welfare advisors.

Scope

The scope of this performance and management audit included a comprehensive assessment of the San Francisco Zoological Society's operations, governance, and compliance with applicable laws and policies. The scope included, but was not limited to, an assessment of management and governance, financial condition and controls, staff working conditions, guest safety and experience, and animal care and conservation.

Methodology

We conducted this performance and management audit in accordance with Generally Accepted Government Auditing Standards (GAGAS), 2018 Revision, issued by the Comptroller General of the United States, U.S. Government Accountability Office. In accordance with these requirements and standard performance audit practices, we performed the following performance audit procedures:

- Held an entrance conference with representatives from the San Francisco Zoological Society (SFZS) on January 29, 2025.
- Conducted interviews with current and former SFZS staff, as well as members of the SFZS Board of Directors.
- Conducted interviews with representatives from the Joint Zoo Committee.
- Conducted interviews with key employees at the San Francisco Recreation and Park Department and the Controller's Office.
- Conducted interviews with community stakeholders including advocates and former City employees.
- Reviewed SFZS's policies and procedures, internal organizational structure, budgeted and actual expenditures, budgeted personnel, annual reports, marketing materials, and strategic plans, as available.
- Reviewed reports produced by Visiting Committees of the Association of Zoos and Aquariums (AZA) as part of SFZS's accreditation reviews.

- Reviewed SFZS's financial reports, general ledgers, and underlying documentation for a sample of SFZS transactions.
- Reviewed available contracting and procurement materials, as available.
- Reviewed SFZS Board of Directors minutes for all full board and subcommittee meetings between 2019 and 2025, as available.
- Reviewed Recreation and Park Commission and Joint Zoo Committee meeting minutes, agendas, and resolutions between 2019 and 2025.
- Reviewed SFZS Safety Committee minutes and safety drills between 2019 and 2025, as available.
- Reviewed workers' compensation data and human resources investigations between 2019 and 2025, as available.
- Conducted a benchmarking assessment of zoo practices and standards from other jurisdictions (described in more detail below).
- Conducted interviews with officials and/or reviewed governing materials from the Asian Art Museum, Gardens of Golden Gate Park, California Academy of Sciences, and de Young Museum.
- Analyzed logs of historic and point-in-time maintenance work orders.
- Conducted multiple site visits to the San Francisco Zoo and Gardens in May, October, November, and December 2025 to tour the exhibits; evaluate animal care and wellbeing, facility conditions, and guest experience; and meet with staff on location.
- Conducted focus groups and a staff survey of SFZS employees to hear from staff and understand working conditions.
- Submitted a draft report with findings and recommendations to the San Francisco Zoological Society on February 26, 2026 and conducted an exit conference with representatives from SFZS on March 27, 2026.
- Submitted relevant excerpts of the draft report findings and recommendations to the Recreation and Park Department on March 9, 2026 and to the Office of Resilience and Capital Planning on March 10, 2026, and conducted exit conferences with representatives from these departments on March 24, 2026.
- Submitted the final draft report, incorporating comments and information provided at and following the exit conferences, to the San Francisco Zoological Society, the Recreation and Park Department, and the Office of Resilience and Capital Planning on April 16, 2026.

Zoo History and Management

The San Francisco Zoo and Gardens (Zoo) was established in 1929 along the City's coastline. In 1954, the San Francisco Zoological Society (SFZS) was established as a nonprofit organization dedicated to supporting the Zoo, and until 1993, SFZS and the City's Recreation and Park Department jointly operated the Zoo. In July 1993, the Board of Supervisors approved a Lease and Management Agreement between SFZS and the City, acting through the Recreation and Park Commission (Ordinance No. 278-93), which released the City from all management and operating responsibilities and placed them with SFZS. The primary objectives of this governance change were: (a) to improve SFZS's ability to fundraise without the limitations imposed by public sector ownership; (b) to achieve cost savings for the Recreation and Park Department; and (c) to improve the Zoo's success in fulfilling its mission of education and conservation with specialized and focused zoo management.

Since July 1993, the Lease and Management Agreement has been the Zoo's primary governing document. Under the terms of the agreement, the City leases the full Zoo premises, including all permanent structures, facilities, and animals, to SFZS for a term not to exceed 99 years. The City remains the owner of Zoo land, improvements, and animals. SFZS is responsible for Zoo operations and management; all required permits and accreditations; maintaining the Zoo in a clean, safe, and attractive condition; and costs for capital improvements to the grounds. In exchange for these services, the City pays SFZS a management fee totaling \$4 million annually, disbursed in monthly installments.

SFZS is governed by a 30- to 60-member Board of Directors, who are responsible for the management and oversight of SFZS. The SFZS Chief Executive Officer (CEO) is responsible for managing SFZS's day-to-day operations.

SFZS Leadership Changes During the Audit

In August 2025, the former SFZS CEO, who held that position since 2017, retired. Following her retirement, the SFZS Chief of Operations and Chief of Finance acted as interim co-CEOs of SFZS until February 2026 while the Board of Directors conducted a search for a new permanent CEO. In February 2026, SFZS announced it had selected a new permanent CEO.

There were also several changes to the composition of the SFZS Board of Directors during our audit.

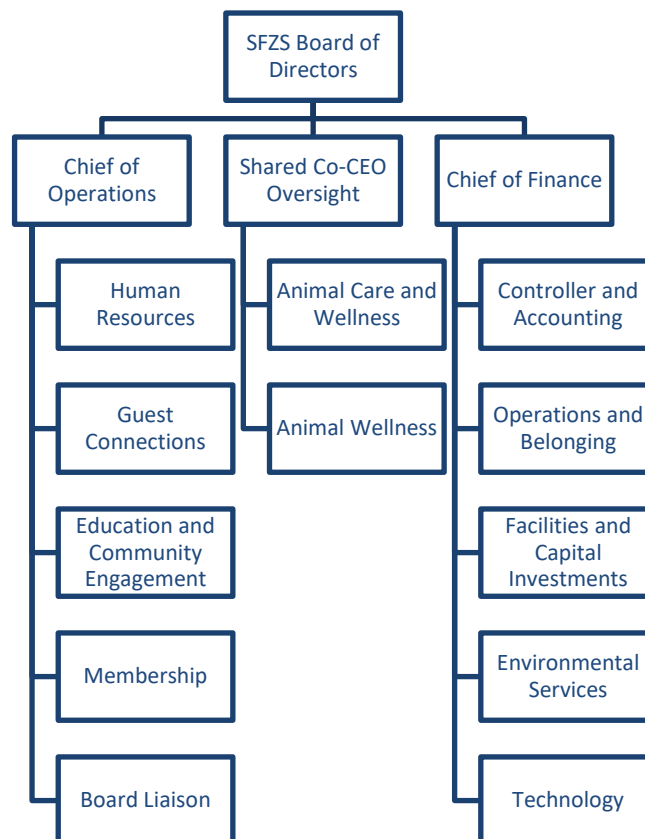
SFZS Organizational Structure, Budget, and Staffing

Exhibit I.1 below shows SFZS's organizational structure during the interim co-CEO period. During this period, the SFZS Chief of Operations oversaw human resources, guest connections, education

and community engagement, membership, and Board relations. The Chief of Finance oversaw the controller and accounting, operations and belonging, facilities and capital investments, environmental services, and technology. The interim co-CEOs assumed joint oversight over animal care and wellness at the Zoo and, as interim co-CEOs, reported to the SFZS Board of Directors.

It is likely that SFZS's 2026 organizational structure will be revised following the February 2026 announcement of a new permanent CEO.

Exhibit I.1: SFZS Organizational Chart, as of September 2025



Source: SFZS organizational chart as of September 2025.

SFZS Revenues and Expenditures

Between FY 2018-19 and FY 2024-25, total revenues in SFZS's general unrestricted fund ranged from a low of \$19.1 million in FY 2019-20 to a high of \$31.7 million in FY 2021-22 (a variance of approximately \$12.6 million). As shown in Exhibit I.2 below, SFZS's largest operating revenue source is admissions revenue, which ranged from \$4.5 to \$9.7 million between FY 2018-19 and FY 2024-25, followed by the \$4 million management fee paid to SFZS by the City. Admissions revenue and other attendance-driven revenue was impacted by the COVID-19 pandemic in FY

2019-20 and FY 2020-21. SFZS also received one-time COVID-19 relief funds in FY 2020-21 and FY 2021-22, which contributed to the variance in its revenue during this period.

Total expenditures in SFZS's general unrestricted fund have been more consistent since FY 2018-19, ranging from a low in FY 2020-21 of \$20.3 million to a high in FY 2024-25 of \$28.0 million (a variance of approximately \$7.7 million), as shown in Exhibit I.3 following Exhibit I.2. In all the years reviewed, the two department groups with the greatest expenditures were the Animal Division and Buildings and Grounds.

Exhibit I.2: SFZS General Unrestricted Fund Revenues

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Admissions	\$7,082,295	\$4,547,433	\$7,310,625	\$9,699,086	\$7,334,222	\$7,419,551	\$7,517,294
Retail commissions	1,442,877	948,091	1,157,639	1,804,112	1,496,615	1,363,594	1,272,196
Retail sales, rides, and rentals	1,481,864	990,608	710,111	1,591,369	1,274,304	1,345,487	997,447
Parking	1,280,712	964,580	1,178,503	1,275,960	969,897	988,084	935,466
Subtotal: Attendance-driven rev.	\$11,287,748	\$7,450,712	\$10,356,878	\$14,370,527	\$11,075,038	\$11,116,716	\$10,722,403
Management fee	4,120,000	3,760,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Membership dues	2,627,551	2,508,155	2,433,566	2,646,381	2,419,420	2,304,097	2,345,271
Contributions	2,455,664	2,488,895	3,057,535	2,374,101	1,763,968	2,025,840	1,308,271
Fundraising and ticketed events	907,931	786,619	616,158	546,502	996,153	1,063,874	196,702
Education programs	857,100	741,155	330,088	469,836	631,170	781,236	816,913
SFPUC rental fee	-	-	-	300,000	300,000	300,000	300,000
Other income	3,128	10,413	-	-	5,764	120,786	147,655
Children's Zoo	1,311	29	-	-	-	-	-
Operating Revenue Total	\$22,260,434	\$17,745,977	\$20,794,225	\$24,707,347	\$21,191,513	\$21,712,548	\$19,837,214
Investment income (loss)	1,620	31,718	1,217,802	(2,705,953)	1,905,808	2,398,252	1,984,841
Bequests	984,403	1,271,692	449,280	665,660	953,731	3,285,659	1,572,168
COVID relief	-	-	2,758,000	8,945,240	-	-	-
Net assets released from restriction	338,514	85,000	3,077,608	100,661	497,500	36,639	35,441
Non-Operating Revenue Total	\$1,324,538	\$1,388,410	\$7,502,689	\$7,005,608	\$3,357,039	\$5,720,550	\$3,592,450
Grand Total	\$23,584,972	\$19,134,386	\$28,296,915	\$31,712,955	\$24,548,552	\$27,433,098	\$23,429,664

Source: BLA analysis of SFZS financial reports.

Exhibit I.3: SFZS General Unrestricted Fund Expenditures, FY 2018-19 to FY 2024-25

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Animal division	\$9,130,881	\$8,853,588	\$8,226,857	\$7,862,743	\$8,965,949	\$8,601,143	\$10,472,438
Buildings and grounds, maintenance, custodial	6,661,987	5,552,381	5,507,965	8,538,022	6,424,277	7,752,119	8,497,324
Administration and IT	3,036,401	2,390,748	2,467,503	3,247,439	2,717,521	3,734,111	3,588,152
Admissions and retail operations	1,690,163	1,383,428	1,297,232	1,525,281	1,930,416	2,116,638	2,414,117
Fundraising and events	1,194,981	899,666	987,233	1,310,964	1,214,095	1,283,610	623,846
Education	962,812	897,543	838,853	614,801	633,874	691,085	746,993
Marketing and graphics	1,156,868	759,693	430,888	566,182	879,125	636,547	940,805
Membership and guest services	620,430	523,211	407,339	447,122	493,584	569,571	517,635
Operating Exp. Total	\$24,454,522	\$21,260,257	\$20,163,870	\$24,112,552	\$23,258,841	\$25,384,823	\$27,801,309
Bad debt	-	-	-	-	-	712,147	52,491
Depreciation	157,133	115,174	78,088	73,665	91,789	101,539	110,110
Interest expense	-	11,950	30,417	16,083	-	-	-
Loss on disposal/sale of assets	8,902	-	21	-	-	4,538	-
Non-Operating Exp. Total	\$166,035	\$127,124	\$108,525	\$89,748	\$91,789	\$818,224	\$162,601
Grand Total	\$24,620,557	\$21,387,381	\$20,272,396	\$24,202,300	\$23,850,936	\$26,203,047	\$27,963,910

Source: BLA analysis of SFZS financial reports.

Note: In FY 2018-19, depreciation costs were recorded as departmental expenditures. For consistency of reporting, these amounts were manually re-classified as non-department non-operating expenses by the audit team in FY 2018-19. Beginning in FY 2019-20, depreciation costs were recorded as non-departmental expenditures.

SFZS Staffing

Between FY 2021-22 and FY 2024-25, the total number of budgeted personnel at the San Francisco Zoological Society ranged between 176 and 216 employees. By job category, the Administration and Animal Care categories represented the largest shares of the workforce at 16 percent and 27 percent on average, respectively, over the four years reviewed. Total counts of budgeted personnel by job category are shown in Exhibit I.4 below.

Exhibit I.4: SFZS Budgeted Personnel by Job Category, FY 2021-22 to FY 2024-25

Job Category	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Animal Care	53	49	49	52
Zoo Camp Staff	2	2	25	36
Administration	30	33	28	29
Guest Services Staff	18	16	18	21
Maintenance & Custodial	19	21	22	20
Curator	11	12	9	11
Conservation	5	6	6	7
Gardener	7	7	7	7
Veterinary	5	5	6	7
Intern	6	4	1	6
Nutrition & Diet	3	4	6	5
Development	5	4	4	4
Education	4	5	4	4
Safety & Security	4	3	4	2
Train	2	2	2	2
Horticulture	1	1	1	1
Membership	1	1	1	1
Tree Maintenance	1	1	1	1
Total	177	176	194	216

Source: BLA analysis of SFZS personnel reports.

Over the four years reviewed, budgeted personnel at SFZS increased by 39 employees, or 22 percent. Most budgeted personnel were full-time employees, as shown in Exhibit I.5 below.

Exhibit I.5: SFZS Budgeted Personnel by Job Type, FY 2021-22 to FY 2024-25

Job Type	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Full Time	160	158	159	167
Intern	5	2	1	6
Part Time	3	8	29	39
Temp/As Needed	9	8	5	4
Total	177	176	194	216

Source: BLA analysis of SFZS personnel reports.

Proposed Panda Exhibit

During the course of our fieldwork, SFZS was in the process of planning to bring giant pandas to the Zoo for the first time in more than 40 years. This effort would be a collaboration between SFZS, the City, the China National Forestry and Grassland Administration, and the China Wildlife Conservation Association. As noted in SFZS's FY 2023-24 Annual Report, "A long-time focus of the

Zoo has been to increase and diversify its Asian animal collection to reflect the interests of its audience to see species native to regions in Asia, such as the Giant panda, to bring awareness and educate the public about the threats to extinction many species face.”

Panda Exhibit Costs

If this collaboration is successful, the pandas would effectively be loaned to SFZS for a 10-year period. According to an internal cost estimate prepared by SFZS management, SFZS anticipates the total cost for the panda exhibit will be approximately \$27.5 million (not adjusted for inflation) over the 10-year loan period. These costs include the capital construction costs to build the panda habitat (to be located at the current lion exhibit), annual panda conservation program contributions, additional animal care staff, additional security costs, costs for bamboo, costs to house panda experts from China, and other ancillary costs. SFZS’s estimate does not include costs associated with panda marketing or merchandising, although it is likely that the panda exhibit would be featured in SFZS’s merchandising and marketing materials. SFZS’s estimate also does not include costs to relocate the lions to another zoo, which SFZS considers to be part of regular operating activity.

Panda Exhibit Revenues

SFZS officials also anticipate increased revenues driven by the proposed panda exhibit for admissions, retail sales, membership, and donor support. According to case studies prepared for SFZS that were shared with our audit team, other U.S. zoos that have recently hosted pandas experienced temporary attendance increases that ranged from approximately 25 to 45 percent. After this initial increase following the opening of the panda exhibit, the case studies showed more modest attendance increases in the later years of the panda exhibits.

As shown in Exhibit I.2 earlier in this Introduction, SFZS’s attendance-driven revenue (from admissions, parking, and retail) was \$10.7 million in FY 2024-25, membership revenue was \$2.3 million, and contribution revenue was \$1.3 million (unrestricted non-capital contributions only). Using these totals, we calculated potential SFZS’s revenue increases from a panda exhibit for two scenarios: one scenario where Zoo attendance, SFZS membership, and contributions all increase by 25 percent in each of the first two years of the panda exhibit, and another scenario where attendance, membership, and contributions revenue all increase by 40 percent in each of the first two years of the exhibit. Both scenarios assume more modest increases in revenue of 10 percent in each of the remaining eight years of the panda exhibit. Additional increases in donor support for capital projects could be substantial, but are highly variable and uncertain and are not included in these estimates. Based on these calculations, we estimate that potential revenue from a panda exhibit could range between \$19 to \$23 million (not adjusted for inflation) over the

10-year exhibit period. According to SFZS management, these revenues will be re-invested in the panda program.

Given the difference between the estimated costs and revenues of the panda project, SFZS will require substantial donor support for the panda project, particularly for up-front, one-time costs such as exhibit construction and other capital facilities needs.

Other Considerations

In addition to increases in both revenues and expenditures, there are other non-quantifiable costs and benefits of a potential panda exhibit. A panda exhibit has the potential to increase public awareness of the Zoo and improve its public image, which could generate increases in revenue beyond what we have estimated. On the other hand, a new panda exhibit could come at the cost of other necessary Zoo improvements, which could affect both staff morale and public perception of the Zoo and its buildings and grounds. Moving the lions to another zoo to make room for a new panda enclosure could also negatively affect the Zoo's public image and visitor satisfaction.

Context for Audit

October 2024 Report by Joint Zoo Committee Animal Welfare Advisors

In October 2024, in response to media reports of management and animal welfare concerns at the Zoo, animal welfare advisor members of the Joint Zoo Committee published a report titled "San Francisco Zoo Recommendations." While the authors acknowledged that the report's limitations include "the observations are based on limited conversations with staff with [they] toured the facilities," the report made several recommendations. These recommendations included:

- **Habitat and Safety:** "Quite a few of the exhibits are close to 94 years old. The only ethical way forward is for the exhibits that have existed since the zoo opened in the late 1920s to be redesigned to fit modern Zoo habitat standards."
- **Planning:** "In addition to annual budgets and capital and operating expenses, Zoo management should present long-term and short-term strategic plans and progress reports to the Joint Zoo Committee."
- **Animal acquisition:** "A financial impact analysis report should be provided so that the Joint Zoo Committee can fully understand the effect the acquisition will have on care of the Zoo's current animal inhabitants and existing strategic plans."
- **Lease and Management Agreement:** "Review and update to reflect additional oversight."
- **Performance Audit:** "Recommend the Board of Supervisors require a current performance audit of the Zoo."

- Public Access to Records and Information: “The SF Zoo must respond accordingly to requests for public records as outlined in the California Public Records Act and the State open meeting law (the Brown Act) and should adhere to San Francisco’s Sunshine Ordinance.”
- Animal Welfare: “Zookeepers and Joint Zoo animal welfare advisors should resume regular meetings.”
- Panda Plan: “Urge the production of detailed reports on the zoo’s infrastructure, financial health, staff qualifications, conservation research, and panda expertise regarding the panda plan, and we highly recommend that pandas not be sent to San Francisco.”

SFZS Response to October 2024 Report

On December 3, 2024, in response to the animal welfare advisors’ report, the SFZS Board of Directors sent a letter to the Commissioner on Animal Control and Welfare, the President of the Board of Supervisors, and the City Attorney requesting the retraction of the report. The letter cites “biased-based conclusions,” a “glaring lack of rigor,” and the absence of “fact-finding discussions.” The SFZS Board of Directors specifically noted in the response letter that the report had jeopardized the Zoo’s ability to secure the approvals necessary to host the giant pandas.

Benchmarking Analysis

We conducted a benchmarking analysis of peer zoos as part of our fieldwork to identify common governance and financial characteristics and practices of other zoos and compare these practices to the San Francisco Zoo. We selected zoos with annual attendance exceeding 500,000 visitors, current accreditation by the Association of Zoos and Aquariums (AZA) as of 2025, and a public-private partnership governing structure similar to the San Francisco Zoo, when a local government agency with ownership rights over the grounds or zoological facilities leases the property out to a non-profit organization to manage daily zoo operations. Of approximately 235 AZA-accredited institutions as of 2026, we identified 22 peer zoos that met these criteria.

For each peer zoo, we collected and reviewed available audited financial statements, IRS Form 990 filings, lease and operating agreements and their amendments, and strategic planning documentation. From these materials, we compiled information on key lease and agreement terms, the type and proportion of financial support provided by local governing agencies, discretionary authorities granted to managing organizations, and the oversight responsibilities retained by local jurisdictions. Across the 22 institutions reviewed, local government support accounted for a median of 24 percent of annual operating expenses through mechanisms such as bond programs, tax revenues, and management fees. By comparison, the San Francisco Zoo’s management fee covers approximately 14 percent of its operating expenditures. In addition,

multiple peer zoos included provisions for inflationary adjustments to public operating support in their agreements, while San Francisco’s agreement does not.

Peer institutions also generally established defined governance and oversight processes within their operating agreements, including scheduled review and approval of annual budgets, capital plans, and strategic plans. While the San Francisco Recreation and Park Commission reviews the Zoo’s annual budget and approves strategic and capital plans, the agreement does not establish a routine review cycle for these documents. Our benchmarking analysis also showed that the agreement between SFZS and the City is also one of the oldest unamended agreements among the 22 institutions reviewed.

Additionally, we conducted a benchmarking analysis focused on maintenance and horticulture staffing levels. We identified 10 zoos with acreage comparable to the San Francisco Zoo that operate under a public-private management model and attract more than 500,000 visitors annually. We requested information from each zoo regarding their maintenance and horticulture staffing levels. Four zoos responded to our request.

Acknowledgements

We would like to thank the staff at the San Francisco Zoological Society for their assistance throughout this project, including current and former employees and Board members. We would also like to thank the staff from other zoos who participated in our benchmarking work, including the Houston Zoo, Woodland Park Zoo, Fort Worth Zoo, and Tulsa Zoo.

Accomplishments of the San Francisco Zoological Society Submitted by SFZS Management

A discussion of accomplishments of the San Francisco Zoological Society is included in Appendix F of this report.

1. Financial Condition, Transparency, and Contingency Planning

The San Francisco Zoological Society (SFZS) has operated with a structural deficit in its general unrestricted operating fund since at least FY 2018-19 and does not have a healthy or stable financial condition. Low and decreasing operating revenues have been insufficient to support increases in operating expenses, which has required SFZS to use one-time non-operating revenues such as estate bequests, COVID-19 relief funds, and investment draws to cover operating expenses. This structural deficit results primarily from low and decreasing attendance, which depresses earned revenue from admissions, retail, and parking, along with SFZS's inability to leverage assets for loans or to issue debt for capital projects. In addition, the \$4 million management fee paid to SFZS by the City, which is SFZS's second-largest revenue source after admissions revenue, has not increased since the amount was set in 1993, while at the same time the City has increased its charges for utilities. Recent operating budgets presented publicly by SFZS have assumed unrealistically high revenues based on attendance figures that are not supported by recent trends and have not transparently communicated the state of SFZS's financial condition or its structural deficit. We recommend that SFZS develop plans to make targeted reductions to non-essential expenditures and plans to increase revenue from attendance and fundraising. We also recommend that the City increase its financial support to SFZS in FY 2026-27 and FY 2027-28, conditional upon SFZS's demonstrated good-faith efforts to implement the recommendations in this audit report and increase City oversight of SFZS's financial planning materials.

SFZS Structural Operating Deficit

The San Francisco Zoological Society (SFZS) has operated with a structural deficit in its general unrestricted fund since at least FY 2018-19. Operating expenditures (defined as all department expenditures in SFZS's general unrestricted fund, excluding non-department expenditures such as depreciation) exceeded operating revenues (defined as all earned and contributed revenue in SFZS's unrestricted operating fund, excluding non-operating revenue sources such as estate bequests, investment draws, COVID-19 relief, and net assets released from restriction) in FY 2018-19, FY 2019-20, FY 2022-23, FY 2023-24, and FY 2024-25. SFZS used one-time non-operating revenue sources to cover deficits and pay for operating expenses during these years.

Between FY 2018-19 and FY 2024-25, SFZS's total operating revenues decreased from \$22.3 million to \$19.8 million, by \$2.4 million or 11 percent, while operating expenditures increased from \$24.5 million to \$27.8 million, by \$3.3 million or 14 percent. SFZS's operating deficit grew by \$5.8 million, from \$2.2 million to \$8.0 million, during this period, as shown in Exhibit 1.1 below.

Exhibit 1.1: SFZS General Unrestricted Fund Revenues and Expenditures Rollup

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Operating Revenues	\$22,260,434	\$17,745,977	\$20,794,225	\$24,707,347	\$21,191,513	\$21,712,548	\$19,837,214
Operating Expenditures	24,454,522	21,260,257	20,163,870	24,112,552	23,759,147	25,384,823	27,801,309
Operating Surplus/(Deficit)	(\$2,194,087)	(\$3,514,280)	\$630,355	\$594,795	(\$2,567,634)	(\$3,672,275)	(\$7,964,096)
Non-Operating Revenues	1,324,538	1,388,410	7,502,689	7,005,608	3,357,039	5,720,550	3,592,450
Non-Operating Expenses	166,035	127,124	108,525	89,748	91,789	818,224	162,601
Total Revenues	23,584,972	19,134,386	28,296,915	31,712,955	24,548,552	27,433,098	23,429,664
Total Expenditures	24,620,557	21,387,381	20,272,396	24,202,300	23,850,936	26,203,047	27,963,910
Total Surplus/(Deficit)	(\$1,035,584)	(\$2,252,995)	\$8,024,519	\$7,510,655	\$697,616	\$1,230,050	(\$4,534,247)

Source: BLA analysis of SFZS financial reports.

Note: In FY 2018-19, depreciation costs were recorded as departmental expenditures. For consistency of reporting, these amounts were manually re-classified as non-department non-operating expenses by our audit team in FY 2018-19. Beginning in FY 2019-20, depreciation costs were recorded as non-departmental expenditures.

Low and Decreasing Revenues

As shown in Exhibit 1.2 below, the decrease in SFZS's operating revenues between FY 2018-19 and FY 2024-25 is due to decreases in attendance-driven revenue (other than admissions revenue), membership dues, contributions, fundraising, and education programs. These decreases are partially offset by slight increases in revenue from admissions, San Francisco Public Utilities Commission (SFPUC) rental fees,¹ and other income (primarily tours and visitor experiences). Total operating revenues decreased from \$22.3 million in FY 2018-19 to \$17.7 million in FY 2019-20, likely due to the COVID-19 pandemic, then increased to a high of \$24.7 million in FY 2021-22. However, since FY 2021-22, operating revenues have declined and reached a low of \$19.8 million in FY 2024-25, which is \$2.4 million below pre-pandemic operating revenues of \$22.3 million in FY 2018-19.

SFZS's primary non-operating revenue sources during this period were investment income, estate bequests, and federal COVID-19 relief. These revenue sources are highly variable, as shown in Exhibit 1.2. In FY 2020-21 and FY 2021-22, SFZS received a total of \$11.7 million in federal COVID-19 relief, including \$4.8 million in Paycheck Protection Program loan forgiveness, \$4.6 million from the Shuttered Venue Operators Grant, and \$2.4 million from the Employee Retention

¹ SFPUC leases SFZS's overflow valet parking spaces for temporary construction staging and storage.

1. Financial Condition, Transparency, and Contingency Planning

Credit.² SFZS also received between \$449,280 and \$3.3 million in estate bequests each year, and in FY 2020-21 and FY 2022-23 through FY 2024-25 used between \$1.2 and \$2.4 million in investment draws.

Exhibit 1.2: SFZS General Unrestricted Fund Revenues

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Admissions	\$7,082,295	\$4,547,433	\$7,310,625	\$9,699,086	\$7,334,222	\$7,419,551	\$7,517,294
Retail commissions	1,442,877	948,091	1,157,639	1,804,112	1,496,615	1,363,594	1,272,196
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Parking	1,280,712	964,580	1,178,503	1,275,960	969,897	988,084	935,466
Subtotal: Attendance-driven rev.	\$11,287,748	\$7,450,712	\$10,356,878	\$14,370,527	\$11,075,038	\$11,116,716	\$10,722,403
Management fee	4,120,000	3,760,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Membership dues	2,627,551	2,508,155	2,433,566	2,646,381	2,419,420	2,304,097	2,345,271
Contributions	2,455,664	2,488,895	3,057,535	2,374,101	1,763,968	2,025,840	1,308,271
Fundraising and ticketed events	907,931	786,619	616,158	546,502	996,153	1,063,874	196,702
Education programs	857,100	741,155	330,088	469,836	631,170	781,236	816,913
SFPUC rental fee	-	-	-	300,000	300,000	300,000	300,000
Other income	3,128	10,413	-	-	5,764	120,786	147,655
Children's Zoo	1,311	29	-	-	-	-	-
Operating Revenue Total	\$22,260,434	\$17,745,977	\$20,794,225	\$24,707,347	\$21,191,513	\$21,712,548	\$19,837,214
Investment income (loss)	1,620	31,718	1,217,802	(2,705,953)	1,905,808	2,398,252	1,984,841
Bequests	984,403	1,271,692	449,280	665,660	953,731	3,285,659	1,572,168
COVID relief	-	-	2,758,000	8,945,240	-	-	-
Net assets released from restriction	338,514	85,000	3,077,608	100,661	497,500	36,639	35,441
Non-Operating Revenue Total	\$1,324,538	\$1,388,410	\$7,502,689	\$7,005,608	\$3,357,039	\$5,720,550	\$3,592,450
Grand Total	\$23,584,972	\$19,134,386	\$28,296,915	\$31,712,955	\$24,548,552	\$27,433,098	\$23,429,664

Source: BLA analysis of SFZS financial reports.

² Amounts may not add due to rounding.

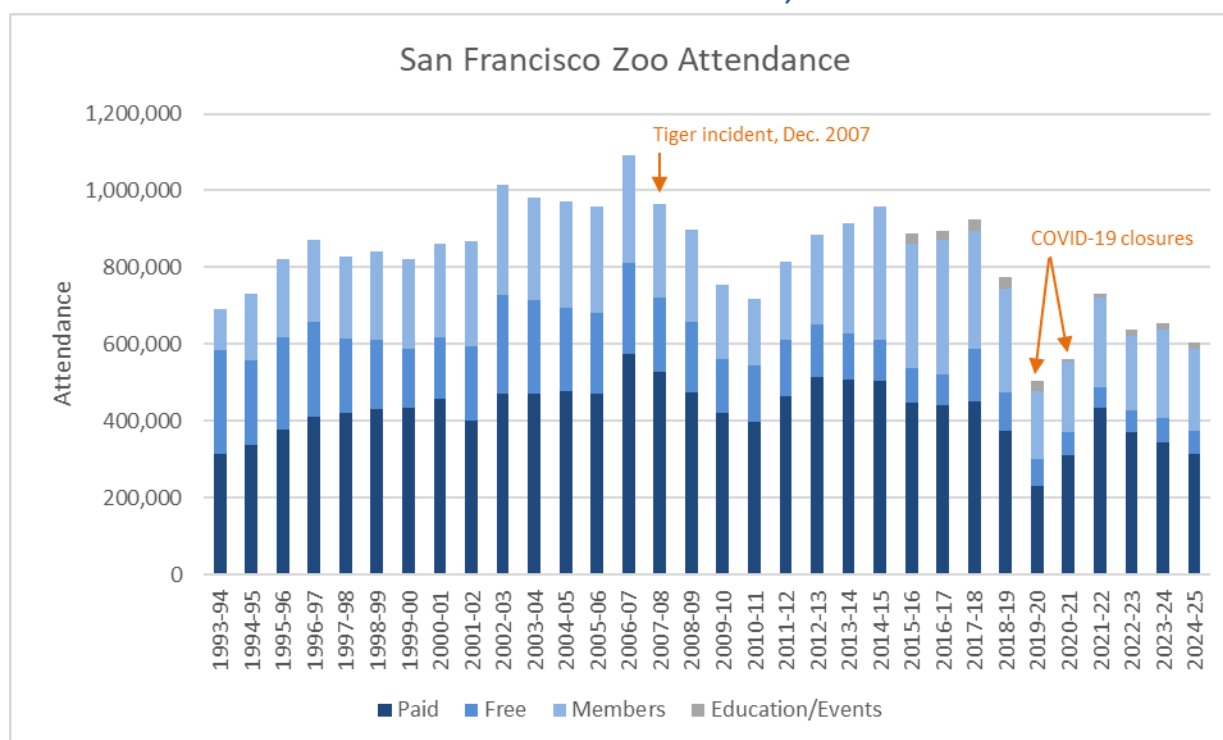
The primary causes of the decreases in SFZS's operating revenues are discussed in the following sections and include:

- Decreasing attendance;
- Fixed management fee;
- Decreasing contributions and fundraising revenue; and,
- Inability to issue debt for capital projects.

Decreasing attendance

As shown in Exhibit 1.2 above, attendance-driven revenue (admissions, retail commissions and retail sales, and parking) accounts for roughly half of SFZS's total operating revenue. Between FY 2018-19 and FY 2024-25, admissions revenue increased slightly, from \$7.1 million in FY 2018-19 to \$7.5 million in FY 2024-25, due to overall increases in ticket prices and paid attendance percentages. However, this slight increase in admissions revenue was offset by decreases in retail commissions, sales, and parking. Total attendance-driven revenue decreased from \$11.3 million in FY 2018-19 to \$10.7 million in FY 2024-25, by \$565,345 or 5 percent.

Overall San Francisco Zoo and Gardens (San Francisco Zoo) attendance declined by 170,236 visitors, or 22 percent, between FY 2018-19 and FY 2024-25, which has caused the decreases in SFZS's attendance-driven revenue and contributed to the decrease in overall operating revenues. In the longer term, Zoo attendance has been trending downward since FY 2006-07. Exhibit 1.3 below shows total Zoo attendance between FY 1993-94, when SFZS assumed responsibility for the management and operations of the Zoo, and FY 2024-25.

Exhibit 1.3: Annual San Francisco Zoo Attendance, FY 1993-94 to FY 2024-25

Source: SFZS.

As shown in Exhibit 1.3 above, total Zoo attendance increased between FY 1993-94 and FY 2006-07, when attendance peaked at nearly 1.1 million visitors. In December 2007, a tiger escaped her enclosure and killed and/or injured several Zoo visitors, and Zoo attendance decreased for several fiscal years following that incident. Beginning in FY 2011-12 attendance began to recover, although it never reached the FY 2006-07 high of 1.1 million visitors. Attendance began to decline again several years later, from 924,397 visitors in FY 2017-18 to 774,956 visitors in FY 2018-19 and decreased even further during FY 2019-20 and FY 2020-21 when the Zoo was closed due to the COVID-19 pandemic for a period of several months. Attendance recovered somewhat in FY 2021-22, but fell again in FY 2022-23 and then again in FY 2024-25.

Although Zoo attendance was understandably affected by COVID-19 closures, Exhibit 1.3 shows that SFZS's attendance challenges predate the COVID-19 pandemic. The goal to be "fiscally sound and financially stable" was one of the primary project goals of SFZS's 2015-2020 Strategic Plan, dated January 2016, and the plan includes several strategies to increase guest attendance and overall revenue such as adding fee-based experiences, evaluating pricing changes, maximizing government support, and strengthening fundraising efforts. However, as demonstrated by the trends in Exhibits 1.2 and 1.3, SFZS was unable to achieve these goals and attendance has decreased since 2016, worsening SFZS's deficit. *Section 11: Organizational Impact and Guest*

Experience of this report discuss SFZS's lack of strategic marketing and low investments in marketing, advertising, and public relations, which likely also affected Zoo attendance by limiting SFZS's ability to attract new audiences, retain repeat visitors, or respond to changing demographic trends. In addition, as shown in *Appendix C: Main Collection Animal Census, 2015 to 2025* of this report, our review of animal inventory records found that the total population of charismatic species (animals with symbolic value or widespread appeal that are regarded as beautiful, impressive, or endangered)³ at the Zoo decreased by 26 percent between December 2015 and December 2025, and the overall population of animals in the Zoo's Main Collection decreased by 7.5 percent during this period.

Fixed management fee

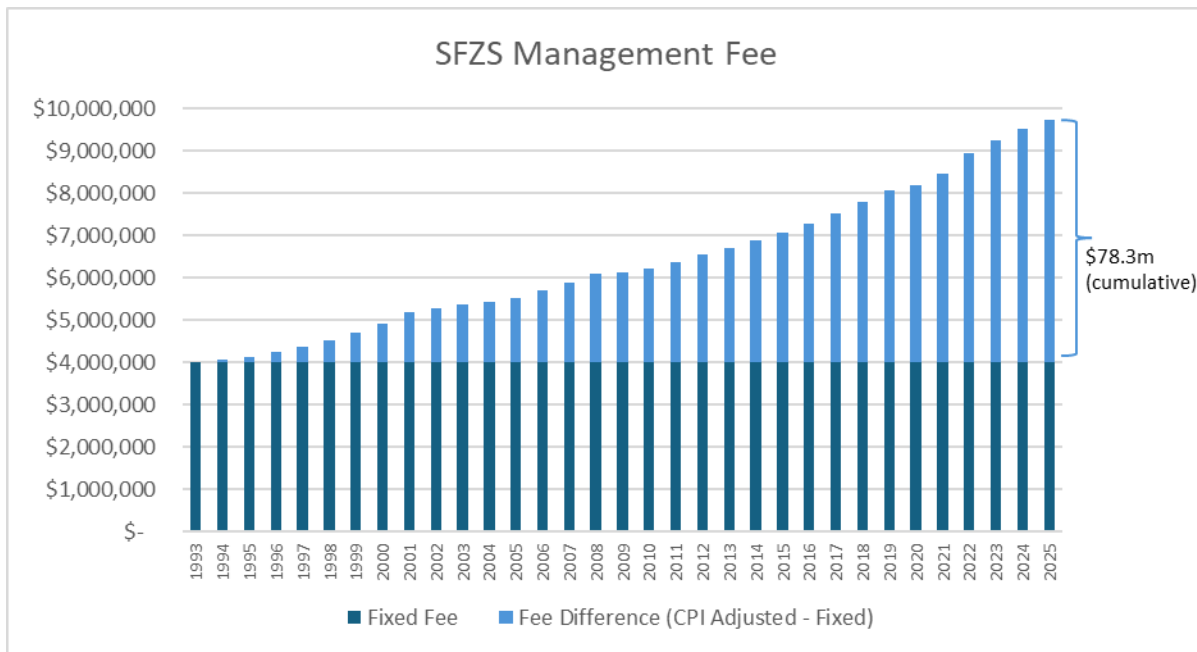
After admissions revenue, SFZS's second largest revenue source is the management fee paid by the City. Under the terms of the Lease and Management Agreement, this amount is fixed at \$4 million annually and has not increased since 1993. As SFZS's costs have increased due to increases in wages and benefits and prices for animal food, veterinary supplies, and other essential purchases, the amount of financial support provided by this \$4 million has lessened. If the \$4 million management fee had been adjusted annually using the Consumer Price Index (CPI), it would have been \$9,733,561 in 2025.⁴

As shown in Exhibit 1.4 below, the cumulative difference between the fixed fee and the CPI-adjusted fee from 1994 to 2025 is \$78.3 million. In other words, if the management fee had been adjusted annually with CPI starting in 1994, SFZS would have received an additional \$78.3 million in City support between 1994 and 2025.

³ Albert, C., Luque, G. M., & Courchamp, F. (2018). The twenty most charismatic species. *PLoS one*, 13(7), e0199149. <https://doi.org/10.1371/journal.pone.0199149>

⁴ Using CPI-U for the San Francisco-Oakland-Hayward area, Bureau of Labor Statistics data series CUURS49BSA0. CPI is a measure of the average change over time in prices for consumer goods and services.

Exhibit 1.4: SFZS Management Fee, Fixed vs. CPI-Adjusted, 1993 to 2025



Source: BLA calculations using CPI for the San Francisco-Oakland-Hayward area, Bureau of Labor Statistics data series CUURS49BSA0.

Decreasing contributions and fundraising revenue

As shown in Exhibit 1.2 above, SFZS lost significant revenues from both contributions and fundraising between FY 2023-24 and FY 2024-25. The loss of fundraising revenue in FY 2024-25 is due to the timing of the 2025 ZooFest, SFZS's large annual fundraiser, and SFZS's fiscal year which runs from July 1 to June 30. The 2024 ZooFest was held in May 2024, and revenue from that event was recorded in FY 2023-24. However, the 2025 ZooFest was not held until October 2025, and the revenue from that event was recorded in FY 2025-26. As a result of this timing, FY 2024-25 revenues do not include any ZooFest revenue.

Contributions revenue decreased from \$2.5 million in FY 2018-19 to \$1.3 million in FY 2024-25 in SFZS's general unrestricted fund. As shown in Exhibit 1.5 below, the total number of unique SFZS donors decreased from 899 to 310 between FY 2018-19 and FY 2024-25 (including anonymous donors), and the total amount donated (both restricted and unrestricted contributions) decreased from \$5.3 million to \$2.1 million, or by 61 percent, during this period.

The timing of the 2025 ZooFest, discussed above, also impacted the FY 2024-25 donor numbers and donor contributions shown in Exhibit 1.5 below. Because ZooFest attendees who purchase ZooFest tickets or auction items are recorded as Zoo donors for the relevant fiscal year, the lack of ZooFest during FY 2024-25 likely contributed to the decrease in SFZS's donor totals in FY 2024-25.

The total contributions shown in Exhibit 1.5 below are higher than the unrestricted fund contribution revenue shown in Exhibit 1.2 because Exhibit 1.5 includes restricted contributions, which are accounted for in a separate restricted fund. SFZS donors may specify that their gifts may only be used for specific purposes, such as a capital project. In that case, the contribution cannot be used for general operating expenses.

**Exhibit 1.5: Unrestricted and Restricted Contributions and Unique Donors,
FY 2018-19 to FY 2024-25**

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total contributions (unrestricted and restricted)	\$5,258,682	\$6,902,156	\$6,432,147	\$4,393,385	\$3,851,994	\$4,844,420	\$2,056,811
Unique donors (including anonymous)	899	1,403	1,106	210	338	434	310

Source: SFZS Development.

Inability to issue debt for capital projects

In 1997, San Francisco voters approved Proposition C, the Zoo Facilities Bonds, which authorized the City to incur \$48 million of bonded indebtedness for the acquisition, construction and/or reconstruction of San Francisco Zoo facilities. However, under the terms of the Lease and Management Agreement between the City and SFZS, the City remains the owner of Zoo property and buildings. As a result, SFZS has no assets it can directly leverage for additional debt financing to pay for capital improvements. Between FY 2021-22 and FY 2024-25, SFZS spent between \$1.8 million and \$3.2 million each year on repairs and maintenance activities⁵ in its unrestricted operating fund, some of which could possibly have been supported by debt financing if it had been available. While the majority of SFZS's capital expenditures occur in its capital fund, which is supported by private donations, rather than its operating fund, SFZS has used operating funds to pay for capital projects when capital project funds were insufficient. Additionally, as discussed below, spending in the Buildings and Grounds Department and particularly on repairs and maintenance increased between FY 2018-19 and FY 2024-25.

Increasing Costs

SFZS's operating expenditures increased from \$24.5 million in FY 2018-19 to \$27.8 million in FY 2024-25, although expenditures dipped in FY 2019-20 and FY 2020-21 likely due to the COVID-19 pandemic, as shown in Exhibit 1.6 below.

⁵ Expense category 169, all departments.

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Exhibit 1.6: SFZS General Unrestricted Fund Expenditures, FY 2018-19 to FY 2024-25

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Animal division	\$9,130,881	\$8,853,588	\$8,226,857	\$7,862,743	\$8,965,949	\$8,601,143	\$10,472,438
Buildings and grounds, maintenance, custodial	6,661,987	5,552,381	5,507,965	8,538,022	6,424,277	7,752,119	8,497,324
Administration and IT	3,036,401	2,390,748	2,467,503	3,247,439	2,717,521	3,734,111	3,588,152
Admissions and retail operations	1,690,163	1,383,428	1,297,232	1,525,281	1,930,416	2,116,638	2,414,117
Fundraising and events	1,194,981	899,666	987,233	1,310,964	1,214,095	1,283,610	623,846
Education	962,812	897,543	838,853	614,801	633,874	691,085	746,993
Marketing and graphics	1,156,868	759,693	430,888	566,182	879,125	636,547	940,805
Membership and guest services	620,430	523,211	407,339	447,122	493,584	569,571	517,635
Operating Exp. Total	\$24,454,522	\$21,260,257	\$20,163,870	\$24,112,552	\$23,258,841	\$25,384,823	\$27,801,309
Bad debt	-	-	-	-	-	712,147	52,491
Depreciation	157,133	115,174	78,088	73,665	91,789	101,539	110,110
Interest expense	-	11,950	30,417	16,083	-	-	-
Loss on disposal/sale of assets	8,902	-	21	-	-	4,538	-
Non-Operating Exp. Total	\$166,035	\$127,124	\$108,525	\$89,748	\$91,789	\$818,224	\$162,601
Grand Total	\$24,620,557	\$21,387,381	\$20,272,396	\$24,202,300	\$23,850,936	\$26,203,047	\$27,963,910

Source: BLA analysis of SFZS financial reports.

Note: In FY 2018-19, depreciation costs were recorded as departmental expenditures. For consistency of reporting, these amounts were manually re-classified as non-department non-operating expenses by the audit team in FY 2018-19. Beginning in FY 2019-20, depreciation costs were recorded as non-departmental expenditures.

While spending in some department groups decreased between FY 2018-19 and FY 2024-25, these savings were offset by increases in spending in the Animal Division; Buildings and Grounds, Maintenance, and Custodial; Administration and IT; and Admissions and Retail Operations.

By expense type, SFZS's largest expense in FY 2024-25 was salary and benefit costs for SFZS employees, followed by spending on repairs and maintenance, utilities, contracted services, security, and animal food. Spending in each of these categories increased between FY 2018-19 and FY 2024-25. In addition, SFZS's spending on legal services increased significantly in FY 2023-24 and FY 2024-25. Exhibit 1.7 below shows changes in SFZS's spending on selected expense

1. Financial Condition, Transparency, and Contingency Planning

categories. Spending increases in these expense categories total \$5.3 million between FY 2018-19 and FY 2024-25. (These increases are partially offset by decreases in spending in other expense categories.)

Spending increases on contracted services, legal services, security, repairs and maintenance, and utilities are discussed following Exhibit 1.7.

Exhibit 1.7: SFZS General Unrestricted Fund Expenditures, Selected Expense Categories, FY 2018-19 to FY 2024-25

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Salaries and benefits	\$15,742,946	\$14,834,785	14,600,201	\$14,174,762	\$14,286,813	\$15,313,253	\$17,313,870
Repairs and maintenance	457,935	328,300	231,152	3,156,305	2,075,442	1,788,428	1,998,202
Utilities	1,090,293	1,174,281	1,155,175	1,150,286	1,299,526	1,464,302	1,910,595
Contracted services	476,661	474,266	471,810	1,054,715	867,363	968,359	1,260,992
Security	678,509	656,086	702,085	811,506	834,397	895,775	897,864
Animal food	617,581	644,624	577,129	667,543	716,028	771,952	770,906
Legal	22,531	85	-	45,000	76,165	376,518	237,225

Source: BLA analysis of SFZS financial reports.

Spending on contracted services, legal services, and security

As discussed in more detail in *Section 5: Contracting and Procurement* of this audit report, SFZS does not have adequate procurement-related policies and procedures in place and was unable to provide documentation of competitive solicitation for contracted services to the audit team. (SFZS's accounting practices record legal services and security services as separate expense categories, even though these services are also provided by contractors.)

The SFZS department with the largest increase in spending on contracted services between FY 2018-19 and FY 2024-25 was the General & Administration Department, which includes the SFZS Executive Office. As we discuss in Section 5 of this report, the absence of competitive solicitation of these services and SFZS's lack of procurement policies to ensure fairness in contractor selection could prevent SFZS from obtaining the best value for these goods and services, which is particularly important during periods of financial constraint. Section 5 of this report contains recommendations to improve and strengthen SFZS's procurement policies and procedures.

Spending on repairs and maintenance

As shown in Exhibit 1.7, SFZS's spending on repairs and maintenance increased from roughly \$230,000 in FY 2020-21 to more than \$3 million in FY 2021-22 and remained between \$1.8 and \$2 million annually thereafter. Spending on repairs and maintenance occurs primarily in the

Buildings and Grounds Department and is one of the expense categories that contributed to the large increase in spending in the Department between FY 2018-19 and FY 2024-25. As discussed in more detail in *Section 4: Maintenance and Facilities Condition* of this audit report, SFZS lacks comprehensive written maintenance plans and facility condition assessments for the development, improvement, and upkeep of Zoo facilities and grounds. This lack of planning and SFZS's low investment in repairs and maintenance prior to FY 2021-22 has contributed to inconsistent conditions on Zoo grounds. Section 4 of this report contains recommendations to improve SFZS's planning and management of facilities and maintenance needs.

City charges for utilities

SFPUC utility charges to SFZS for gas and electric, sewer, and water increased significantly in FY 2022-23, FY 2023-24, and FY 2024-25. Spending on utilities is recorded in the Buildings and Grounds Department and is another expense category that contributed to the large increase in spending in the Department between FY 2018-19 and FY 2024-25. The Lease and Management Agreement between SFZS and the City states that the rate paid by SFZS for utility services shall not exceed the rate charged to other City departments for comparable services. At the time of the agreement in 1993, City departments paid a discounted utility rate to SFPUC; however, this discount was phased out between 2019 and 2025. Utility charges to SFZS increased by \$149,240 or 13 percent from FY 2021-22 to FY 2022-23; by \$164,776 or another 13 percent from FY 2022-23 to FY 2023-24; and by \$446,293, or 30 percent, from FY 2023-24 to FY 2024-25. Overall, between FY 2018-19 and FY 2024-25 utility charges increased by 75 percent.

Deficit Impacts and Solutions

SFZS's operating deficit grew by \$5.8 million, from \$2.2 million to \$8.0 million, between FY 2018-19 and FY 2024-25. Without a significant increase in operating revenue in FY 2025-26 and future years, SFZS's structural deficit will worsen and it will continue to draw on its investment reserves to support annual operating expenditures. Once its reserves are exhausted, SFZS will likely have to resort to more extreme cost-cutting measures such as reductions in force or limited operations. According to the Association of Zoos and Aquariums (AZA) Accreditation Standards, a healthy, stable financial condition is critical for a zoo to ensure its ability to continuously promote and enhance animal wellbeing. An inadequate financial position can have a direct and negative effect on the quality of animal life and the zoo's continued modernization.

Resolving the structural deficit and achieving financial stability will require both significant increases in operating revenue and targeted reductions in operating expenditures. However, as discussed throughout this audit report, SFZS also needs to make significant investments in strategic and capital planning, facilities assessments, animal enclosure modernization and

upgrades, marketing and advertising, workplace training and culture, Zoo signage and the visitor experience, policy and procedure development, and other areas. Given these needs, SFZS and the City should prioritize strategies to increase SFZS revenue, along with targeted reductions in operating expenditures when they will not impact SFZS's ability to carry out the recommendations in this report.

First, we recommend that by December 31, 2026, SFZS develop and submit to the Board of Directors and the Recreation and Park Commission a plan to make targeted reductions to non-essential expenditures. These reductions could include the elimination of vacant positions, temporary delays in employee hiring and promotions, structural reorganization strategies to increase department efficiencies, or the discontinuation of non-essential contracted services. We recommend that SFZS focus particularly on contracted services in the General and Administration Department, given the significant increase in spending and SFZS's lack of procurement policies and evaluate where cost savings could be achieved by competitive solicitation for some services.

We recommend that by December 31, 2026, SFZS develop and submit to the Board of Directors and the Recreation and Park Commission a plan to increase Zoo attendance and associated revenue. The plan should include steps to achieve specific, realistic attendance and revenue milestones, a timeline, and strategies to achieve revenue goals such as ticket and parking price increases, fee-based guest experiences, and targeted advertising. The plan should also identify specific needs, strategies, and costs for marketing, graphics, facilities maintenance, exhibit enhancements, technology, and other areas to support the plan's attendance and revenue goals.

We also recommend that by December 31, 2026, SFZS develop and submit to the Board of Directors and the Recreation and Park Commission a plan to increase its fundraising and development revenue. The plan should include steps to achieve specific, realistic fundraising and development milestones, a timeline, and strategies to achieve revenue goals such as targeted donor and corporate sponsor outreach, fundraising events, and other development strategies. The plan should also identify specific needs, strategies, and costs for donor relations, marketing, graphics, and other areas to support the plan's fundraising and development goals.

Along with these plans, we also recommend that the City increase its financial support of SFZS. Without an increase in support, it is unlikely that SFZS will be able to implement the attendance and development plans recommended above or the other recommendations in this audit report, many of which will directly or indirectly support SFZS's efforts to increase revenues. *Section 3: Management Agreement and City Oversight* of this report contains a recommendation that the General Manager of the Recreation and Park Department take steps to negotiate a new lease and management agreement with SFZS and that the terms of this agreement include financial

support that is adjusted to changing needs over time, which will provide SFZS with future stability and necessary revenue increases. However, SFZS also needs short-term revenue stability while the new lease and management agreement is negotiated. Therefore, we also recommend that the Chair of the Board of Supervisors Budget and Appropriations Committee consider increasing City support for SFZS in the City's two-year FY 2026-28 budget on a one-time basis in FY 2026-27 and FY 2027-28 by between \$4.5 and \$8 million each year. These amounts would be in addition to the existing \$4 million management fee paid to SFZS by the City (under the terms of the current management agreement) and **should be conditional** upon SFZS's demonstrated good-faith efforts to implement the recommendations in this audit report, particularly recommendations related to transparency, strategic and master planning, and financial and procurement controls. If SFZS fails to make this good-faith demonstration by June 1, 2026, the Budget and Appropriations Committee should consider placing these amounts on Budget and Finance Committee Reserve and held until the Committee is satisfied with SFZS's efforts and progress.

Based on SFZS's FY 2024-25 revenues and expenditures, an increase of \$4.5 million in FY 2026-27 and FY 2027-28 would stabilize SFZS's regular unrestricted fund but still require SFZS to use investment revenue or other non-operating revenue (such as estate bequests, should it receive any) to support operating expenses. An increase of \$5.7 million in each year would bring total City support of SFZS to \$9.7 million, the amount SFZS would have received in FY 2024-25 if the management fee had been adjusted annually since 1993 according to CPI. An increase of \$8 million in each year would stabilize SFZS's operating deficit, which totaled \$7,964,096 in FY 2024-25 as shown in Exhibit 1.1 at the beginning of this report section.

Section 4: Maintenance and Facilities Condition of this report includes a recommendation that SFZS conduct a comprehensive facilities assessment of Zoo buildings by December 31, 2026 and develop capital and maintenance plans based on this assessment, including a schedule of improvements, anticipated costs, a timetable for completion, and a funding strategy. *Section 2: Planning and Vision* of this report includes a recommendation that SFZS develop a long-range campus master plan to provide direction for the development and improvement of Zoo land and facilities, which could include large-scale future capital projects. We recommend these plans be developed by July 1, 2027. To support the upkeep and modernization of the Zoo and provide for sufficient investment in and maintenance of Zoo facilities, which are owned by the City, we recommend that once these assessments and plans are prepared, the Director of the Office of Resilience and Capital Planning evaluate the use of debt financing to support and fund the capital project needs of City-owned Zoo buildings and grounds identified in these documents by December 1, 2027, in consultation with the Office of Public Finance.

Unrealistic Operating Budgets and Lack of Transparency

Between FY 2018-19 and FY 2024-25, SFZS did not transparently communicate the extent of its financial challenges to oversight bodies such as the Joint Zoo Committee or the Recreation and Park Commission, and operating budgets presented publicly by SFZS to these bodies have been based on unrealistically high admissions revenue and attendance figures that are not supported by recent trends. Since FY 2019-20, SFZS's budget presentation materials have not shown prior-year actual revenues or expenditures to contextualize upcoming budgeted revenues and expenditures, and these budget presentations also did not communicate SFZS's use of non-operating revenues to cover revenue shortfall in the prior year. Overall, these omissions reduced transparency about SFZS's financial condition, its structural deficit, and the reasonableness of its revenue assumptions.

As shown in Exhibit 1.8 below, between FY 2018-19 and FY 2024-25, SFZS over-budgeted for attendance and admissions revenue in every fiscal year for which it prepared a budget except FY 2021-22. SFZS's FY 2023-24 operating budget assumed annual attendance of 720,000 and admissions revenue of \$9.2 million, despite prior-year FY 2022-23 actual attendance of 636,432 and admissions revenue of \$7.3 million. The FY 2024-25 operating budget assumed annual attendance of 700,000 and admissions revenue of \$9.9 million, despite prior-year FY 2023-24 actual attendance of 656,013 and admissions revenue of \$7.4 million. Actual admissions revenues were below budget by \$1.8 million in FY 2023-24 and \$2.3 million in FY 2024-25. (As discussed earlier in this report section, Zoo attendance in FY 2019-20 and FY 2020-21 was understandably impacted by the COVID-19 pandemic and Zoo closures.)

**Exhibit 1.8: Review of SFZS Budget Materials Submitted to Recreation and Park Commission,
FY 2018-19 to FY 2024-25**

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Budgeted attendance	935,000	935,000	n/a	700,000	750,000	720,000	700,000
Actual attendance	774,956	487,880	559,440	731,062	636,432	656,013	604,720
Actual attendance surplus/(deficit)	(160,044)	(447,120)	n/a	31,062	(113,568)	(63,987)	(95,280)
Budgeted admissions revenue	\$8,951,735	\$8,197,566*	n/a	**	\$8,496,727	\$9,237,775	\$9,856,113
Actual admissions revenue	\$7,082,295	\$4,547,433	\$7,310,625	\$9,699,086	\$7,334,222	\$7,419,551	\$7,517,294
Actual revenue surplus/(deficit)	(\$1,869,440)	(\$3,650,133)	n/a	**	(\$1,162,505)	(\$1,818,224)	(\$2,338,819)
Budget presentation showed actuals for prior year?	Yes	Yes	n/a	n/a	No	No	No

Source: BLA analysis of SFZS budget presentations submitted to the Recreation and Park Commission; actual attendance figures; and actual admissions revenue from SFZS financial reports.

Note: SFZS did not prepare an FY 2020-21 budget due to the COVID-19 pandemic.

* Budgeted admissions revenue in the presentation submitted to the Recreation and Park Commission is different than the budgeted admissions revenue in SFZS's financial reports. \$8,197,566 is the publicly-presented figure.

** Supporting documentation submitted to the Recreation and Park Commission for SFZS's FY 2021-22 budget included only a one-page memo from the SFZS Chief Financial Officer that contained no revenue or expenditure detail.

To improve transparency, we recommend the SFZS Chief of Finance include prior-year actual expenditures and attendance figures in budget presentation materials provided to the Recreation and Park Commission, beginning with the upcoming FY 2026-27 budget. We also recommend that the Chief of Finance annually submit a detailed operating budget to the General Manager of the Recreation and Park Department for review and approval prior to submission to the Recreation and Park Commission. The General Manager of the Recreation and Park Department should review SFZS's proposed operating budget for reasonableness and attend the Recreation and Park Commission meeting when it is discussed to be available for questions.

No Financial Contingency Plan

SFZS does not have a detailed financial contingency plan to provide for critical animal and operating needs in the case of significant decreases in operating income, as required by AZA. The 2022 AZA Visiting Committee noted in its narrative report that SFZS’s financial contingency plan was “not well developed and fails to provide details for how the institution will provide for critical animal and operating needs over a three- to six-month period.” The AZA Visiting Committee also wrote that “a plan that provides guidance on how to manage through the crisis is needed to fully meet the standard.” However, even though AZA informed SFZS of its concerns in the 2022 report, SFZS did not revise or augment its financial contingency plan to address the concerns raised by the Visiting Committee.

If its financial condition does not improve, SFZS could face difficult financial choices with no plan in place to ensure it can provide for critical animal care and other essential operations. We recommend the SFZS Chief of Finance develop a financial contingency plan that fully meets the AZA requirements by June 1, 2026. Going forward, the financial contingency plan should be updated every year and included in SFZS’s budget presentation materials to the General Manager of the Recreation and Park Department and the Recreation and Park Commission.

Conclusion

SFZS’s structural deficit results primarily from low and decreasing attendance, which depresses earned revenue from admissions, retail, and parking. SFZS’s need to grow Zoo attendance figures and achieve operational stability was identified at least 10 years ago, if not before, and while attendance in FY 2019-20 and FY 2020-21 was understandably impacted by the COVID-19 pandemic, SFZS has not achieved its attendance-related goals or successfully stabilized its operating budget. At the same time, City support for SFZS and, by extension, the City-owned Zoo grounds, facilities, and animals have eroded significantly since 1993 and has left SFZS unable to invest sufficient resources to support and improve the Zoo. Without a financial contingency plan in place, it is unclear whether SFZS will be able to provide critical animal care if revenues do not improve in FY 2025-26.

Recommendations

The SFZS Chief Executive Officer should:

- 1.1 By December 31, 2026, develop and submit to the Board of Directors and the Recreation and Park Commission plans to address SFZS’s structural deficit, including:

- a. Targeted reductions to non-essential expenditures by December 31, 2026. These reductions could include the elimination of vacant positions, temporary delays in employee hiring and promotions, structural reorganization strategies to increase department efficiencies, or the discontinuation of non-essential contracted services. The reductions should specifically evaluate contracted services in the General and Administration Department and identify where cost savings could be achieved by competitive solicitation for some services.
- b. Steps to increase Zoo attendance and associated revenue by December 31, 2026. The plan should include specific, realistic attendance and revenue milestones, a timeline, and strategies to achieve revenue goals such as ticket and parking price increases, fee-based guest experiences, and targeted advertising. The plan should also identify specific needs, strategies, and costs for marketing, graphics, facilities maintenance, exhibit enhancements, technology, and other areas to support the plan's attendance and revenue goals.
- c. Steps to increase its fundraising and development revenue by December 31, 2026. The plan should include specific, realistic fundraising and development milestones, a timeline, and strategies to achieve revenue goals such as targeted donor and corporate sponsor outreach, fundraising events, and other development strategies. The plan should also identify specific needs, strategies, and costs for donor relations, marketing, graphics, and other areas to support the plan's fundraising and development goals.

The Chair of the Board of Supervisors Budget and Appropriations Committee should:

- 1.2 Consider increasing City support for SFZS in the City's two-year FY 2026-28 budget on a one-time basis in FY 2026-27 and FY 2027-28 by between \$4.5 and \$8 million each year. These amounts would be in addition to the existing \$4 million management fee paid to SFZS by the City (under the terms of the current management agreement) and **should be conditional** upon SFZS's demonstrated good-faith efforts to implement the recommendations in this audit report, particularly recommendations related to transparency, strategic and master planning, and financial and procurement controls. If SFZS fails to make this good-faith demonstration by June 1, 2026, the Chair and Committee should consider placing these amounts on Budget and Finance Committee Reserve and be held until the Committee is satisfied with SFZS's efforts and progress.

The Director of the Office of Resilience and Capital Planning should:

- 1.3 Evaluate the use of debt financing to support and fund the capital project needs of City-owned Zoo buildings and grounds by December 1, 2027, in consultation with the Office of Public Finance.

The SFZS Chief of Finance should:

- 1.4 Annually submit a detailed operating budget to the General Manager of the Recreation and Park Department for review and approval prior to submission to the Recreation and Park Commission. The operating budget should include prior-year actual expenditures and attendance figures in its budget presentation materials provided to the Recreation and Park Commission.
- 1.5 Develop a financial contingency plan that fully meets AZA requirements by June 1, 2026. Going forward, the financial contingency plan should be updated every year and included in SFZS's budget presentation materials to the General Manager of the Recreation and Park Department and the Recreation and Park Commission.

The General Manager of the Recreation and Park Department should:

- 1.6 Annually review SFZS's proposed operating budget for reasonableness and attend the Recreation and Park Commission meeting when it is discussed to be available for questions.

Benefits and Costs

Implementation of the proposed recommendations would put SFZS on the path to financial stability and improve the organization's transparency and contingency planning. With plans to reduce non-essential expenditures and increase future revenue, along with increased City support, SFZS may be able to stabilize its operating budget and ensure that operating revenues keep pace with growth in operating expenditures in the future.

Other than staff time to develop the recommended plans and budget information, the primary cost of these recommendations is the temporary one-time increases in City support to SFZS. These costs could total up to \$8 million in General Fund costs in each year of FY 2026-27 and FY 2027-28. However, under the terms of the Lease and Management Agreement between the City and SFZS, the City remains the owner of Zoo property and buildings. Without this short-term investment to stabilize SFZS, the City could be forced to assume responsibility for the care of the Zoo's animals and grounds.

2. Planning and Vision

The San Francisco Zoological Society (SFZS) does not have a current strategic plan, a current campus master plan, or an animal collection plan that articulates a strategic, forward-looking vision for SFZS's animal collection. SFZS also does not have a capital budget or written plans, budgets, or timelines for its major capital projects. Although the Association of Zoos and Aquariums (AZA) Visiting Committee identified deficiencies in SFZS's strategic and master planning during its most recent accreditation report in 2022, we did not find evidence demonstrating that SFZS took meaningful action between 2022 and 2025 to address these deficiencies. We also found that SFZS has not achieved several primary strategic goals related to exhibit modernization, historic building restoration, and attendance and revenue growth that were identified in previous planning materials.

Without up-to-date, detailed plans, it is not clear that SFZS's strategic decisions and project investments have been made thoughtfully or to make the best use of SFZS's resources. Insufficient planning and capital budgeting could also affect SFZS's accreditation outcome during future AZA accreditation reviews. We recommend that SFZS leadership develop a strategic plan, campus master plan, and annual one- or two-year capital budgets and revise the animal collection plan concurrently with the development of the new strategic plan. The General Manager of the Recreation and Park Department should review these plans for reasonableness. SFZS leadership should report regularly to the Board of Directors about strategic planning goals and ensure that animal staff have the opportunity to provide input on future exhibit planning.

Background

Section 13 of the Association of Zoos and Aquariums (AZA) Accreditation Standards states that AZA accredited institutions should: (a) follow a written campus and strategic plan or engage in a formal process for future planning, and update plans at minimum every five years; (b) incorporate a commitment to maintaining and advancing modern zoological practices and philosophies into formal planning processes; (c) incorporate its mission and organizational values, goals, and objectives into the design and development of animal exhibits and guest experiences; and, (d) consider animal wellbeing during the design and development of new and renovated animal facilities. The AZA Accreditation Standards emphasize that institutions should strategically assess all aspects of operations and routinely renovate and replace old exhibits. According to AZA, a strong commitment to facilities and strategic planning is foundational to an institution's adherence to modern zoological practices, and it is best practice to continuously plan for new

and innovative education programs and guest experiences. Section 9 of the AZA Accreditation Standards requires accredited institutions to indicate sources and uses of funding for capital improvements and major maintenance, repairs, and replacements. Section 1 requires accredited institutions to follow an institutional collection plan to establish and manage a systematic decision-making process for selecting and sustaining all the species in an institution's animal collection.¹

In response to our request to the San Francisco Zoological Society (SFZS) for all strategic plans, master plans, and capital plans prepared since July 1, 2019, SFZS provided the following documents to us:

- The 2007 Update to the 1994 Master Plan
- The 2015-2020 Strategic Plan, dated January 2016 (marked "Draft" on the first page)
- A seven-slide presentation identifying "Strategic Priorities" for FY 2021-23 (not dated)
- A parking study prepared by a consulting firm in June 2023
- The SFZS 2023-24 Annual Report

We reviewed these documents as well as the 1997 Master Plan Final Environmental Impact Report and materials submitted by SFZS to the 2022 AZA Visiting Committee regarding (a) SFZS's institutional collection planning process, including the 2021 Institutional Collection Plan, and (b) major capital projects. We also reviewed the results from the 2022 AZA Visiting Committee's evaluation of SFZS's planning materials and SFZS's March 4, 2022 written response to the concerns raised by the AZA Visiting Committee about SFZS's strategic and campus master planning.

No Current, Detailed Strategic Plan or Campus Master Plan

SFZS does not have a current strategic plan or a current campus master plan. The AZA Visiting Committee identified several deficiencies in SFZS's strategic and master planning during its most recent accreditation visit in 2022, discussed in more detail below, but we did not find evidence demonstrating that SFZS took meaningful action between 2022 and 2025 to address these deficiencies.

¹ Association of Zoos and Aquariums 2025 Accreditation Standards & Related Policies.

Lack of Current Strategic Plan

SFZS does not have a current strategic plan.² The most recent strategic planning document provided to us by SFZS is a seven-slide PowerPoint presentation titled *FY 2021-23 SFZS Strategic Priorities* (undated), which updated the 2015-2020 Strategic Plan. The 2015-2020 Strategic Plan, dated January 2016, is a 30-page document that contains:

- An overview of the plan development;
- An assessment of the San Francisco Zoo and Gardens (San Francisco Zoo) and analysis of the Zoo's strengths, weaknesses, opportunities, and threats (SWOT analysis);
- Mission and vision statements;
- Specific initiatives, including new guest experiences, animal wellness programs, and a "connect with the coast" initiative, with identified goals and objectives;
- Specific commitments for financial sustainability, brand messaging, and strengthened organizational capacity, also with identified goals and objectives; and,
- High-level "scorecard for success" indicators that could be used as performance metrics (such as attendance, social media mentions, partnerships developed, presentations and publications).

The FY 2021-23 Strategic Priorities presentation notably lacks much of the detail and specifics contained in the 2015-2020 Strategic Plan and is insufficient as a strategic planning document. For example, one slide identifies two-year strategic priorities such as "Animal Wellness and Conservation translates to visitor experience" and "Achieve Optimal Operational and Organizational Capacity," but the document does not define or describe these priorities, state why or how they were identified, or describe any specific steps, goals, or resources needed to achieve them. While the 2015-2020 Strategic Plan is more detailed than the 2021-2023 update, it is nearly 10 years old and is no longer a meaningful or current planning document for SFZS.

Lack of Current Campus Master Plan

Similarly, SFZS does not have a current campus master plan³ for the development and improvement of the Zoo land and facilities. The 2007 Master Plan Update to the 1994 Master Plan does contain recommendations and project-specific details, but is nearly 20 years out of date. Based on our review of materials provided to us by SFZS, we found that no planning

² The AZA defines a strategic plan as "a written plan defining an organization's focused direction and core mission areas, including main goals and resources necessary to achieve these goals and strategic success."

³ The AZA defines a campus or master plan as "a written long-range plan that provides an organization with direction to develop or improve land, facilities, a building complex, etc."

document was developed during the scope of our audit that meets the AZA requirement for a campus or master plan for Zoo land and facilities that is regularly reviewed and updated.

No Meaningful Response to AZA Concerns

In its Narrative Report, the 2022 AZA Visiting Committee raised the following concerns related to SFZS's strategic and master planning. SFZS was informed of these concerns in 2022, but we did not find evidence demonstrating that SFZS took meaningful action between 2022 and 2025 to address them. According to the 2022 AZA Visiting Committee:

- While the 2015-2020 strategic plan is well-conceived, the 2021-2023 update to the plan appears to lack the same level of stakeholder engagement as the 2015-2020 plan.
- The master plan is “poorly defined and not comprehensive or vision driven” and does not contain detail, time frames, or budgets. SFZS does not have a well-developed master plan to guide the institution beyond the major capital projects currently underway or for complicated future projects. SFZS did not share schematic designs, cost estimates, or timelines for Phase II and Phase III of the Madagascar Center project or the Andean Condor exhibit with the Visiting Committee.
- The AZA Visiting Committee reported that staff do not appear to have meaningful input to or understanding of the Zoo's master plan, and according to the AZA Visiting Committee, “there does not seem to be awareness among staff of the zoo's plans or how current projects integrate into the bigger picture.” The lack of staff awareness and input into exhibit planning results in, “an inability to plan for appropriate housing for incoming animals, as well as a need to retrofit exhibits to address areas of risk resulting from planning without the inclusion of animal expertise.”

In its written response to these concerns, SFZS submitted:

- An overview document titled *Master Planning for a Zoo “On a Coast”: 100 years: 1929-2029*, which is a four-page document that summarizes the history of SFZS's master planning efforts but contains only three paragraphs describing one current project.
- The *San Francisco Zoological Society Vision Plan 2019-2029*, which is a 26-page document that, similar to the 1929-2029 Master Plan overview document, primarily contains summaries of SFZS's past projects and initiatives rather than details of future strategic or master planning efforts. While the document does contain some high-level descriptions of planned projects, in our opinion it does not sufficiently meet SFZS's need for an up-to-date, detailed strategic plan.
- A seven-page *Strategic Communications Plan (2022)* to address the gap in communication and decision-making identified by the AZA Visiting Committee. Of the seven pages, two

contain strategies and specific actions intended to improve communication between SFZS leadership and staff. However, as discussed in more detail in *Section 8: Workplace Culture, Organizational Structure, and New Leadership* of this report, Human Resources staff were unaware of this plan when we asked about it during our fieldwork in 2025 and could not provide us with evidence demonstrating that SFZS implemented any of the strategies and actions described in the plan. In addition, as discussed in Section 8, SFZS staff who participated in audit focus groups, interviews, and a staff survey in 2025 indicated an unawareness of SFZS's strategic plan and overall vision. These sentiments, which are consistent with the observations from the 2022 AZA Visiting Committee three years prior, indicate that between 2022 and 2025 SFZS did not adequately address this issue.

To address these gaps in planning and increase accountability, we recommend that the SFZS Chief Executive Officer develop and submit to the General Manager of the Recreation and Park Department both a strategic plan and campus master plan that are consistent with the parameters established by the Association of Zoos and Aquariums by July 1, 2027, and report at least quarterly to the Board of Directors on progress toward goals established in these documents. The General Manager of the Recreation and Park Department should review these documents for reasonableness and attend the Recreation and Park Commission meetings when they are discussed to be available for questions. We also recommend that the SFZS Chief Executive Officer ensure that curators and animal keepers have the opportunity to provide input on future new and retrofit exhibit planning in the strategic plan and campus master plan.

Lack of Strategic Collection Plan

SFZS's 2021 Institutional Collection Plan⁴ does not articulate a strategic, forward-looking vision for SFZS's animal collection, nor does it integrate with any of SFZS's other strategic planning materials we reviewed. The 2021 Institutional Collection Plan describes: SFZS's overall collection philosophy; its acquisition, transfer, and transition criteria; and the philosophy behind the animals currently present in its primary exhibit zones. The Institutional Collection Plan also includes a spreadsheet inventory of SFZS's current animal inventory and desired acquisitions. However, the document does not describe a vision or roadmap for the future of SFZS's animal collection, consider the unique characteristics of the Zoo (such as its audience, physical space availability, climate, or current animal collection) and how those factors influence changes in SFZS's animal collection, or discuss how changes in the collection are planned to integrate with

⁴ The AZA defines an institutional collection plan (ICP) as "a document designed to thoughtfully assess the reasons for having each taxon in the collection. The ICP must be updated on a regular basis (minimally every 5 years). The ICP should include a statement of justification for all species and individuals in the institution's planned collection."

other strategic planning documents or capital projects. For example, the 2021 Institutional Collection Plan states that the Madagascar Center exhibit will include “a broad taxonomic representation of living and extinct Malagasy flora and fauna including fossa, pygmy hippo, reptiles, invertebrates, amphibians, and gardens” but provides no additional details about what specific animals will be acquired, when they will be acquired, where specifically they will be housed, or any necessary construction or exhibit modifications related to their acquisition.

As shown in *Appendix C: Main Collection Animal Census, 2015 to 2025* of this report, our review of animal inventory records found that the total population of charismatic species (animals with symbolic value or widespread appeal that are regarded as beautiful, impressive, or endangered)⁵ at the Zoo decreased by 26 percent between December 2015 and December 2025. Of these charismatic species, specific decreases occurred in the populations of rhinoceros, hippopotamuses, lions, polar bears, koalas, giraffes, tigers, snow leopards, and gorillas. The overall population of animals in the Zoo’s Main Collection decreased by 7.5 percent during this period. These decreases, particularly the decreases in populations of charismatic species, affect both SFZS’s need for exhibit planning and the overall visitor experience at the Zoo, but have not been included or discussed in any of the strategic planning materials reviewed by the audit team.

Overall, while SFZS’s 2021 Institutional Collection Plan may meet the AZA requirement to describe the reasons for the animals in its collection, it does not function as a strategic planning or guiding document. It is not clear why SFZS has acquired specific animals, or whether the decreases in certain animal species are part of a larger overall plan or strategy. We recommend that by July 1, 2027, and concurrently with the development of the new strategic plan, the SFZS Chief Executive Officer revise the Institutional Collection Plan in collaboration with curators and animal keepers to include specific details and rationales for planned future animal acquisitions and dispositions, as well as resources needed (such as exhibit modifications) to support these plans.

Lack of Capital Budget or Capital Project Plans

SFZS does not prepare a capital budget or have written plans, budgets, or timelines for its major individual capital projects. Section 15.9 of the Lease and Management Agreement requires SFZS to prepare and submit to the Recreation and Park Commission an annual report and budget that includes estimated capital expenses. However, the budget materials presented by SFZS to the Commission during the years of our audit scope contain only SFZS’s unrestricted operating

⁵ Albert, C., Luque, G. M., & Courchamp, F. (2018). The twenty most charismatic species. *PLoS one*, 13(7), e0199149. <https://doi.org/10.1371/journal.pone.0199149>

budget and do not detail any capital expenditures, even though SFZS spent between \$1.1 and \$3.4 million each year between FY 2018-19 and FY 2024-25 on capital projects.

The AZA Accreditation Standards also require capital budgeting. Specifically, AZA Standard 9.1 states: “The institution [...] must provide sufficient evidence of its financial stability by submitting adequate financial reports, including operating and capital budget.” AZA Standard 9.4 states: “The institution must indicate sources and amounts of funding for capital improvements and major maintenance, repairs, and replacements. Capital improvements, maintenance, and major repairs include renovations, maintenance of buildings/grounds/exhibits, new construction, and demolition of outdated structures.”

Based on a review of expenditures in the Zoo’s capital fund, the Zoo’s primary capital projects between FY 2018-19 and FY 2024-25 were:

- 90th Anniversary Campaign
- Andean Condor (also appearing as Jaguar/Condor)
- Rescue and Therapy Horses
- Great Ape Passage
- Madagascar Center (also appearing as Madagascar Primate Discovery Center)
- Snow Leopard
- Coastal Conservation Center
- Asia

Additionally, after we requested a list of new exhibits in the last five years, SFZS leadership indicated the following were the largest recent capital projects:

- Madagascar Project
- Under the Canopy
- Little Puffer Train track expansion and refurbishment

SFZS did not provide us with written plans, budgets, or timelines for any of these capital projects during the course of our audit fieldwork. In response to the 2022 AZA Visiting Committee’s request for a list of major projects with anticipated sources and amounts of funding, SFZS submitted a three-row table that contained no project details, budget breakdowns, or timelines. After reviewing a draft copy of our audit report, SFZS submitted to us a capital project summary document that provided a more detailed accounting of the sources and uses for SFZS’s capital projects between 2018 and 2025 (for the Madagascar Project) and between 2023 and 2025 (for other capital projects). This document summarized capital project revenues from donor contributions and expenditures on construction, architecture and engineering services,

consulting, and capital project costs. While the capital project summary report provided more information on SFZS's capital expenditure activity and tracked SFZS's use and spending of capital project funds, it did not include capital project plans, budgets, or timelines.

Based on our review of spending and information provided by SFZS, the Madagascar Project appears to be SFZS's largest recent capital project, but because SFZS did not prepare a capital plan, budget, or timeline for this project, it is unclear whether the project has been completed in accordance with original plans, on budget, or on time. The Madagascar Project is discussed in more detail later in this section.

Lack of Progress on Strategic and Campus Goals

Our review of SFZS's historical planning materials, from the 1997 Master Plan Final Environmental Impact Report (EIR) to the most recent FY 2021-23 Strategic Priorities presentation, revealed several common focuses that SFZS has consistently identified as priorities or needs in past planning efforts. In many of these areas, SFZS has yet to fully achieve past articulated goals.

Outdated Exhibits, Deteriorating Buildings, and Unfinished Capital Projects

Exhibit modernization and aging infrastructure needs appear in every strategic and master plan document we reviewed and remain a concern for SFZS in 2025. These needs are described in detail in the 1997 EIR and 2007 Master Plan Update and are also mentioned (in less detail) in the 2015-2020 Strategic Plan and FY 2021-23 Strategic Priorities presentation. However, as discussed in *Section 10: Animal Care and Welfare Evaluation* and *Section 4: Maintenance and Facilities Condition* of this report, many Zoo exhibits remain outdated and do not meet current standards without significant modifications and maintenance.

Both the 2007 Master Plan Update and SFZS's written response to the 2022 AZA report list SFZS's recent exhibit upgrades, including: the African Savanna, Lemur Forest, and Grizzly Gulch (2007 Master Plan); and the Wolf Canyon, Sifaka Habitat, Black Bear habitat, California Conservation Corridor, Komodo Crossing, the Great Ape Passage, the Horse Therapy Program, and the Snow Leopard habitat (2022 response to AZA report). However, some of the recent exhibits listed in SFZS's 2022 response to the AZA report, such as the California Conservation Corridor, were closed when we visited in 2025.

Relatedly, the deterioration and needed restoration of historic buildings, including the Mothers Building, is identified as a need in both the 1997 EIR and the 2007 Master Plan Update, but remains unaddressed in 2025. According to the 1997 EIR, the Mothers Building is the most

important building surviving from the initial period of Zoo development in the 1920s and was listed on the National Register of Historic Places in 1979 as the Delia Fleishhacker Memorial Building. The building has interior murals and exterior mosaics by visiting Works Progress Administration artists and was designated a landmark by the City in 2022. The 2007 Master Plan Update recommended that SFZS: (a) initiate structural evaluations to determine the cost of restoring the Mothers Building and other heritage buildings (including the Fleishhacker building, Pachyderm building and Lion House, the Aviary, and the Director's House); (b) initiate heritage evaluations for listing buildings and landscape with the State Historic Preservation Office; and (c) initiate feasibility studies to determine the highest and best use of the buildings. The 2007 Master Plan Update indicated the building could be renovated to be used as a rental and events facility.

However, as discussed in *Section 4: Maintenance and Facilities Condition* of this report, the condition of the Mothers Building has deteriorated significantly since it was decommissioned in 2002 and the building has not been restored. The building is currently vacant and unsafe for occupancy.

Madagascar Project

As mentioned above, the Madagascar Project is SFZS's largest recent capital project, but because SFZS did not prepare a capital plan, project budget, or timeline for this project, it is unclear what SFZS's final vision for the project was or whether the project has been completed on budget or in accordance with original plans. The 1997 EIR describes the Madagascar Project as a near-term improvement to take place between 1997 and 2006. At that time, the vision for the project was a redevelopment of the existing Primate Discovery Center into a multi-tiered attraction focusing on Madagascar ecosystems and world primates, with a two-level panoramic café with interior seating and exterior decks overlooking adjacent exhibits.

In SFZS's March 4, 2022 written response to the concerns raised by the AZA Visiting Committee about SFZS's strategic and campus master planning, SFZS reported that the Madagascar Center is a planned multi-level project centered around a large walkthrough baobab tree. SFZS stated the Madagascar Center was planned for a "phased opening through 2024" and a total project cost of \$10 million. No additional budget or cost breakdown was provided.

While the baobab tree has been constructed, the two-level panoramic café has not. The building adjacent to the baobab tree is empty and appears to house equipment. In January 2025, SFZS presented a short update on Phase 2 of the Madagascar Project to the Joint Zoo Committee. The presentation indicated revisions to the project scope of work that included "two new one-story staff/animal handler access only, animal holding facilities, and outdoor space exhibits" and an "addition to the existing lemur holding facilities." According to this presentation, expenditures

on the Madagascar Project through January 2025 totaled \$7.75 million and Phase 2 project costs were estimated to be \$1.4 million.

Decreasing Attendance and Fundraising, Growing Budget Instability

Growth in attendance and revenue, fundraising, and operational budget stability are other common focus areas identified in prior SFZS planning materials. The 1997 EIR notes that one of the goals of the facilities projects is to increase attendance; the 2007 Master Plan Update states the Zoo could grow to a maximum sustainable visitation of approximately 1.5 million visitors per year; and the 2015-2020 Strategic Plan lists several strategies to achieve financial sustainability, including (a) maximizing front gate revenue with attendance growth strategies and changes to admission, membership, and parking pricing and packaging, and (b) strengthening fundraising efforts.

However, as discussed in more detail in *Section 1: Financial Condition, Transparency, and Contingency Planning* of this report, rather than growing to meet the goal of 1.5 million visitors, Zoo attendance has decreased and reached a low of 604,720 visitors in FY 2024-25. Declining attendance has resulted in stagnant revenue from admissions, retail sales, and parking. Fundraising contributions, both in total dollar amount and the number of unique donors, have also decreased. As a result, SFZS has operated with a structural deficit in its primary unrestricted operating fund since at least FY 2018-19.

Other Effects of Insufficient Planning and Vision

In addition to a lack of progress on previously-identified goals, insufficient strategic planning and vision has impacted the overall progress and modernization of the Zoo. Without up-to-date, detailed plans, it is not clear that SFZS's strategic decisions and investments in specific projects have been made thoughtfully, in the Zoo's best interest, or to make the best use of SFZS's limited financial resources. Because planning documents are required as part of AZA accreditation, a lack of planning and capital budgeting could affect SFZS's accreditation outcome during future AZA accreditation reviews. Current and detailed strategic planning documents will help SFZS prioritize the Zoo's needs and identify projects that can most benefit the organization, in alignment with SFZS's mission statement. Having these plans in place will also benefit SFZS's ability to fundraise by clearly articulating SFZS's strategic direction and fundraising needs.

Robust and detailed planning documents, and in particular capital project budgets and timelines, would also improve internal and external accountability, because without budgets and timelines, leadership cannot evaluate whether projects are completed on time and on budget. Major capital projects should be executed with sufficient planning, financing, and management considerations

to make sure that projects are needed, well-designed, and efficiently executed. Because capital projects have extended useful lives and the Zoo must use these assets for many years, it is crucial that these projects are planned and executed carefully to ensure they serve both the Zoo's present and future needs. Without careful planning and accountability, SFZS could incur additional costs to retrofit exhibits or handle problems that could have been avoided with better up-front planning.

Conclusion

SFZS lacks a current strategic plan, a current campus master plan, or an animal collection plan that articulates a strategic, forward-looking vision for SFZS's animal collection. SFZS also does not have a capital budget or written plans, budgets, or timelines for its major capital projects. Although the AZA Visiting Committee identified deficiencies in SFZS's strategic and master planning during its most recent accreditation report in 2022, SFZS failed to take meaningful action between 2022 and 2025 to address these deficiencies.

According to AZA, a strong commitment to facilities and strategic planning is foundational to an institution's adherence to modern zoological practices, and it is best practice to continuously plan for new and innovative programs and experiences. As discussed in the Introduction to this report, SFZS is in the process of planning to bring giant pandas to the Zoo, which could have a significant impact on SFZS's strategic plan, institutional collection plan, and capital plan. SFZS leadership should prioritize the development of these plans, and the General Manager of the Recreation and Park Department should review them to provide additional oversight and accountability.

Recommendations

The SFZS Chief Executive Officer should:

- 2.1 By July 1, 2027, develop and submit to the General Manager of the Recreation and Park Department both a strategic plan and campus master plan that are consistent with the parameters established by the Association of Zoos and Aquariums. Ensure that curators and animal keepers have the opportunity to provide input on future new exhibit and exhibit retrofit planning in the strategic plan and campus master plan. Regularly report at least quarterly to the Board of Directors, or a committee of the Board, on progress toward goals established in the strategic plan and campus master plan.
- 2.2 By July 1, 2027, and concurrently with the development of the new strategic plan, revise the institutional collection plan in collaboration with curators and animal keepers to include specific details and rationales for planned future animal acquisitions and

dispositions, as well as resources needed (such as exhibit modifications) to support these plans.

The SFZS Chief of Finance should:

- 2.3 Annually submit a one- or two-year capital budget as well as an operating budget to the General Manager of the Recreation and Park Department, or their designee, for review and approval. The capital budget should include detailed information on funding sources and uses, as well as timelines for project completion.

The General Manager of the Recreation and Park Department should:

- 2.4 Review the strategic plan, campus master plan, and annual capital budget prepared by SFZS for reasonableness and attend the Recreation and Park Commission meetings when these items are discussed to be available for questions and discussion.

Benefits and Costs

Implementation of the proposed recommendations would require one-time use of resources, primarily SFZS leadership time, to develop a strategic plan, campus master plan, revised institutional collection plan, and one- or two-year capital budget. It will also require ongoing staff time to regularly revise and update these documents to ensure they remain current. Reviewing these documents and attending Recreation and Park Commission meetings will require a small amount of time from the General Manager of the Recreation and Park Department, or their designee.

Strengthening its planning process and documents will improve accountability and help SFZS prioritize and focus on the Zoo's highest needs and projects that can most benefit the organization, in alignment with SFZS's mission statement. Having these plans in place will also benefit SFZS's ability to fundraise by clearly articulating SFZS's strategic direction and fundraising needs. Finally, having an updated strategic and campus master plan will satisfy AZA requirements for accreditation.

3. Management Agreement and City Oversight

The 1993 Lease and Management Agreement between the City and the San Francisco Zoological Society (SFZS) has become outdated and ineffective, resulting in unclear expectations, weak financial provisions, and no practical enforcement mechanisms. SFZS frequently failed to comply with key agreement terms related to capital improvements, transparency, and public access. Meanwhile, the Recreation and Park Commission has provided largely passive oversight and has not consistently exercised its management responsibilities. The absence of structured monitoring, defined roles, or periodic reviews of the agreement has allowed obligations to drift over time and diminished the City's ability to safeguard a major public asset.

A new agreement with modern controls, more active oversight, and clarified responsibilities is needed to restore accountability and ensure SFZS operates in alignment with City priorities and public expectations. The Recreation and Park Commission should develop written internal guidance based on the new agreement that explicitly defines Commissioners' oversight responsibilities, and the Recreation and Park Department should strengthen its contract monitoring activities of SFZS to ensure ongoing compliance with agreement requirements.

Zoo Governance Overview

The Board of Supervisors approved the Lease and Management Agreement (management agreement) between the San Francisco Zoological Society (SFZS) and the City, acting through the Recreation and Park Commission, in July 1993 (Ordinance No. 278-93). Up until the management agreement was executed, the San Francisco Zoo and Gardens (San Francisco Zoo) was jointly operated by the Recreation and Park Department and SFZS. The agreement transformed the management structure of the Zoo by releasing the City from all management and operating responsibilities and placing them with SFZS. The main objectives of the governance change were: (a) to improve SFZS's ability to fundraise without the regulatory constraints imposed by the Zoo's public sector ownership structure; (b) to achieve cost savings for the Recreation and Park Department; and (c) to improve the Zoo's success in fulfilling its mission of education and conservation with specialized and focused Zoo management.

The 1993 management agreement is the Zoo's primary governing document. Per the agreement, the City leases the full Zoo premises, including all permanent structures, facilities, and animals,

to SFZS for a term not to exceed 99 years.¹ SFZS assumes full responsibility for Zoo operations in addition to all maintenance, utilities, insurance coverage, and all required permits and accreditations. SFZS also assumes full responsibility and costs for capital improvements to the premises. In exchange for these services, the City pays SFZS a management fee totaling \$4 million annually, disbursed in monthly installments.

The management agreement also includes provisions for permanent civil service City employees and requires SFZS to reimburse the City for their wages and benefits. As of 2017, SFZS has replaced all civil service staff with SFZS employees and there are no longer any City employees working at the Zoo.

The City and SFZS have never renewed or amended the 1993 agreement in any way.

The City entities responsible for overseeing the Zoo, SFZS, and the Lease and Management Agreement include the following:

- The **Joint Zoo Committee** (Joint Zoo) exists as a subcommittee of the Recreation and Park Commission and was originally established in 1982 as part of the City's joint management arrangement with SFZS. When the 1993 Lease and Management Agreement was executed, it carried this committee forward and required that Joint Zoo continue to meet. Under the management agreement, Joint Zoo reviews Zoo matters, receives public comment, and elevates issues and actionable items to the Recreation and Park Commission. Joint Zoo is purely an advisory body and has no decision-making authority over Zoo matters. The Committee is made up of three Recreation and Park Commission members, three members of the SFZS Board of Directors, and one to two animal welfare advisors.
- The **Recreation and Park Commission** (REC Commission) is the City's representative party in the management agreement and is made up of seven mayoral-appointed Commissioners. Per the management agreement, the REC Commission is responsible for reviewing and approving certain Zoo matters such as admission fee increases and the annual operating budget.
- Finally, the City's **Animal Control and Welfare Commission** reviews and takes public comment regarding animal welfare concerns in San Francisco, which has from time to time included matters at the Zoo. The Commission is not referenced in the management

¹ The Lease and Management Agreement set an initial five-year term with automatic term renewals every five years thereafter. There are no material differences between five-year terms within the 99-year period, except for the first term beginning in 1993, which required one-time fundraising goals for SFZS and prorated management fees.

agreement, nor does SFZS regularly attend Commission meetings as it does for Joint Zoo and the REC Commission. However, the Animal Control and Welfare Commission began appointing one to two advisory members to Joint Zoo following the 2007 tiger incident at the Zoo.²

All three bodies, whose members and relevant responsibilities are summarized in Exhibit 3.1 below, meet 11 times per year at City Hall.

² The Board of Supervisors resolved to appoint the department head of the Animal Control Department to Joint Zoo in 2004 following public concerns related to elephant care at the Zoo (File No. 04-1645). The Board of Supervisors never amended the management agreement to formalize this appointment, and no documentation exists to authorize any appointment by the Animal Welfare and Control Commission to Joint Zoo. However, a former REC Commissioner reported to our audit team in an interview that former Mayor Gavin Newsom informally established the advisory appointment to Joint Zoo after a Zoo tiger escaped her enclosure and killed or injured several Zoo visitors in December 2007.

Exhibit 3.1: City Oversight Bodies of the San Francisco Zoo

Body	Members	Relevant Responsibilities	Authority(s)
Joint Zoo Committee	3 REC Commissioners, 3 SFZS Board members, and 1 to 2 non-voting advisory representatives from the Animal Welfare Commission.*	- Reviews monthly animal transaction schedules. - Receives monthly administrative reports from Zoo officers. - Hears public comment on Zoo matters. - Refers items to the REC Commission consent calendar for action by resolution. - Advisory only.	Lease & Management Agreement (1993) Joint Zoo Committee bylaws (1982)
Recreation and Park Commission	7 voting commissioners appointed by the Mayor.	- Approves SFZS fiscal year budgets. - Approves capital improvements to Zoo premises of over \$50,000. - Approves admission fee changes. - Approves monthly animal transaction schedules. - Receives monthly administrative reports from Zoo officers. - Hears public comment on Zoo matters.	Lease & Management Agreement (1993)
Animal Control & Welfare Commission	7 voting Commissioners appointed by the Board of Supervisors plus 4 non-voting members who are City employees from Animal Care and Control, Public Health, Recreation and Park, and Police.	- Hears public comment on Zoo matters related to animal welfare. - May issue reports and make recommendations regarding animal welfare to the Board of Supervisors, City Administrator, or the Mayor. - Appoints members to sit on Joint Zoo. - Advisory only.	San Francisco Health Code Sections 41.1-41.3

Source: 1993 Lease and Management Agreement, Joint Zoo Committee bylaws, San Francisco Health Code, and interviews with Zoo and City staff.

*There is one Animal Control and Welfare advisor to Joint Zoo as of 2025.

Review of peer institutions

Approximately 75 percent of the 240 Association of Zoos and Aquariums (AZA) accredited institutions in North America operate under a public-private partnership model similar to the arrangement at the San Francisco Zoo, wherein a city or county government holds a lease and/or operating agreement with a nonprofit institution that delegates some or all zoo operations from the local government to the nonprofit. Our governance analysis and recommendations in this section draw on a comparative review of 25 AZA accredited institutions similar to the San Francisco Zoo with public-private governance structures and annual attendance levels above 500,000 guests. A full summary of this benchmarking analysis is provided in *Appendix A: Benchmarking Analysis of Peer Zoos* of this report.

SFZS Inconsistently Follows Lease and Management Agreement

We conducted a comprehensive assessment of City and SFZS activities and materials to evaluate compliance with the terms of the 1993 Lease and Management Agreement. Our assessment, which focused on the period between FY 2019-20 and FY 2024-25, identified several instances of non-compliance with the management agreement's provisions by SFZS, which is responsible for most of the management agreement's operative obligations. Key areas of non-compliance are summarized in Exhibit 3.2 below and concern capital improvements, public transparency, and public access. Our complete assessment of the terms in the 1993 Lease and Management agreement is included in *Appendix B: Summary and Assessment of the Lease and Management Agreement* of this report.

Exhibit 3.2: Key Management Agreement Provisions Found Out of Compliance

Theme	Term	SFZS Must:	BLA Assessment
Capital Improvements	10.1	- Seek approval for all capital improvements above \$50,000 by REC Commission resolution. - Seek approval for all maintenance and repairs above \$50,000 by REC Commission resolution. - Submit all documentation of alterations above \$50,000 to REC Commission for approval prior to work performed.	SFZS did not receive REC Commission resolution approval prior to capital improvements and alterations above \$50,000 between 2019-2025, nor did they submit plans prior to work performed.
	10.2	Not alter the Zoo premises in any manner not in conformance with a Master Plan as approved by REC Commission.	SFZS's alterations between 2019-2025 are not in conformance with an approved Master Plan.
Public Transparency	16.2	- Provide public access to information to the same extent a City department would make records available. - Comply with the Sunshine Ordinance. - Maintain and release upon request minutes taken for each Board of Directors meeting.	The Sunshine Ordinance Task Force declared three findings of non-compliance against SFZS between 2019-2025.
	15.11	Keep their financial records available to audit by the City at all times.	SFZS refused to provide requested documentation to our audit team between January and May 2025.
Public Access	16.1	- Operate the Zoo with the widest possible access to the public. - Provide free access to the public on certain days. - Only revise public access in accordance with REC Commission policies applicable to other City facilities managed by the Recreation and Park Department.	On at least one occasion, SFZS withdrew participation in a public access program without notifying the REC Commission.

Source: 1993 Lease and Management Agreement; BLA evaluation of SFZS compliance.

Unauthorized Zoo Improvements and Alterations

Between FY 2019-20 and FY 2024-25, SFZS spent at least \$12 million on capital improvements to the Zoo premises without documented approval from REC Commission, which is required by Section 10.1 of the Lease and Management Agreement. While the agreement grants SFZS discretion to make certain improvements within the scope of Commission-approved plans, it explicitly mandates that any capital improvement or maintenance expenditure above \$50,000 be approved by the REC Commission through formal resolution prior to work being performed.

Our review of SFZS's capital expenditures during this period was limited by SFZS's accounting practices, which do not clearly distinguish capitalizable costs by individual improvements or

alterations.³ However, capital fund reports provided by SFZS's finance staff show that most capital expenditures since FY 2019-20 were attributable to five major projects. These projects are summarized in Exhibit 3.3 below, with total project expenditures ranging from \$260,977 to \$7.4 million since FY 2019-20.

Exhibit 3.3: Capital Expenses by Improvement Area, FY 2019-20 to FY 2024-25

	90th Anniversary Campaign	Madagascar Center	Andean Condor / Americas	Coastal Conservation Center	Asia
FY 2019-20	\$1,046,380	\$1,298,948	\$494	-	-
FY 2020-21	1,916,677	1,480,671	50,000	-	-
FY 2021-22	210,056	1,960,962	53,953	-	-
FY 2022-23	-	909,881	139,982	61,392	-
FY 2023-24	-	742,210	119,387	187,485	170,541
FY 2024-25	-	1,080,969	157,821	12,100	553,943
Total	\$3,173,113	\$7,473,641	\$521,637	\$260,977	\$724,484

Source: SFZS capital fund report.

Despite the scale and scope of this work, our review of REC Commission agendas, minutes, and resolutions identified only one instance of formalized capital project authorization over the last six fiscal years. In February 2025, during our audit fieldwork, the REC Commission approved \$1.4 million for the second phase of the Madagascar Center project (RES 2502-003). This authorization accounts for only an indeterminate portion of the \$1 million expenditure attributed to the Madagascar Center in FY 2024-25, and the remaining expenditures during this period for all other projects remain unauthorized under the agreement terms.

In further violation of the management agreement, SFZS has not sought approval by REC Commission resolution for project schematics since at least 2019. While REC Commission and Joint Zoo Committee minutes show that SFZS often reported on work performed at the Zoo, reports were rarely given with supporting documentation and commonly reported only after work was performed. REC Commission documents show no evidence of any Commission action approving proposed improvement schematics. In fact, between FY 2019-20 and FY 2024-25, the REC Commission issued just six resolutions related to Zoo matters, none of which authorized capital work except for the partial approval for the Madagascar Center project noted above. The

³ After reviewing a draft copy of this audit report, SFZS submitted to us a capital project summary document that provided a more detailed accounting than had been previously available of the sources and uses for SFZS's capital projects between 2018 and 2025 (for the Madagascar Project) and between 2023 and 2025 (for other capital projects). This capital project report summarized capital project revenues from donor contributions and expenditures on construction, architecture and engineering services, consulting, and other capital project costs.

remaining resolutions focused on operational matters, including one admission fee increase and four fiscal year budget approvals.

Section 10.2 of the Lease and Management Agreement further prohibits any alterations to Zoo facilities that are not in conformance with a master plan approved or amended by the REC Commission. According to an archive of all REC Commission resolutions since 2000, the Commission has never authorized any new or amended long-range master plans at the Zoo. As a result, the most recent authorized planning document is the two-phase 1994 Master Plan jointly approved by SFZS and the City. The second phase of this plan began in 2007 and covered capital objectives through 2017, but no campus or master plan covering any period after 2017 was ever approved.⁴

According to the terms of the management agreement, without a current master plan in place SFZS may not perform any work to the premises without express REC Commission approval through resolution, and as a result **all capital improvements and alterations to the Zoo made by SFZS since at least 2019 were unauthorized**. Because the City retains permanent ownership of all buildings and improvements on Zoo premises, the lack of REC Commission approval limits the City's ability to oversee changes to its assets and ensure that they align with City priorities and standards. The absence of formal authorization and documentation also prevents the City from accurately accounting for the value, condition, and long-term maintenance needs of the structures it owns, which diminishes its control over publicly owned property. If SFZS were to dissolve the Lease and Management Agreement, which it may do with 60 days' notice, operational responsibility for the Zoo, including its buildings and animal collection, would revert to the City. Without a complete and accurate understanding of the condition of the Zoo's buildings and grounds, the City could face significant risk by inheriting unanticipated liabilities, deferred maintenance, and operational challenges.

Limited Information and Record Sharing

We also found that SFZS has not complied with public transparency standards as required by Sections 16.2 and 15.11 of the Lease and Management Agreement. Between FY 2019-20 and FY 2024-25, the Sunshine Ordinance Task Force determined that SFZS violated its obligation to respond to public records requests in a timely manner in two separate instances.⁵ According to the Sunshine Ordinance Task Force, SFZS asserted that it was not required to comply with record-

⁴ SFZS's lack of campus master planning and strategic planning is discussed in more detail in *Section 2: Planning and Vision* of this report.

⁵ Sunshine Ordinance Task Force Orders of Determination against SFZS were made in August 2019 (19-048) and February 2025 (24-003).

sharing requirements because it is a nonprofit organization. Separately, the former SFZS Chief Executive Officer asserted to our audit team that she believed SFZS's participation in Joint Zoo, and the information shared in that venue, should exempt the organization from Sunshine Ordinance compliance.

SFZS's position does not follow the terms of the agreement, which affirm that SFZS should provide the same level of access to records as would be required if the City were still operating the Zoo. Specifically, the management agreement terms state that SFZS must adhere to all local and state regulations that govern public access to records, which would include the City's Sunshine Ordinance. The management agreement also states that all information concerning the status of all Zoo animals is public information subject to inspection. However, the two Sunshine Ordinance Task Force findings of non-compliance mentioned above were in response to SFZS's refusal to respond to records requests for animal welfare documentation.

In addition, SFZS repeatedly failed to provide complete and accurate information to our audit team during the first several months of our fieldwork. This noncooperation violated the Lease and Management Agreement's stipulations about records access and required escalation to the Board of Supervisors to resolve. In July 2025, the Board of Supervisors placed nine months of SFZS's management fee installments on reserve until SFZS demonstrated cooperation with this audit. The SFZS Chief Executive Officer retired effective August 1, 2025 and SFZS began cooperating with the audit team shortly thereafter.

Overall, **SFZS's failure to provide information transparently to the extent required by the Lease and Management Agreement undermines the City's ability to exercise effective oversight.** Public confidence in SFZS's ability to care for the Zoo's animals depends on assurance that operations are being monitored with complete and accurate information, and the lack of transparency can lead to negative press coverage and heightened public concern. While it is reasonable for SFZS to protect sensitive information related to animal welfare and Zoo operations, good governance standards require that both SFZS and the City maintain a shared understanding of what constitutes public information and adhere to agreed-upon standards for disclosure. Establishing and consistently following these standards is essential to maintaining a constructive working relationship and ensuring that the City can adequately safeguard the animals, facilities, and assets entrusted to SFZS's management.

Limited Public Access

At least once between FY 2019-20 and FY 2024-25, SFZS scaled back public access to the Zoo without REC Commission notification or approval, which the management agreement requires. Prior to 2025, the Zoo was part of the nationwide Museums for All program and offered \$3

admission to any guests receiving Supplemental Nutrition Assistance Program (SNAP) benefits. In 2025, SFZS withdrew participation from the Museums for All program at the direction of the former Chief Executive Officer. Section 16.1 of the Lease and Management agreement requires that SFZS provide the “widest possible access” to the Zoo at an affordable cost and further states that public access policies may only be revised in accordance with REC Commission policies applicable to other City facilities managed by the Recreation and Park Department. REC Commission minutes showed no evidence that SFZS informed either body of the change, despite having previously advertised the Zoo’s participation in the Museums for All program to the Commission as recently as April 2022. All other cultural institutions that hold agreements with Recreation and Park, including the Japanese Tea Garden, the Botanical Garden, and the Conservatory of Flowers, participate in Museums for All. SFZS’s interim co-Chief Executive Officers reinstated the Zoo’s participation in the program in November 2025.

Additionally, while SFZS held the free admission days required every year by the Lease and Management agreement, it did so in a way that limited full participation. We reviewed an archive of SFZS’s website and found that free admission days were not consistently advertised in advance. Only five of the 11 free admission days in 2024 were listed on the Zoo’s published events calendar. Further, free days were scheduled irregularly, occurring on different days of the week and at varying points in the month. The former Chief Executive Officer stated to the audit team that SFZS intentionally scheduled free days during weekdays and outside peak summer months because SFZS did not have the staff or infrastructure to support the increase in gate traffic. By comparison, other San Francisco cultural institutions, including the Asian Art Museum, the Gardens of Golden Gate Park, and the de Young Museum, publicize free days on a set schedule each month (e.g. every first Thursday).

By reducing participation in a nationally recognized access program and inconsistently communicating free admission days, SFZS did not meet the Lease and Management Agreement’s requirement to provide the “widest possible access” to the Zoo. SFZS implemented changes that materially affected public access without notifying the REC Commission and, in doing so, diverged from both the management agreement’s provisions and the established practices of peer cultural institutions. Rather than engaging the REC Commission to discuss options to modify obligations it considered burdensome, SFZS minimized or quietly withdrew from these obligations, limiting public awareness and participation. This approach is not only noncompliant with the procedural requirements of the management agreement, but also contrary to the spirit of providing broad, equitable access to a City-owned institution.

1993 Lease and Management Agreement Lacks Adequate Controls

The Lease and Management Agreement contain many weaknesses that limit the City's ability to ensure obligations are met, adapt to evolving operating conditions, and ensure the success of the Zoo as a civic institution.

Lack of Effective Mechanisms for Compliance

The Lease and Management Agreement does not establish any practical enforcement mechanisms for addressing noncompliance by SFZS short of dissolving the arrangement entirely. The only remedy available to the City under the management agreement is termination, a measure the Recreation and Park Commission is unlikely to pursue because the City does not have the staffing or operational capacity to immediately assume direct management of the Zoo. As a result, the City has limited ability to compel SFZS to comply with management agreement terms or to ensure timely corrective action when issues arise.

The limited compliance mechanisms became evident during 2025, when SFZS declined to comply with public transparency requirements and was found to be in violation of the Sunshine Ordinance. The Recreation and Park Department's General Manager issued a letter to SFZS requesting compliance, but the Department had no contractual mechanism to enforce the request beyond formal communication. Similarly, when SFZS did not fully cooperate with this audit or comply with requests from our audit team for several months in 2025, it was the Board of Supervisors that ultimately placed the management fee on reserve in an effort to compel cooperation.

The absence of intermediate enforcement tools leaves the City and SFZS with only two ineffective options: take no action or invoke a termination provision. Incorporating graduated enforcement controls, such as corrective action plans, timelines for compliance, financial consequences proportionate to the issue, and clearer authority for the City to require documentation would provide both parties with structured mechanisms to address noncompliance and preserve the working relationship between the City and SFZS without jeopardizing Zoo operations.

Key Terms are not Adjusted with Time

The Lease and Management Agreement does not include mechanisms to adjust key terms over time. As a result, several provisions of the management agreement no longer function as originally intended, particularly those designed to define financial responsibilities and ensure a stable level of public support for Zoo operations.

Most notably, the agreement's \$4 million management fee has remained unchanged since 1993 and does not adjust annually for inflation. In 1993, SFZS's \$12 million budgeted annual expenditures meant that the City's contribution represented one-third of total operating costs. In FY 2024-25, SFZS's total operating expenditures totaled \$27.8 million, meaning the City's \$4 million management fee covered just 14 percent of recorded costs.

The agreement also requires SFZS to generate a minimum of \$7 million in earned or contributed revenue each year to meet its remaining obligations. Like the \$4 million management fee, the \$7 million amount is not adjusted annually for inflation. While SFZS met this requirement during each year of our audit scope, overall growth in revenues and expenditures between 1993 and 2025 means that the \$7 million revenue requirement now covers only a quarter of SFZS's annual operating expenditures. In other words, the management agreement term no longer requires SFZS's meaningful financial commitment to baseline operations as it once did.

Automatic Renewal Clause is Problematic

The management agreement's automatic renewal clause contributed to a gradual breakdown in roles and responsibilities of SFZS and the City. Because renewal occurred automatically without any required review or renegotiation, outdated or insufficient management agreement terms remained in place for decades, which compromised the management agreement's relevance and enforceability. Several key staff from SFZS and the Recreation and Park Department reported to our audit team limited familiarity with the management agreement's conditions and, in some cases, had not reviewed the document in many years.

In other instances, conditions and external circumstances changed over time and materially impacted Zoo operations. For example, as discussed in *Section 1: Financial Condition, Transparency, and Contingency Planning* of this report, the management agreement states that the rate paid by SFZS for utility services shall not exceed the rate charged to other City departments for comparable services. However, the San Francisco Public Utility Commission's discount to City departments was phased out in 2021 and utility costs to SFZS have risen in turn.⁶ Without a routine mechanism to re-evaluate agreement provisions, SFZS and the City did not have the opportunity to formally revisit whether SFZS should pay the new market rate utility rates or whether the City should, in some way, subsidize the higher costs. As a result, the City's intended financial support to SFZS has eroded from what the original agreement laid out.

⁶ SFZS's utility expenditures increased by \$149,240 or 13 percent from FY 2021-22 to FY 2022-23; by \$164,776 or another 13 percent from FY 2022-23 to FY 2023-24; and by \$446,293, or 30 percent, from FY 2023-24 to FY 2024-25.

Other key terms in the management agreement would similarly benefit from active review. For instance, the management agreement requires SFZS to follow a jointly approved master plan, yet no subsequent campus plan has been approved since the 1994 plan was completed in 2017. This oversight has left the City without a long-range facility strategy for its property and left SFZS out of compliance with AZA accreditation standards.⁷ As another example, the management agreement states that the City's authority to co-appoint SFZS's Chief Executive Office and Chief Veterinarian is pursuant to a City Charter provision that no longer exists. Regular review and discussion of management agreement terms would provide an opportunity for the City and SFZS to revisit and update the agreement and its terms, ensure compliance with accreditation and permitting requirements, and maintain an effective governance framework over time.

Finally, as summarized in *Appendix B: Summary and Assessment of the Lease and Management Agreement* of this report, the management agreement contains several obsolete provisions that are irrelevant and outdated. For example, the agreement includes language obligating the City to disperse funds held in the Animal Exchange Fund annually to SFZS. This fund has not existed in the Recreation and Park Department's budget for at least 10 years, as the AZA's adoption of the Species Survival Plan program has since prohibited institutions from exchanging money during animal transfers between zoos. The number of obsolete or outdated terms in the management agreement reduces clarity regarding each party's obligations and demonstrates that this document was designed for the San Francisco Zoo's operating environment and expectations of the early 1990s rather than of the 2020s and beyond.

Other San Francisco cultural institutions, such as the Asian Art Museum and the de Young Museum, have more routine, active engagement with the City. Even where formal governance infrastructure is less robust, these institutions' participation in the City's annual budget and capital planning processes creates regular touchpoints to discuss operations, financial needs, and performance. These recurring interactions are a practical mechanism to reassess responsibilities and expectations, allowing parties to adjust resources on a year-by-year basis in response to changing needs.

The Zoo Needs a New Lease and Management Agreement

The issues discussed above demonstrate that the management agreement no longer provides an effective or reliable governance structure for the Zoo. Key terms have eroded over time, most

⁷ AZA standards 13.1-13.4 require institutions to produce and follow a formal process, updated at least every five years, regarding facility innovation, community development, institutional growth, mission building, and advancing animal care standards.

notably the financial provisions that were intended to ensure sufficient and predictable City support while requiring SFZS to meaningfully contribute to operating costs. Other terms are obsolete or outdated and should have been revised or removed to keep the management agreement current. Because these terms were never adjusted for inflation or reviewed through a formal renewal process, the management agreement no longer achieves its original intent and no longer reflects either party's expectations or capacity.

The management agreement also lacks practical enforcement mechanisms. When SFZS did not comply with transparency requirements or fully cooperate with our audit team, the City had no contractual tools to enforce compliance other than termination of the management agreement, which the Recreation and Park Commission would be unable to pursue due to resource limitations. As a result, the City was forced to rely on external leverage to compel SFZS to comply with our audit requests, which created operational and financial risk for both parties.

We recommend that the City take steps to negotiate a new lease and management agreement for the operations of the Zoo no later than December 31, 2026. The General Manager of the Recreation and Park Department should provide a report on the status of negotiations to the Recreation and Park Commission no later than March 1, 2027. The provisions of the new agreement should consider the existing areas of noncompliance and inefficiency, specifically addressing the following:

- The new management agreement should have a renewal period of no more than 10 years and require affirmative agreement from both parties before agreement renewal. The agreement should be reviewed by the Board of Supervisors for approval upon renewal.
- The new management agreement should include enforcement mechanisms beyond agreement termination.
- The new management agreement should set new fundraising requirements and a new management agreement fee paid by the City that are adjusted for changing financial needs and economic conditions.
- The new management agreement should clarify capital spending thresholds and authorities granted to the Zoo operator pursuant to the recommendations outlined in *Section 2: Planning and Vision* of this report.

Renegotiating the management agreement would allow the City and SFZS to formalize current practices (that both parties agree are appropriate), clarify roles and responsibilities, update financial obligations, and establish enforceable oversight and renewal provisions. A renegotiated agreement with defined review periods and appropriate controls would better support effective governance and the Zoo's long-term success as a City-owned institution.

City is not Effectively Overseeing Agreement

The City's oversight of SFZS has been largely passive, compounding the structural weaknesses of the management agreement discussed above. Our review of REC Commission and Joint Zoo Committee meeting minutes and supporting materials between FY 2019-20 and FY 2024-25 found that outside of admission fee changes, neither the REC Commission nor the Joint Zoo Committee provided active oversight over Zoo operations, enforced management agreement terms, or demonstrated meaningful evaluative engagement with SFZS.

Throughout the audit scope period, SFZS routinely reported on major capital improvements and facility alterations during public meetings, often after work had already been completed. As discussed earlier in this report section, the management agreement requires SFZS to receive REC Commission approval for capital improvements or repairs costing more than \$50,000. However, the Recreation and Park Commission took no action to enforce SFZS's compliance with this requirement or to issue the resolutions explicitly mandated under the management agreement, despite being informed of capital expenditures at the Zoo totaling millions of dollars. According to meeting minutes and supporting materials, the Commission did not request capital project information or documentation, seek clarification on the status of required approvals, or question whether the projects aligned with an authorized master plan.

We also found that neither the REC Commission nor the Joint Zoo Committee was meaningfully engaged in oversight of SFZS's annual budget or its financial condition. As discussed in *Section 1: Financial Condition, Transparency, and Contingency Planning* of this report, SFZS has operated with a structural deficit in its primary unrestricted operating fund since at least FY 2018-19, and recent operating budgets have assumed unrealistically high admissions revenue based on attendance figures that are not supported by recent trends. SFZS's budget presentations to the REC Commission and Joint Zoo Committee materials have not shown prior-year actual revenues to contextualize upcoming budgeted revenues since FY 2019-20, and these budget presentations also did not communicate SFZS's use of non-operating revenues to cover revenue shortfall in the prior years. In addition, during FY 2019-20 and FY 2020-21, SFZS's financial condition was significantly impacted by the COVID-19 pandemic.

Despite this financial instability, meeting minutes and supporting materials do not show any oversight of or engagement with SFZS's budget or its financial condition. During SFZS's annual budget presentations, neither body requested prior-year revenue or expenditure actuals to evaluate SFZS's revenue activity or contextualize proposed budget amounts for the following year. In June 2023, REC Commissioners asked just one question following SFZS's annual budget presentation and inquired how much fundraising revenue SFZS generated given they were

spending \$1 million on philanthropy expenses. SFZS's Chief Financial Officer declined to answer this question due to that number being "very hard to answer." The Commission had no further questions and subsequently passed a resolution to approve SFZS's FY 2023-24 budget.

City Should Streamline Oversight

The Joint Zoo Committee is redundant and provides limited value to Zoo governance. It is a holdover from the pre-1993 management structure and is one of three separate City bodies that receive public comment on Zoo matters. As an advisory body with no decision-making authority, its discussions are routinely repeated at the Recreation and Park Commission, where actual oversight and activity approval occurs. The existence of the Joint Zoo Committee did not prevent the breakdown in adherence to the management agreement, nor did it facilitate meaningful oversight or action when noncompliance occurred.

Upon execution of a new management agreement, the Recreation and Park Commission should dissolve the Joint Zoo Committee and instead establish a more direct working relationship between the Recreation and Park Commission and SFZS. Responsibility for managing this relationship should rest with the General Manager of the Recreation and Park Department, supported by contract monitoring staff. Streamlining oversight by dissolving the Joint Zoo Committee would enable the City to develop a more effective and accountable governance structure.

The Recreation and Park Department should establish a contract monitoring procedure for SFZS that is aligned with the Citywide Nonprofit Monitoring and Capacity Building Program and Fiscal Monitoring Program, including fiscal monitoring, standardized document review, and written procedures for documenting findings and corrective actions. Although Recreation and Park is not a participating department in the Citywide Fiscal Monitoring Program, the Controller's Office program policies and guidelines provide an appropriate reference framework for conducting standardized and regular monitoring and financial oversight and for addressing any issues of noncompliance.

The Recreation and Park Commission Should Formalize Procedures to Manage the Lease and Management Agreement

Effective oversight depends not only on the terms of the management agreement but also on internal policies that guide how the Recreation and Park Commission conducts its oversight responsibilities. Since at least 2019, the Joint Zoo Committee has operated without active bylaws, and neither REC Commissioners nor their staff have materials outlining their obligations or procedures for managing SFZS or the management agreement. As a result, several Commissioners reported to our audit team limited familiarity with the agreement's

requirements. One Commissioner stated they were unaware of the agreement's existence until late 2024 and also noted they did not know what actions were expected of them when they joined the Commission. This lack of structure and awareness contributed to insufficient oversight, including instances in which the Commission should have reviewed key materials, such as AZA accreditation reports or audited financial statements, but did not request them.

To strengthen oversight under a new management agreement, the REC Commission should establish formal internal procedures for Zoo-related governance. Specifically, REC Commission staff should develop a standardized agenda for Zoo presentations at Commission meetings based on expectations laid out in the new management agreement. The REC Commission should require SFZS to present core operational, financial, accreditation, and development information on a regular basis. The Commission should also maintain written reference materials outlining Commissioners' Zoo-related oversight roles and responsibilities, including onboarding guidance for new members, to promote continuity and ensure oversight remains consistent over time.

Conclusion

The 1993 Lease and Management Agreement between the City and SFZS has become outdated and ineffective, resulting in unclear expectations, weak financial provisions, and no practical enforcement mechanisms. SFZS frequently failed to comply with key terms related to capital improvements, transparency, and public access, while the Recreation and Park Commission and Joint Zoo Committee provided largely passive oversight and, in the case of the Commission, did not adequately exercise its management responsibilities. The absence of structured monitoring, defined roles, or periodic reviews of the management agreement has allowed obligations to drift over time and diminished the City's ability to safeguard a major public asset. A new agreement with modern controls, active oversight, and clarified responsibilities is needed to restore accountability and ensure SFZS operates in alignment with City priorities and public expectations.

Recommendations

The General Manager of the Recreation and Park Department should:

- 3.1 Initiate negotiations for a new lease and management agreement for the operations of the San Francisco Zoo by December 31, 2026 and report to the Recreation and Park Commission regarding the status of negotiation progress by March 1, 2027. The provisions of the new agreement should include enforcement mechanisms, updated roles and responsibilities of each party, and financial obligations that are adjusted for changing financial needs and economic conditions. The agreement should require active review by

all parties before agreement renewal and should be approved by the Board of Supervisors at least once every 10 years.

- 3.2 Dissolve the Joint Zoo Committee upon the execution of a new lease and management agreement between the City and SFZS and establish a more direct working relationship between the Recreation and Park Commission and SFZS.
- 3.3 Implement an internal contract monitoring procedure for SFZS that is aligned with the Citywide Nonprofit Monitoring and Capacity Building Program and Fiscal Monitoring Program, including fiscal monitoring, standardized document review, and written procedures for documenting findings and corrective actions.

The Recreation and Park Commission should:

- 3.4 Develop written internal guidance based on the new lease and management agreement that explicitly defines Commissioners' oversight responsibilities and requires regular reporting and discussion of SFZS's core financial, operational, developmental, and accreditation materials at Commission meetings.

Benefits and Costs

Implementation of the proposed recommendations would improve the City's ability to hold SFZS accountable for performance and compliance by establishing clearer expectations, routine monitoring, and enforceable mechanisms for corrective action in a new lease and management agreement. Streamlining oversight and formalizing reporting requirements would also promote continuity during leadership and Commission transitions, strengthen financial transparency, and support earlier identification of operational or fiscal risks before they become acute.

Implementation of the proposed recommendations would require additional City staff time to renegotiate and periodically review the agreement, dissolve and transition governance responsibilities away from the Joint Zoo Committee and implement a formal fiscal monitoring and reporting system within the Recreation and Park Department. These recommendations may also require incremental ongoing resources, such as dedicated contract oversight staff time and/or additional analytical support, to prepare standardized reporting materials, conduct monitoring, and coordinate follow-up actions, as well as potential short-term increases in City financial support to stabilize Zoo operations while updated oversight and performance expectations are implemented.

4. Maintenance and Facilities Condition

The San Francisco Zoological Society (SFZS) lacks comprehensive written capital and maintenance plans and facility condition assessments for the development, improvement, and upkeep of San Francisco Zoo and Gardens (Zoo) facilities and grounds. SFZS also lacks updated guidelines for the submission and processing of work orders and for using the work order database system. Work orders often take too long to be completed, and there are concerns among staff across the Zoo about how maintenance tasks are prioritized.

The lack of such plans and guidelines, coupled with the age of Zoo facilities and under-investment in repairs and maintenance, has contributed to a less-than-ideal state in the Zoo's appearance and aesthetics, particularly in the older, eastern sections of the Zoo. Continued neglect will compound deterioration of Zoo facilities and could lead to increased safety risks for both animals and staff. To address these issues, SFZS needs a comprehensive facility condition assessment and a detailed maintenance plan with a clear schedule for improvements, updated guidelines for work order submittal and completion, and additional maintenance and horticulture staff.

Background

The San Francisco Zoo and Gardens (San Francisco Zoo) was established nearly a century ago along the City's coastline. Its first major exhibits, including the current Lion House and bear grottos, were built in the 1930s. Under the terms of the 1993 Lease and Management Agreement between the San Francisco Zoological Society (SFZS) and the City, the City remains the owner of all Zoo land and improvements. SFZS leases this land and premises from the City and is responsible for maintaining the Zoo in a clean, safe, and attractive condition.

SFZS's maintenance team and horticulture team, which are responsible for maintaining the Zoo's buildings and grounds, report to the SFZS Director of Buildings and Capital Investments. The 10-person maintenance team is managed by a Maintenance Supervisor, who oversees one Maintainer I position, one Maintainer II position, six Maintainer III positions, and one Custodian position. The eight-person horticulture team is managed by a Horticulture Manager, who oversees one Gardener I position, one Gardener II position, and five Gardener III positions.

To manage day-to-day maintenance needs, SFZS uses Facility Dude, a software platform for submitting, assigning, and closing work orders. SFZS supervisory staff are responsible for submitting work orders and assigning work order priority levels. For example, in the Animal

Division, animal keepers communicate their maintenance needs to their supervisors, the curators, who then compile and enter the requests into the Facility Dude system.

On the receiving end, the maintenance and horticulture managers review the submitted work orders and assign them to the maintainers or gardeners. While maintenance managers can adjust an order's priority level, these changes are not formally updated in the system. Once the work is completed, the assigned staff member marks the orders as complete in the Facility Dude system. The managers then review the completed tasks and formally close the work orders.

The work order system handles requests across eight areas: maintenance, horticulture, environmental services, custodial, IT, signage, pest control, and special projects. General maintenance accounts for 81 percent of all work orders, followed by environmental services at 11 percent.¹

Lack of Written Maintenance Plans and Facility Condition Assessments

SFZS does not have written capital project plans (see *Section 2: Planning and Vision* of this report for further discussion), maintenance plans, or facility condition assessments in place to guide the development, improvement, or upkeep of the Zoo's facilities.

Written Maintenance Plan

The Association of Zoos and Aquariums (AZA) requires accredited institutions to follow a written maintenance plan that includes a "strategy for identifying and addressing maintenance and major repairs in a timely manner." According to the AZA Accreditation Standards, the written maintenance plan should include a schedule of improvements, a timetable, costs, and a funding plan for the maintenance needs.

Although the 2022 AZA Visiting Committee reported that SFZS had a written maintenance plan that included all these elements during SFZS's most recent accreditation visit in 2022, SFZS management was unable to provide a document that matched this description to the audit team. In response to our request for maintenance plans covering FY 2019-20 through FY 2024-25, SFZS provided: (a) a project list for FY 2018-19, (b) an initial project wish list for FY 2021-22, and (c) the

¹ According to closed orders from January 2021 – September 2025, excluding the preventative maintenance reminders.

priority projects for FY 2021-22. SFZS management confirmed that there were no project lists produced after FY 2021-22.

We found the project lists to be deficient in the following areas:

- The lists did not cover all the Zoo grounds.
- The lists consisted only of general project tables and omitted specific maintenance needs or descriptions of work required in each area.
- The lists included only high-level cost estimates and lacked a detailed budget or supporting documentation to substantiate those estimates.
- There was no timeline established for the projects, and the FY 2021-22 list did not specify project deadlines.

Further, there was no funding plan to secure resources for maintenance needs. To comply with AZA guidelines and establish a focused maintenance plan, we recommend that the SFZS Director of Buildings and Capital Investments develop a detailed written capital and maintenance plan by March 31, 2027 that includes a schedule of improvements, anticipated costs, a timetable for completion, and a strategy for funding maintenance needs.

Facility Condition Assessment

SFZS did not conduct a formal facility conditions assessment to identify and document the conditions of Zoo buildings and their necessary repairs at any point during the scope of our audit. The materials submitted by SFZS to AZA for accreditation in 2022 included a document stating that at the “beginning of each calendar year, existing buildings, grounds, and exhibits are assessed by both Animal Division and Facilities management. A worksheet encompassing capital improvements and major repairs and replacement is developed that includes prioritization ranking, anticipated costs and estimated completion timelines.” However, there is no evidence that SFZS conducted such an assessment at least after FY 2021-22, which is the date of the last project list shared by SFZS management for our review. As discussed above, even the documents provided for FY 2018-19 and FY 2021-22 do not provide evidence of a methodical evaluation of maintenance needs and related costs for the entirety of the Zoo’s grounds.

SFZS management confirmed that no formal facility conditions assessment has been conducted by external experts, but reported to us that under new leadership, an internal evaluation was conducted over a two-month period in 2025 to identify Zoo areas requiring immediate, mid-term (12 months), and long-term improvements. The evaluation was conducted by the Chief of Operations and the Chief of Finance (collectively the interim co-Chief Executive Officers); the Executive Vice Presidents of Animal Wellness, Animal Care and Wellness, Operations and

Belonging, and Guest Connections; the Vice President of Development; the Director of Facilities and Capital Investment; the Maintenance and Horticulture Managers; and relevant animal care leadership and staff. However, SFZS management was unable to provide us with any documentation of this evaluation.

Without a documented facility condition assessment, neither SFZS nor the City has a record of the condition of City-owned Zoo buildings and improvements, which SFZS is responsible for maintaining. We recommend that the SFZS Chief Executive Officer and Director of Buildings and Capital Investments conduct a comprehensive facilities condition assessment to evaluate the structural condition, safety, and aesthetics of Zoo buildings and exhibits no later than December 31, 2026. The SFZS Chief Executive Officer should consult with the General Manager of the Recreation and Park Department and the Director of Public Works for assistance in properly assessing City-owned property and buildings.

Lack of Facilities Maintenance Policies

SFZS does not have updated and easily accessible guidelines, manuals, or policies governing either SFZS's facilities maintenance processes or the use of Facility Dude, the software platform that SFZS uses to submit, assign, and close work orders. The only policy provided by SFZS staff to our audit team that is relevant to facilities and maintenance is within SFZS's Policy and Procedures Manual. This manual includes a Maintenance Work Orders policy from 2005, more than 10 years before SFZS started using Facility Dude. This policy is outdated and describes the previous process for submitting work orders, which required filling out a paper form and either placing it in a mailbox or hand-delivering it to the Facilities Manager.

In March 2018, SFZS phased out the old work order system and replaced it with Facility Dude. At that time, an email was sent to staff outlining how to submit and review work orders, set priority levels, and follow protocols for duplicate, emergency, and no-longer-needed work orders. However, these updated guidelines were never incorporated into the Policy and Procedures Manual, and because they were only shared as an email attachment over seven years ago, they are no longer easily accessible to many staff. We also found that the guidelines lack clarity regarding roles and responsibilities, work order priority levels, procedures for postponing, reprioritizing, and closing work orders, and communication between individuals who submit work orders and their staff (typically curators, assistant curators, and zookeepers) and individuals who receive and are assigned work orders (maintenance and horticulture crews).

To improve the work order process and ensure that all parties involved understand and properly use the system, we recommend that the Director of Buildings and Capital Investments develop

updated guidelines for the use of Facility Dude no later than December 1, 2026, including instructions on how to submit work orders, assign priority levels, and close work orders. The guidelines should include clearly defined responsibilities for submitting and closing work orders and establish a protocol for handling work orders that need to be reprioritized or postponed.

Insufficient Tracking of Work Orders and Maintenance Workload

SFZS lacks a thorough understanding or consistent tracking of the maintenance team's workload because Facility Dude does not consistently record all work orders or maintenance projects. The maintenance team handles three main streams of work: (a) requests from Facility Dude, (b) larger and longer-term projects such as exhibit modifications, and (c) work orders communicated over the radio, which tend to be urgent or emergency requests. Information related to these work streams is not consistently tracked in one location and is not reported regularly to senior management or the Board of Directors.

Work orders, including preventive maintenance tasks logged in Facility Dude, can be reviewed in the software either by viewing snapshots of work orders by status or by downloading reports of closed and open work orders. However, larger projects are discussed during the weekly Animal Division and Operations meeting and documented in meeting minutes but are usually not entered into Facility Dude. Similarly, tasks communicated over the radio, which are primarily emergency work orders, are also typically not entered into Facility Dude. As a result, Facility Dude does not fully record all the maintenance team's activity or ongoing projects, which reduces the program's usefulness for tracking workload and productivity.

Further, the maintenance team does not track how their workload evolves over time, evaluate work order backlogs, or monitor the number of open work orders to assess how work order volume fluctuates or the underlying factors contributing to these trends. While Facility Dude can provide a snapshot of the current number of open work orders, it does not maintain a historical record of work orders by date. Once a work order is closed, it is simply logged as completed, with no record of how many were open during a given week or month. The absence of historical work order data makes it difficult for the maintenance team, senior management, or the Board of Directors to assess the state of facility work or the severity of work order backlog.

According to SFZS management, in May 2024 the Chief of Finance began meeting weekly with Animal Division and Buildings and Grounds leadership to discuss and prioritize maintenance issues, and since June 2025, senior curators have joined the meeting. However, there does not appear to be comprehensive monitoring or reporting of all maintenance needs during these

meetings. The focus is primarily on critical work orders, which provide only a partial view of the facilities' overall upkeep requirements.

To gain a comprehensive understanding of the maintenance team's workload and effectively assess the backlog of orders, we recommend that the Director of Buildings and Capital Investments establish a work order tracking method by December 1, 2026. This method should record the number of open work orders each month, including radio orders and larger projects, and identify the factors contributing to increases or decreases in work order volume. Additionally, we recommend that the SFZS Chief Executive Officer review and submit to the Board of Directors a historical summary report of open work orders and work order timeliness on a monthly basis, starting no later than October 1, 2026.

Open Work Order Backlogs and Delayed Response Times

As discussed above, Facility Dude does not maintain a record of how many work orders were open during a given week or month, and as a result we were unable to evaluate open work order backlogs over time. However, SFZS provided our audit team with a database of **closed** work orders records from January 2019 to September 2025, and a point-in-time snapshot of **open** work orders for a day in October (October 17, 2025), for our analysis of work order response times and backlog. We used historical closed work order records to analyze response timeliness over the years and by priority level, and the snapshot to assess the backlog of open work orders.²

While SFZS does not have formal metrics to track or manage work order backlogs or response times, our point-in-time evaluation of open work orders in October 2025 identified a significant backlog, and historical work order records showed that response times did not align with priority levels.

Absence of Defined Acceptable Thresholds

SFZS does not have formally established targets or performance metrics for the number of open work orders or work order completion times. However, SFZS management stated that the maintenance team can close approximately 120 facility-related (excluding horticulture-related) work orders per month with current staffing levels, and that ideally there should be no more than 70 work orders open at a time. The maintenance team aims to complete high-priority work orders

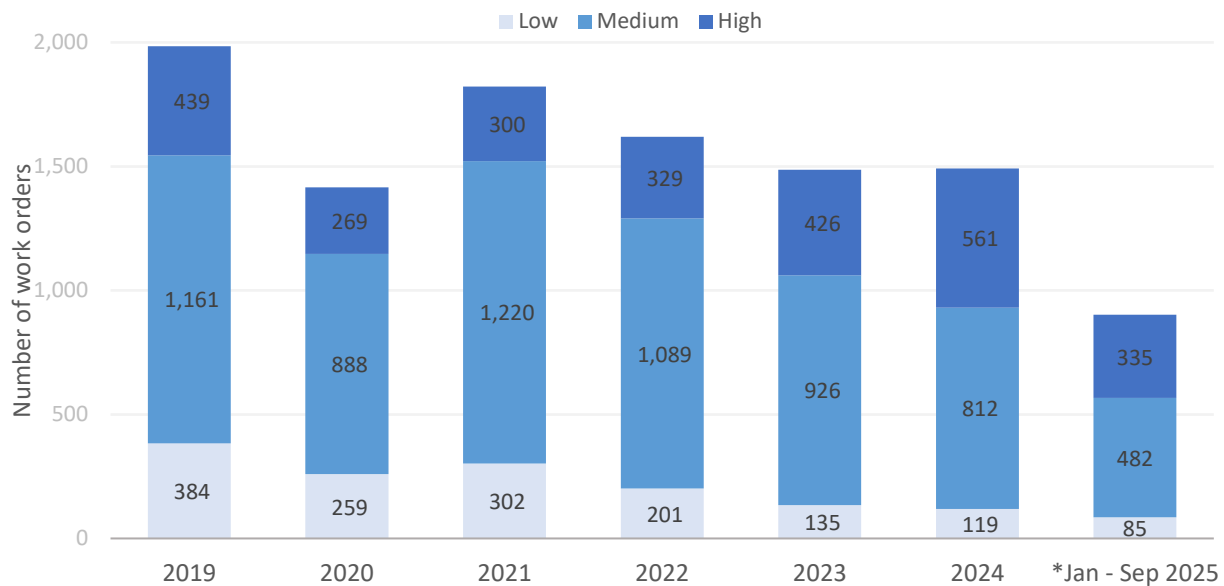
² Although the Facility Dude data includes work orders for other areas, including environmental services, horticulture, IT, pest control, and signage, we focused our analysis on the maintenance team's work orders, which account for 81 percent of all work orders.

within a week, medium orders within three weeks, and low-priority orders within a month to a month and a half.

Response Timeliness

From January 2019 to September 2025, more than 10,000³ maintenance work orders were registered in Facility Dude. Of those, 25 percent were high-priority orders, 61 percent medium-priority orders, and 14 percent low-priority orders. Despite year-to-year fluctuations, the overall number of requested work orders decreased from roughly 2,000 in 2019 to 1,500 in 2024 as shown in Exhibit 4.1 below.

**Exhibit 4.1: General Maintenance Closed Work Orders by Year and Priority
(January 2019 – September 2025)**



Source: BLA analysis of Facility Dude closed work order records (January 2019 – September 2025).

Our analysis of historical work order data from January 2019 through September 2025 found that while most general maintenance work orders were closed within seven days, some work orders remained open for extended periods or were closed without completion.⁴ As shown in Exhibit

³ We excluded preventative maintenance orders from the analysis because those are automatic reminders triggered by the system and could be addressed with SFZS staff or with external contractors. Because the maintenance team does not always immediately work on preventative maintenance work orders due to their recurring nature, these work orders can be open for long periods of time.

⁴ We recognize that the operational dynamics within a zoo environment are inherently complex, and resolving work orders is not always straightforward. The maintenance team's ability to complete tasks often depends on the animal's location within the exhibit and their scheduled routines, which can lead to delays or the need to reschedule

4.2 below, from January 2019 to September 2025, nine percent of general maintenance work orders took between one to three months to close, and another four percent took three months or longer.

**Exhibit 4.2: Time to Close General Maintenance Closed Work Orders
(January 2019 – September 2025)**

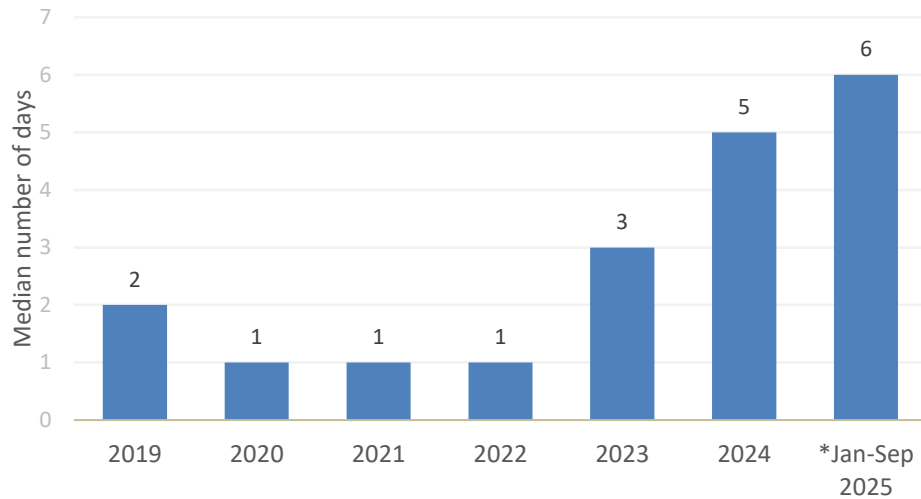
Number of Days to Close	Count	Percentage
0-7 days	6,994	65.2%
8-30 days	2,320	21.6%
31-90 days	1,013	9.4%
>90 days	402	3.8%

Source: BLA analysis of Facility Dude closed work order records (January 2019 – September 2025).

We also found that work orders have taken a longer time to complete in recent years (2023, 2024, and 2025) compared to 2019 to 2022, despite the decrease in work orders submitted. Exhibit 4.3 below shows that the median number of days to close work orders increased from one day in 2019 to six days in 2025. Further, the assigned priority level did not always align with the timeliness of work order completion. When looking at work orders by priority level, medium-priority work orders were resolved faster than high-priority work orders. Exhibit 4.4 below shows that in 2024, the median time to close a low-priority work order was 17 days, a medium-priority order was one day, and a high-priority order was nine days. In 2025, the median number of days to close a low-priority work order decreased from 17 days to 11 days for low-priority orders, remained at one day for medium-priority orders, and increased from nine to 10 days for high-priority orders. SFZS management explained that high-priority work orders could take longer to close than medium-priority orders because the priority level is reassigned but not updated in the system, or because high-priority orders are more complex and require more skilled staff to be available to work on them.

work. These challenges require close coordination between animal care staff and maintenance teams to ensure that work orders are resolved in a timely and safe manner.

**Exhibit 4.3: Median Number of Days to Close Work Orders by Year
(January 2019 – September 2025)**



Source: BLA analysis of Facility Dude closed work order records (January 2019 – September 2025).

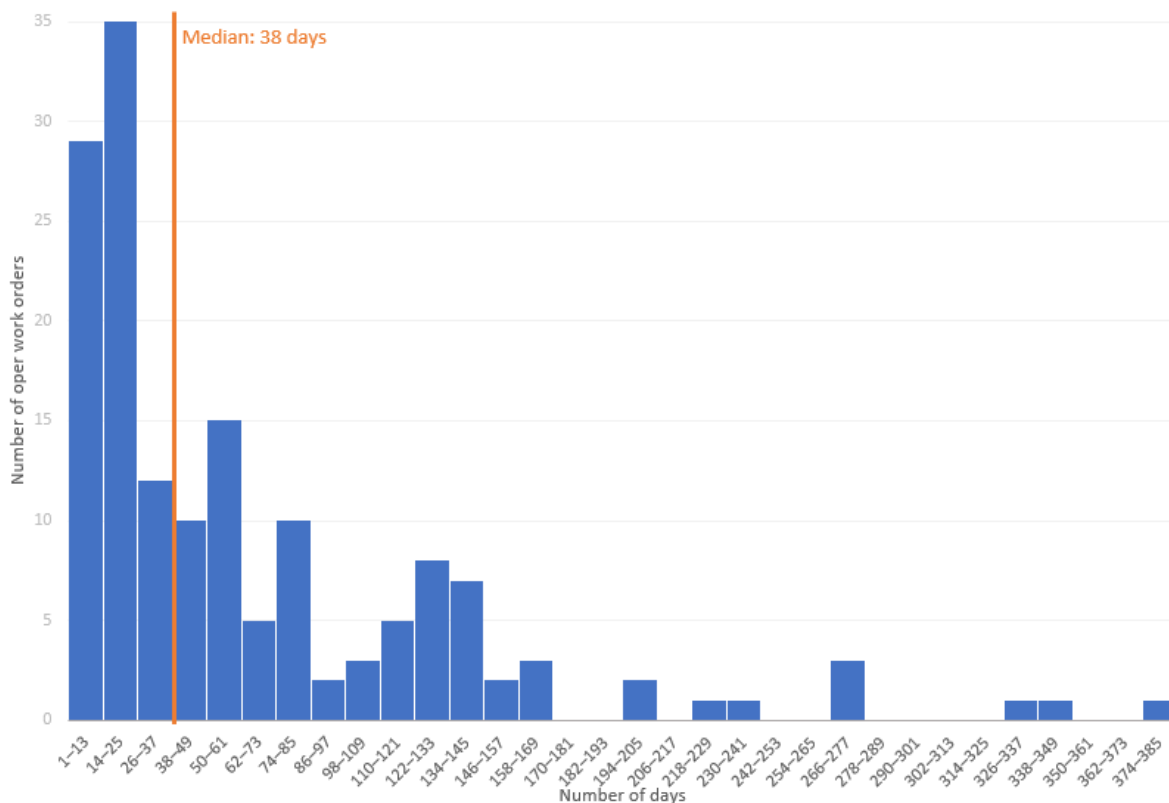
Exhibit 4.4: Median Number of Days to Close Work Orders by Year and Priority

Year	Low priority	Medium priority	High priority
2019	8	0	5
2020	10	0	5
2021	11	0	5
2022	21	0	9
2023	22	0	10
2024	17	1	9
Jan–Sep 2025	11	1	10

Source: BLA analysis of Facility Dude closed work order records (January 2019 – September 2025).

Work Order Backlog

According to the snapshot of open work orders, there were 156 maintenance work orders open on October 17, 2025. The number of open general maintenance work orders (156) is significantly higher than the maintenance team’s desired amount (70). Among the open work orders, the elapsed time since submission ranged from one day to 378 days. Notably, 50 percent of these orders had been open for 38 days or more, as shown in Exhibit 4.5 below.

Exhibit 4.5: Distribution of Maintenance Work Order Age (Days Open) on October 17, 2025

Source: BLA analysis of Facility Dude open work order records, October 17, 2025.

Staff Frustration with Maintenance Work Order Response

During SFZS staff focus groups conducted by our audit team,⁵ some animal care staff expressed frustration that work orders often take too long to complete, are not appropriately prioritized, or are closed without being completed. Curators reported that they keep spreadsheets of their submitted work orders because work orders are sometimes closed without resolution and staff cannot track their submitted work orders in the Facility Dude system. As discussed in more detail in *Section 7: Worker Safety* of this report, animal keepers also reported filing animal wellness concerns as a last resort when they felt their safety concerns were not addressed through the work order system.

We recommend that by December 1, 2026, the Director of Buildings and Capital Investments establish formal targets for (a) the number of open work orders, and (b) the number of days to

⁵ See *Appendix D: Focus Groups and Survey Methodology* for additional detail on the focus groups and survey methodology.

close work orders by priority level. These targets will provide clear goals and data for work order tracking and accountability.

Buildings and Grounds Investment and Staffing

Our evaluation of SFZS historical spending on repairs and maintenance, along with a staffing benchmarking analysis of several peer zoos, indicate that SFZS has under-invested in buildings and grounds maintenance. From FY 2018-19 to FY 2024-25, SFZS spent roughly \$10 million on repairs and maintenance.⁶ However, as shown in Exhibit 4.6 below, the investment has varied significantly over the years. During FY 2018-19, FY 2019-20, and FY 2020-21, spending on repairs and maintenance was minimal. Between FY 2020-21 and FY 2021-22, the investment increased from roughly \$230,000 to more than \$3 million, a 1,266 percent increase, and remained between \$1.8 and \$2 million annually thereafter. This increase in expenditure suggests that prior to FY 2021-22, SFZS was primarily performing minor repairs rather than making substantial investments in repairs and maintenance.

In recent years, although investment in repairs and maintenance remains higher than between FY 2018-19 and FY 2020-21, it is still below its peak in FY 2021-22. Despite this increased spending, many of the Zoo's buildings and exhibits continue to show signs of poor upkeep, as discussed later in this report section.

Exhibit 4.6: Repairs and Maintenance Expenditures, FY 2018-19 to FY 2024-25

Fiscal Year	Amount
FY 2018-19	\$457,935
FY 2019-20	328,300
FY 2020-21	231,152
FY 2021-22	3,156,305
FY 2022-23	2,075,442
FY 2023-24	1,788,428
FY 2024-25	1,998,202
Grand Total	\$10,035,763

Source: BLA analysis of SFZS financial reports. Total amounts reported in expense category 169 "Repairs and Maintenance."

⁶ This amount reflects the total spending recorded across all departments in expense category 169 "Repairs and Maintenance" in SFZS's accounting system. It does not include salary and benefit costs of maintenance and horticulture staff, purchases of supplies, contracted services, or other maintenance-related expenditures that are recorded in other expense categories.

In addition to low financial investment in repairs and maintenance, SFZS has low staffing levels in maintenance and horticulture, according to our benchmark analysis. For this analysis, we identified 10 zoos with similar acreage to the San Francisco Zoo that operate under a public-private management partnership and attract over 500,000 annual visitors. We requested information about each zoo's maintenance and horticulture staffing levels. Four zoos responded to our request, as shown in Exhibit 4.7 below.

We found that SFZS has the lowest number of maintenance and horticulture staff (18 FTE) of all zoos in the analysis, and either the second-lowest or lowest full-time equivalent (FTE) staff per acre compared to other zoos. As shown in Exhibit 4.7, SFZS has between 0.18 and 0.28 FTE staff per acre, depending on the acreage estimate used. Only Tulsa Zoo may have a lower FTE staff per acre (0.19) than SFZS. Further, while other zoos employ staff dedicated to exhibit design and modifications, SFZS has had none since 2021, when its Exhibit Planning and Design Manager left the organization.

Exhibit 4.7: Maintenance and Horticulture Staff per Acre Benchmarking

Zoo	Acreage	FTE Maintenance	FTE Horticulture	Exhibit Design and Modifications	Total FTEs	FTEs per Acre
Houston Zoo	55	29	7	5	41	0.75
Woodland Park Zoo	92	20	14	8	42	0.46
Fort Worth Zoo	64	29	0	0	29	0.45
Tulsa Zoo	124	10	10	3	23	0.19
San Francisco Zoo*	65–100	10	8	0	18	0.18-0.28

Source: BLA benchmarking analysis.

Note: The table shows filled positions; some zoos have additional budget positions that were not filled at the time of the data request. *The Lease and Management Agreement states that the San Francisco Zoo grounds lease consists of 65 acres, plus additional premises that may be added pursuant to Section 3.2 of the Agreement, including the Fleishhacker Pool Site, the Oceanside Water Pollution Control Plant, and the National Guard Property. The Zoo website states that the grounds and gardens total 100 acres.

Given SFZS's comparatively low staffing in maintenance and horticulture, the increase in work order response times, and the large backlog of open work orders, we recommend that the SFZS Chief Executive Officer budget for additional maintenance and horticulture staff and consider hiring personnel who can also handle exhibit design and modifications. These roles do not need to be exclusively dedicated to exhibit modifications; they could combine responsibilities for both maintenance and exhibit design.

Field Observations of Zoo Conditions

As part of our audit fieldwork, we conducted multiple site visits to the San Francisco Zoo in 2025 to observe and document the condition of Zoo buildings and grounds. We also reviewed the reports and narratives produced by the AZA Visiting Committees in 2016 and 2022 to understand the condition of the Zoo prior to our 2025 observations.

Overall, the San Francisco Zoo grounds are appealing and show great potential; however, the general condition of Zoo facilities reflects many years of unfocused and insufficient investment in aging facilities. There is a general inconsistency in aesthetics throughout the Zoo, along with the need for maintenance and improvement in some areas. The Zoo has an attractive appearance around the entrance and the African Savanna exhibit, which are the more recently built areas. The horticulture work in those areas is notable, which was also mentioned in the 2022 AZA Visiting Committee's report. However, as visitors go further into the older, eastern areas of the Zoo (particularly Cat Kingdom, Bear Country, the Lion House, and the Pachyderm House), the facilities and gardens degrade quickly. Dry patches of land, aging buildings, faded signage, weathered benches, rusted fixtures, missing lamps, non-functional light bulbs, and empty exhibits contribute to a sense of neglect.

Exhibit 4.8 below and on the following pages contain photographs taken by members of our audit team during site visits on October 6-7, 2025 that illustrate the inconsistent conditions and a lack of maintenance. All sites shown in Exhibit 4.8 are publicly visible.

Exhibit 4.8: San Francisco Zoo Photo Sample (October 2025)



San Francisco Zoo entrance. This photo shows a well-maintained entrance area featuring beautiful gardens and impressive horticultural work. The Zoo offers an inviting appearance with its entrance, gift shop, educational building, and African Savanna exhibit. This section of the Zoo is relatively new and appears to be carefully maintained.



African Savanna exhibit. This photo depicts the first section of the Savanna near the entrance, offering ample space for animals and showcasing well-maintained gardens with notable horticultural work. The Cypress trees and green grass create an attractive and inviting landscape.



Personnel door near the Savanna. This photo shows a personnel door visible to the public with significant rusting, reflecting ongoing corrosion challenges associated with the Zoo's proximity to the ocean.



Missing signage in an exhibit. This photo shows an exhibit where the signage is missing, leaving the designated signage space empty. Across the Zoo, signage conditions vary; some are missing, others are faded, while a few appear very new and well-maintained.



Old and new bench. The photograph highlights inconsistent bench maintenance and replacement across the Zoo, with a new bench located next to an older, deteriorated bench.



South American Tropical Rainforest and Aviary. This photo shows a building with deteriorated paint, a worn sign, an aging bench, and an adjacent dry, unmaintained patch of land. The condition of the grass varies throughout the Zoo. In some areas, such as the African Savanna, the grass appears green and well-maintained, while in other sections, particularly toward the back, several spots are dry.



Land by the South American Tropical Rainforest and Aviary. This photograph illustrates a lack of maintenance and the underutilization of available space. The area appears poorly maintained and, while it could be repurposed for an exhibit or garden, it is currently unused.



Non-functional light bulbs in the Giraffe Lodge. This photo depicts broken lamps in the Giraffe Lodge. Three out of the five lamps shown in the picture are not functioning.



Missing lampshade. This photo shows aged lamps, including a lampshade that is missing. Broken light bulbs and missing lampshades convey a sense of neglect and lack of attention to detail, especially since these repairs would require only minimal financial and human resources.



Empty animal exhibit. This photo shows an empty exhibit, illustrating underutilized space. Several areas and parcels of land throughout the Zoo are empty or poorly maintained. These spaces have potential for additional animal habitats or gardens.

Source: BLA site visit observations (October 2025).

Infrastructure of Concern

The 2016 AZA Visiting Committee identified several infrastructure-related concerns and necessary repairs, including rust, mold, holes in the flooring of some animal holdings, peeling

paint on the walls, potholes in the asphalt, and other issues. Most of these concerns had been addressed by SFZS by the next accreditation cycle in 2022 except for one issue related to the giraffe holding, which SFZS reported later addressing in a written response to AZA. However, given the age of Zoo facilities (many buildings and exhibits date from the 1930s) and a prolonged period of insufficient maintenance, several Zoo structures still appear to be in poor condition and need a comprehensive assessment, along with sufficient funding for restoration and long-term maintenance. For example, as discussed in more detail below, the Mothers Building is in critical condition and requires immediate attention according to a formal building condition assessment conducted in 2015, while all other buildings and exhibits, especially older structures, should be evaluated for structural integrity, safety, and aesthetics.

Exhibits 4.9 and 4.10 below present photographs of the black bear exhibit, the Lion House, and the Mothers Building to illustrate some of the aesthetic and structural issues observed during our site visits in May and October 2025. We followed up with the maintenance team regarding the bear exhibit and the Lion House, but did not confirm the repairs during a subsequent visit.

Exhibit 4.9: Examples of Infrastructure of Concern



Black bear exhibit. In October 2025, a piece of concrete fell from the top of the exhibit and landed on the area where animals and keepers enter and exit the enclosure. The maintenance team explained that they repaired the area of concern and ensured that the concrete was safe. However, the exhibit is from the 1930s, and the entire section requires an evaluation by a structural engineer to recommend the necessary repairs, according to SFZS management.



Lion House basement. The Lion House basement, which is not accessible to the public, had a significant amount of water on the floor. The maintenance team investigated the issue and found that a switch had broken. They scheduled work with external contractors and expected to complete the repairs by November 2025.

Source: BLA site visit observations (October 2025).

Mothers Building

The Mothers Building was built in 1925 and features Works Progress Administration (WPA) murals by women artists. The building, like the rest of the buildings at the Zoo, is owned by the City and maintained by SFZS. Due to its noteworthy architecture, murals, and historical value, the Mothers Building was listed on the National Register of Historic Places in 1979 and designated a landmark by the City in 2022. Exhibit 4.10 below shows photographs of the current condition of the building. The pictures were taken in May 2025 during a site visit by our audit team.

A condition assessment of the Mothers Building prepared in February 2015 for the Recreation and Park Department found that the structure has deteriorated significantly since it was decommissioned in 2002. The report noted cracks and deterioration in the steel structure, which can pose safety hazards; water infiltration; murals in an advanced state of deterioration; and non-functional HVAC systems. The assessment estimated approximately \$108,000 in immediate repairs, \$260,000 in short-term repairs, and more than \$5 million in long-term upgrades and restoration (or between \$150,360 and \$7 million adjusted for inflation). Because the estimate is now more than 10 years old, the extent of deterioration and the associated costs are likely to be substantially higher today.

According to the San Francisco Planning Code Article 10, Sec. 1008, “the owner, lessee, or other person in actual charge of a landmark, or of a structure in a historic district, shall comply with all applicable codes, laws and regulations governing the maintenance of the property.”

We recommend that by December 31, 2026, the Recreation and Park Department General Manager develop and present to the Board of Supervisors and the Recreation and Park Commission a capital project timeline and cost estimate to carry out the repairs to the Mothers Building as recommended in the 2015 Mothers Building conditions assessment. The capital project timeline and cost estimate should be based on the current condition of the Mothers Building and address any further deterioration that has occurred since the 2015 conditions assessment. The General Manager should also work with the Office of Resilience and Capital Planning to include restoration of the Mothers Building in the City's 2028-2039 Capital Plan.

Exhibit 4.10: Mothers Building Structural and Aesthetic State



Mothers Building exterior. These temporary support beams are one of several stabilization measures implemented by SFZS in the absence of funding for full structural restoration. On another side of the building, the audit team observed netting installed over a sculpted stucco exterior wall to mitigate the risk of crumbling material.



Mothers Building interior. Our audit team briefly toured the inside of the Mothers Building. According to SFZS leadership, staff typically wear personal protective equipment when entering the building due to excessive dust, asbestos concerns, and fleas. The building is generally not safe for occupation and has been closed to the public since 2002.



Mothers Building interior murals. Our audit team observed the interior murals in various states of disrepair. For most pieces, such as the one shown in this picture, the underlying artwork is still easily decipherable but there is visible cracking, peeling, or fading.

Source: BLA site visit observations (May 2025).

Conclusion

The age of Zoo buildings and their proximity to the ocean, which exposes them to salt air and high humidity, are major contributors to the maintenance workload and necessary building repairs. However, SFZS has allocated limited financial and human resources to facilities maintenance, and the current variable condition of Zoo buildings and grounds is the result of several years of poor planning and scarce investment in facilities. SFZS has not developed a focused, organized approach to addressing maintenance needs or a schedule of improvements in accordance with AZA guidelines. No proper capital or maintenance plan or facilities condition assessment covering all the Zoo's grounds and facilities has been developed. Instead, SFZS has focused on maintaining the systems necessary for its operation,⁷ while other maintenance is conducted reactively.⁸

According to SFZS management, in May 2024 the Chief of Finance began meeting weekly with Animal Division and Buildings and Grounds leadership to discuss and prioritize maintenance issues, and since June 2025 senior curators have joined the meeting. However, SFZS needs a comprehensive plan and updated guidelines for the Zoo's facilities maintenance processes to improve the whole grounds and avoid misunderstanding and miscommunication between animal and maintenance staff. Continued neglect will compound the deterioration of Zoo facilities and could increase safety risks for both animals and staff.

⁷ Including, but not limited to, fire alarm battery replacement, cart and truck maintenance, roof cleaning, door testing, propane tanks, generators, HVAC systems, playgrounds, and others.

⁸ For example, painting, flooring, and fencing.

Recommendations

The SFZS Director of Buildings and Capital Investments should:

- 4.1 Develop updated guidelines for the use of Facility Dude no later than December 1, 2026, including instructions on how to submit work orders, assign priority levels, and close work orders. These guidelines should include clearly defined responsibilities for submitting and closing work orders and establish a protocol for handling work orders that need to be reprioritized or postponed.
- 4.2 Establish formal targets for (a) the number of open work orders, and (b) the number of days to close work orders by priority level by December 1, 2026.
- 4.3 Establish a method to track the number of open work orders each month, along with the contributing factors behind any increases or decreases, no later than December 1, 2026. This tracking method should set targets for acceptable and critical thresholds and allow maintenance staff to monitor monthly trends in work order volume. This tracking method should also track the orders received over the radio and the larger maintenance projects to provide a complete picture of maintenance workload.

The SFZS Chief Executive Officer and Director of Buildings and Capital Investments should:

- 4.4 Conduct, or engage a qualified firm to conduct, a comprehensive facilities condition assessment, including an evaluation of the structural condition, safety, and aesthetics of the Zoo buildings and exhibits, no later than December 31, 2026. Consult with the General Manager of the Recreation and Park Department and the Director of Public Works for assistance in properly assessing City-owned property and buildings.
- 4.5 Develop detailed written capital and maintenance plans based on the facilities condition assessment no later than March 31, 2027, including a schedule of improvements, anticipated costs, a timetable for completion, and a strategy for funding maintenance needs.

The SFZS Chief Executive Officer and Chief of Finance should:

- 4.6 Increase funding for repairs and maintenance in the FY 2026-27 budget. Funding amounts should be based on the results of the facility condition assessment and the established capital and maintenance plans once they have been completed.
- 4.7 Budget for additional staff for maintenance and horticulture in the upcoming FY 2026-27 budget and consider hiring personnel who can also handle exhibit design and

modifications. These roles do not need to be exclusively dedicated to exhibit modifications and could instead be responsible for both maintenance and exhibit design.

The SFZS Chief Executive Officer should:

- 4.8 Review and submit to the Board of Directors a historical summary of open work orders and work order timeliness, including the factors contributing to increases or decreases in open work orders, radio-dispatched orders, and larger projects, on a monthly basis starting no later than October 1, 2026 to provide enhanced oversight of facilities and maintenance.

The General Manager of the Recreation and Park Department should:

- 4.9 By December 31, 2026, develop and present to the Board of Supervisors and the Recreation and Park Commission a capital project timeline and cost estimate to carry out the repairs to the Mothers Building as recommended in the 2015 Mothers Building conditions assessment, including: (a) document and stabilize murals with an operable HVAC system to regulate temperature and humidity; (b) waterproof the west wall; (c) perform seismic upgrades; (d) repair or replace damaged or missing concrete elements, and (e) upgrade the mechanical, electrical, and plumbing systems. The capital project timeline and cost estimate should be based on the current condition of the Mothers Building and address any further deterioration that has occurred since the 2015 conditions assessment.
- 4.10 Work with the Office of Resilience and Capital Planning to include restoration of the Mothers Building in the City's 2028-2039 Capital Plan.

Benefits and Costs

Implementation of the proposed recommendations would enhance the work order system and protocols for communicating, prioritizing, completing, and monitoring work orders. The facilities condition assessment will play a key role in ensuring that the Zoo's infrastructure is safe and well-maintained by identifying existing issues and providing SFZS with the information needed to prioritize major resource allocations and restoration efforts. These improvements would ensure the maintenance team has a focused strategy to address repairs, maintenance, and upkeep needs of the Zoo grounds and gardens, maintain adequate staffing to close work orders in a timely manner, and prevent large work order backlogs from accumulating. Overall, the recommendations would improve the Zoo grounds and gardens, making it a well-maintained and inviting space for staff, animals, and guests.

Some of the recommendations require a one-time investment of staff time to review and update the procedures and protocols surrounding Facility Dude, as well as limited monthly staff time to track and report on work order trends. Other recommendations would require additional financial resources. The estimated cost to hire each additional maintainer is approximately \$90,940 annually, and each additional gardener is approximately \$89,248 annually. The actual cost would depend on the employee's classification level and annual cost of living adjustments. Separately, if SFZS is unable to conduct a facilities condition assessment in-house with existing resources, engaging a qualified external firm to conduct this assessment on behalf of SFZS would also incur additional external costs. Depending on the results of the facilities condition assessment, implementing the recommendations may not be feasible within SFZS's current budget, and additional financial resources may be required.

Repairs and restoration of the Mothers Building were estimated to cost between \$150,360 and \$7 million in 2015 (adjusted for inflation), depending on the scope of upgrades. Actual costs would likely be substantially higher in 2026, because the facility condition assessment is over a decade old and the building may have experienced additional deterioration.

5. Contracting and Procurement

The San Francisco Zoological Society (SFZS) does not have adequate policies and procedures in place to maintain a system of procurement consistent with standards for nonprofit organizations established by the City and the State of California. SFZS did not have documented procurement policies of any kind in place during the scope of this audit and does not have a well-organized system for maintaining contracts or other procurement documentation. Further, SFZS has made payments to relatives of SFZS employees without a record of a competitive procurement process, which risks at least the appearance of favoritism in contracting. Although this lack of policy and potential nepotism do not constitute a legal violation, SFZS management should take steps to operate in line with industry standards, including robust procurement policies and procedures and consistent documentation to ensure that SFZS receives the highest quality service or product at the lowest cost, particularly given SFZS's strained financial condition.

Contracting and Procurement Policy Standards

As discussed in detail in *Section 3: Management Agreement and City Oversight* of this report, the San Francisco Zoological Society (SFZS) is a nonprofit corporation with a lease and management agreement with the City that establishes oversight of certain SFZS functions by the City's Recreation and Park Commission and Joint Zoo Committee. As such, SFZS is neither a direct City agency nor a strictly private entity. Private nonprofit organizations have latitude in determining how to manage their financial and operational functions. However, as part of the Citywide Nonprofit Monitoring and Capacity Building Program and Fiscal Monitoring Program, the Controller's Office has developed a Citywide Standard Monitoring Form that establishes a set of standards for strong fiscal management and administrative practices for nonprofit organizations that contract with the City.¹ The 2025-2026 Standard Monitoring Form includes standards for nonprofit contractors' fiscal policies and procedures, including policies related to the procurement of goods and services.

The City also provides its contracting nonprofit partners with financial guidance. In 2024, the San Francisco Controller's Office updated its *Finance Guide for Nonprofits*, the purpose of which, "is

¹ SFZS has not been included in the pool of monitored nonprofits because the Recreation and Park Department, which pays the annual \$4 million management fee to SFZS, does not participate in the City's Fiscal Monitoring Program. However, according to the October 2025 *Fiscal Monitoring Program Policies and Guidelines* published by the Controller's Office, departments that do not participate in the Fiscal Monitoring Program must still perform independent fiscal monitoring of nonprofit contractors.

to provide an overview of nonprofit financial management practices and an explanation of basic administrative and financial requirements for nonprofit organizations that do business with the City.” As noted in the *Finance Guide*, “organizations maintain policies and procedures to ensure transparency, accountability and as a training resource for their staff. Fiscal policies and procedures should protect the agency’s resources from waste, fraud and inefficiencies.” In this guide, the section on accounting records specifically identifies “procurement files” in its list of financial records that should be maintained.

The California State Attorney General’s Office also offers guidance for nonprofit organizations, particularly regarding financial management. In its *Guide for Charities*, the California Attorney General notes that, “good internal controls help safeguard charitable assets, prevent loss, and ensure reliability of financial records.” Further, the guide notes that, “at the disbursements level, funds are at risk when no controls are in place, or controls are not being enforced. Payment requests or requests for cash disbursement should be accompanied with invoices, receipts, or other documents showing the payments are justified and appropriate.”

SFZS Lacks Sufficient Contract Management Functionality

SFZS has a limited and disorganized system for maintaining records of contracts or agreements for services and payments despite spending between \$4.5 and \$5.4 million each year between FY 2019-20 and FY 2024-25 on contracted services from external contractors. Despite this significant investment of resources, SFZS does not maintain adequate documentation of contractual agreements to ensure the effective delivery of services. In addition, other than one contract, it is unclear if any other services from FY 2019-20 to FY 2024-25 were procured through competitive solicitation.

As shown in Exhibit 5.1 below, SFZS spent between \$4.5 and \$5.4 million each year between FY 2019-20 and FY 2024-25 on contracted services provided by external contractors, including professional and contracted services, construction and construction-related services, security, advertising and public relations, catering, laundry, and equipment rentals. These expenses do not include purchases of supplies; utilities or other non-security occupancy costs; postage, printing, or messenger service costs; insurance; special event costs; animal management costs such as animal food; travel and meals costs; dues and subscriptions costs; or repairs and maintenance costs, although some contract expenditures may be recorded in these expense categories. For example, a review of SFZS’s general ledger found that the repairs and maintenance expense category included payments to external contractors. As a result, Exhibit 5.1 likely undercounts SFZS’s true spending on contracted services.

Exhibit 5.1: SFZS Expenditures to Third-Party Contractors, FY 2019-20 to FY 2024-25

Expense Type	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Professional & Contracted Services	\$914,286	\$1,050,594	\$1,617,424	\$1,381,295	\$2,134,822	\$1,934,378
Architect, Design, Const. & Landscaping	2,399,698	3,427,156	2,259,111	1,168,543	1,238,426	1,818,940
Security	656,086	702,085	811,506	834,397	895,775	897,864
Advertising & Public Relations	305,433	83,300	175,821	141,022	192,795	396,520
Catering	37,906	40,425	339,570	223,274	324,317	57,907
Laundry, Uniforms, & Clothing	69,461	63,484	73,258	90,088	111,293	93,152
Equipment Rental	83,061	73,078	74,088	103,968	86,923	65,935
Total Contract Expenses*	\$4,465,931	\$5,440,122	\$5,350,778	\$3,942,587	\$4,984,351	\$5,264,696

Source: SFZS trial balance reports.

*Note: Excluded from this table are purchases of supplies; utilities or other non-security occupancy costs; postage, printing, or messenger service costs; insurance; special event costs; animal management costs such as animal food; travel and meals costs; dues and subscriptions costs; or repairs and maintenance costs. However, some contract expenditures may be recorded in these expense categories.

Absence of Basic Contracting Records and Documentation

SFZS does not maintain complete, comprehensive records of active contracts and essential contract documentation such as solicitations, bids, and executed agreements. Its financial management system does not allow for the simple production of an accurate list of contractors or payees, and it is unclear how contractor payment information is verified. In response to our January 2025 initial request for information, which specifically asked for “a list of all active contracts between SFZS and third-party operators or consultants with (a) a brief description of the purpose of the contract, (b) the contract amount, and (c) the date the contract went into effect,” SFZS provided a list of contractors that reflected 97 contractors identified as “active contracts 2025.”

Exhibit 5.2 shown below includes a sample of the submitted information.

Exhibit 5.2: Excerpted Sample of Active Contracts List, as Provided in Response to Initial RFI

Contractor	Services Provided	Term	Amount
Accesso	automated payment processing, retail electrical planning, installation, various exhibits	Annual	varies, fee-based
ACG Engineers	software	As needed	varies
Active Network	payroll services, timeclocks	Annual	varies
ADP	burglar alarms	Annual	varies
AEC Alarms	phone, internet	perpetual	varies
AT&T	radio and streaming advertising	Quarterly	varies, fee-based
Audacy			

Source: SFZS response to BLA request for information, question 7 regarding contractors.

As shown in Exhibit 5.2 above, the information provided lacked precise details, particularly for term periods and contract amounts, which are basic and important components of contract agreements. Of the 97 “active contracts” reported, SFZS only provided a dollar value under “contract amount” for eight contractors, and these amounts were not always precise dollar amounts, appearing instead as estimates.

Exhibit 5.3 below shows additional information that was provided by SFZS as described in more detail below.

Exhibit 5.3: Active Contracts with Estimated Contract Amounts, as Provided in Response to Initial RFI

Contractor	Services Provided	Term	Amount
Cesson	Web/social media support	Monthly	\$3-4K/month
Cultural Attractions Consulting	Marketing/tourism/attraction consulting	As needed	\$5K/month
Elefante Consulting	financial consultation	Project-oriented	\$10K total
Executive Edge	private security	Monthly	\$35K/month
Pacific Pars Construction	General Construction (Madagascar)	Term (ends 10/25)	~\$1.45M
Scott Miller Executive Search	recruiter, management	current	\$60K total
The Bike Hut Foundation	bike fleet supply and maintenance	current	\$1K/month
Vitus Leung	Contract negotiator and consultant	Ends Dec 2025	\$16.7K/month

Source: SFZS response to BLA request for information, question 7 regarding contractors.

In addition to this list, SFZS provided relevant contract documents that were available as summarized in Exhibit 5.3 above. These materials included 12 attached documents, of which only

six of the payees appeared on the “active contracts 2025” list. The documents provided were a mix of invoices, engagement letters, letters of intent, and a concession agreement. None of the documents showed a complete service agreement with a detailed scope of work and signatures of both parties.

In August 2025, we submitted a second request for information as follows:

- A list of all contracts active at any point between FY 2019-20 and the present between SFZS and third-party operators or consultants with (a) a brief description of the purpose of the contract, (b) the contract amount, and (c) the date the contract went into effect, or
- Complete copies of all contracts active or in effect at any point during FY 2019-20 through the present.

In an initial response to this request, SFZS officials replied on September 6, 2025 that the information that had been provided previously was all that was available. However, one month later, on October 9, 2025, SFZS sent us a spreadsheet containing a list of contractors, vendors, and other payees based on a revised query of the financial system. However, this report only included contractor names, and no information was provided regarding the service description, contract amount, or contract term.

Transaction Sampling Found Inconsistent Documentation Practices

To better understand how SFZS maintains financial records and processes payments to contractors, we selected a judgmental sample of transactions for review. These included transactions to 29 contractors between 2019 and 2024.

Consistent with our review of the contract documents provided in response to our request for information, the transaction sampling also showed that while SFZS staff maintained organized paper records for contractor payments, these records included a wide mix of supporting authorization documents. For example, for payments for which we found a scope of work, those documents ranged from emails to formal contracts. For only two of the 29 contractors reviewed did we find contract documents with scopes of work, signed by both parties.

Without easy access to this basic contracting information, SFZS’s ability to ensure the accuracy of payments and the status of contract agreements is compromised. We recommend that by October 1, 2026, the SFZS Chief of Finance establish a system to centrally store and manage contract documentation that allows for easy reference and document retrieval. The SFZS Chief of Finance should also ensure that financial management systems have the basic functionality of producing simple reports that list contractor names, including at least the contract term period

and total contract amount, or develop an alternative system for maintaining this information by October 1, 2026.

Limited Documentation of Competitive Solicitations

SFZS also provided information on competitive solicitation for only one single contract (discussed in more detail below), so it is unclear how SFZS officials have determined that selected contractors were providing the optimal service at the best price.

According to SFZS officials, contractors have typically been selected or invited to bid on contracts based on their history of performance with SFZS and/or the specialization of their services. However, this selection process is not documented internally, and there appears to be no confirmation of cost reasonableness. While this does not violate any legal requirements, because SFZS receives public funding, a competitive solicitation process (particularly for large contracts) would foster greater trust in SFZS's contracting practices. Competitive solicitation requirements would enable SFZS to ensure and document that selected contractors were providing the highest quality at the best value, reducing the risk of real or perceived favoritism. As discussed below, thresholds and processes for competitively bidding out services should be established and included in policies and procedures for procurement.

Limited Documentation for Major Capital Projects

Even for major multi-year capital projects, SFZS maintains limited documentation of capital project plans or procurement processes. Between FY 2019-20 and FY 2024-25, SFZS engaged in several large multi-year capital projects, including a snow leopard exhibit, the Great Ape Passage, the Coastal Conservation Center, and the Lipman Family Madagascar Center. Because the Madagascar project appeared from documents to be ongoing during our fieldwork, we selected it to obtain a deeper understanding of how SFZS manages procurement related to its larger projects. According to general ledger records and minutes recorded from Joint Zoo Committee meetings, the initial primary contractor engaged for the Madagascar project was a firm called MK Think. As shown in Exhibit 5.4 below, this firm received nearly \$1 million in payments in FY 2019-20 and FY 2020-21, but SFZS could not provide documentation showing exactly what services were provided or how the firm was selected for this project.

Exhibit 5.4: Payments to MK Think, FY 2019-20 to FY 2020-21

Fiscal Year	Account Charged	Amount
2019-20	Madagascar	\$246,339.42
2019-20	Project Expenses	66,335.50
2020-21	Madagascar	624,293.03
Total		\$936,967.95

Source: SFZS general ledger reports.

Given the apparent size and scope of this multi-year project, SFZS should have a documented budget and capital plan associated with it to track progress and ensure that contractors are meeting performance milestones. SFZS's lack of capital planning and capital budgeting is discussed in more detail in *Section 2: Planning and Vision* of this report.

In response to a request from our audit team on October 31, 2025 for capital planning and budgeting documents, SFZS provided us with a PowerPoint Presentation, titled "Madagascar Phase 2," which was presented to the Joint Zoo Committee on January 16, 2025.² This presentation effectively consisted of three slides, excluding the title and "thank you" slides, which reported that:

- SFZS has already invested \$7.75 million in the Madagascar project from 2018 through 2024
- Madagascar Phase 2 costs are \$1.4 million.
- Work should be completed in late summer 2025.
- Contractor Bidding Process
 - Bids were solicited from three contractors
 - One contractor declined to bid
 - One contractor responded with a bid for \$2.8 million; the bid response was somewhat incomplete
 - The winning bid of \$1.4 million was submitted by Pacific Pars Construction; the bid response was full and complete
 - A contract has been negotiated, and work can commence as early as February

According to SFZS officials, the three contractors invited to bid on Phase 2 of the Madagascar Center had all previously worked on projects at the Zoo. The winning bid was selected because it was half the cost of the other proposal. However, due to the lack of solicitation and proposal documentation, it is unclear how SFZS determined that the quality-of-service delivery would be adequate when it selected this contractor. Given the cost of this project and the extended timeline for completion, particularly during a period of financial uncertainty, it is critical that SFZS thoroughly vet potential contractors for cost reasonableness and service delivery.

² After reviewing a draft copy of this audit report, SFZS submitted to us a capital project summary document that provided a more detailed accounting than had been previously available of the sources and uses for SFZS's capital projects between 2018 and 2025 (for the Madagascar Project) and between 2023 and 2025 (for other capital projects). This capital project report summarized capital project revenues from donor contributions and expenditures on construction, architecture and engineering services, consulting, and other capital project costs.

Lack of Policies and Procedures for Contracting and Procurement

SFZS does not have written policies and procedures related to procurement and contracting, or any policies specific to purchasing authority, procurement processes, competitive solicitation, contractor selection, procurement documentation, or contract administration and oversight. SFZS also lacks any document that specifies which staff are authorized to enter into agreements and approve purchases on behalf of SFZS, or how to avoid conflicts of interest in the procurement process (discussed below). According to SFZS officials, there are no documented thresholds for determining when bids are required (typically triggered by a minimum contract award amount), no documented process for administering solicitations and selecting contractors, and no documented standards by which SFZS confirms cost reasonableness when it is procuring third-party services. As discussed in more detail in *Section 9: Fiscal Management and Internal Controls* of this report, SFZS also lacks adequate internal controls and conflicts of interest policies.

The Controller's Office requires that nonprofit organizations that contract with the City have policies related to the procurement of goods and services, and its *Finance Guide for Nonprofits* recommends that nonprofit agencies retain procurement records and other related documents. In order to align with these requirements and best practices for procurement and to maximize financial accountability, we recommend that the SFZS Chief of Finance develop policies and procedures for contracting and procurement, which should be codified in a manual and approved by the Board of Directors, no later than October 1, 2026. These policies should establish thresholds and procedures for competitive solicitations and clear practices for evaluating bids and documenting the basis for contractor selection. Records of all contracts and solicitations should be maintained for a reasonable period of time, but no fewer than five years, which should be specified within the contracting and procurement manual. We also recommend that following the development of these policies and procedures, the SFZS Chief of Finance train all relevant finance and administration staff on the contracting and procurement procedures no later than December 1, 2026.

Allegations of Payments to Relatives of SFZS Employees

Payments made to alleged relatives of SFZS employees, with no documentation of competitive solicitation or cost reasonableness, give the appearance of potential nepotism or unethical contractor selection. While SFZS does not have a robust conflicts of interest policy, as discussed in more detail in *Section 9: Fiscal Management and Internal Controls* of this report, the SFZS Employee Handbook does state that an employee's personal relationship with a supplier that impairs the ability to exercise good judgement on behalf of the Zoo can create an actual or potential job-related conflict of interest. Preferential contractor selection and procurement-

related conflicts of interest could prevent SFZS from obtaining the best value for goods and services and compromise the overall integrity of the organization.

According to a complaint letter submitted by SFZS staff to the Board of Directors in June 2024, SFZS contracted with friends and relatives of senior SFZS officials for goods and services on multiple occasions. These allegations were also reflected in local media reports on SFZS financial mismanagement. During the course of our fieldwork, we verified that payments to these individuals and contractors were made, but we did not find further evidence supporting the allegations of personal relationships between these contractors and SFZS employees. However, we note that SFZS officials have never denied or refuted the claims.

Our review of SFZS general ledger records between FY 2018-19 and FY 2023-24 did show payments made to the alleged relatives of SFZS employees, including the partner of the former Chief Executive Officer. As shown in Exhibit 5.5 below, one alleged relative of an SFZS employee received payments totaling more than \$800,000 between FY 2020-21 and FY 2023-24.

**Exhibit 5.5: Payments to Alleged Relative of SFZS Employee,
FY 2020-21 to FY 2023-24**

Fiscal Year	Account Charged	Amount
2020-21	Repairs and Maintenance	\$8,071.63
2021-22	Madagascar	5,000.00
2021-22	Repairs and Maintenance	316,060.00
2022-23	Madagascar	63,500.00
2022-23	Repairs and Maintenance	112,450.00
2023-24	Madagascar	9,950.00
2023-24	Project Expenses	44,000.00
2023-24	Repairs and Maintenance	246,870.00
Total		\$805,901.63

Source: SFZS general ledger reports.

Another alleged relative of an SFZS employee also received more than \$800,000 in payments between FY 2020-21 and FY 2023-24, as shown in Exhibit 5.6 below.

**Exhibit 5.6: Payments to Payments to Another Alleged Relative of SFZS Employee,
FY 2020-21 to FY 2023-24**

Fiscal Year	Account Charged	Amount
2020-21	Repairs and Maintenance	\$28,090.00
2021-22	Madagascar	17,900.00
2021-22	Repairs and Maintenance	221,560.00
2022-23	Madagascar	121,991.88
2022-23	Repairs and Maintenance	268,345.00
2023-24	Contracted Services	2,000.00
2023-24	Project Expenses	22,075.00
2023-24	Repairs and Maintenance	120,940.00
Total		\$802,901.88

Source: SFZS general ledger reports.

In addition, round numbers for payment amounts have been identified as a red flag of fraud and collusive bidding by industry experts. As shown in Exhibits 5.5 and 5.6 above, several payments to the identified payees were round amounts. While this alone does not indicate wrongdoing, it increases the risk of at least the appearance of fraud. Without the documentation of competitive solicitations, SFZS risks the appearance of nepotism and/or inappropriate contracting. As stated in *Section 9: Fiscal Management and Internal Controls*, SFZS should review and revise its policies related to fiscal controls and conflicts of interest to reduce the risk of fraud, waste, and abuse and ensure sufficient fiscal oversight for both SFZS and the City.

Conclusion

Despite significant investment in contracted services, SFZS did not have documented policies related to procurement and contracting, such as thresholds for competitive solicitation and contractor selection processes, or documentation of competitive solicitations or contractor evaluation processes during the audit scope period. SFZS spent between \$4.5 and \$5.4 million each year between FY 2019-20 and FY 2024-25 on third-party contractors who provided services including but not limited to repairs, maintenance, design, consulting, and construction. According to SFZS records, payments over this period were made to 332 contractors, vendors, and other payees for total expenditures of nearly \$30 million. SFZS administration could only provide our audit team with contract-related documents for 12 payees despite a request for such documents for all active contracts, and there is no consistency in the details or records maintained (including signatures, scopes of work, service details, and estimated costs). SFZS officials also could not provide planning documents, scopes of work, or procurement records for significant, recent SFZS capital project.

In addition, a review of general ledger files indicates that the SFZS has made payments to alleged relatives of SFZS employees. Without record of a competitive procurement process, these payments at minimum suggest the appearance of nepotism and could indicate conflicts of interest and unethical vendor selection. In accordance with best practices established by City requirements and recommendations from the California Attorney General, SFZS should at minimum develop policies and procedures for contracting and procurement, which should be codified in a manual, and ensure that all relevant finance and administration staff receive adequate training on the contracting and procurement procedures.

Recommendations

The SFZS Chief of Finance should:

- 5.1 Establish a system to centrally store and manage contract documentation that allows for easy reference and document retrieval no later than October 1, 2026.
- 5.2 Ensure that SFZS financial management systems have the basic functionality of producing simple reports that list contractor names, including at least the contract term period and total contract amount, or develop an alternative system for maintaining this information no later than October 1, 2026.
- 5.3 Develop policies and procedures for contracting and procurement, which should be codified in a manual and approved by the Board of Directors, no later than October 1, 2026. Train all relevant finance and administration staff on the contracting and procurement procedures no later than December 1, 2026. These policies should establish thresholds and procedures for competitive solicitations and clear practices for evaluating bids and documenting the basis for contractor selection. Records of all contracts and solicitations should be maintained for a reasonable period of time, but no fewer than five years, which should be specified within the contracting and procurement manual.

Benefits and Costs

Implementation of the proposed recommendations would provide assurance that SFZS sufficiently strives to receive the best price for the highest quality services. There would be additional staff time required to develop contracting policies and procedures and to train all finance and administration staff on the new procedures, as well as additional staff time required to conduct competitive solicitations (developing Requests for Proposals, evaluating bids, etc.).

6. Board of Directors Oversight

The San Francisco Zoological Society (SFZS) Board of Directors has not sufficiently evaluated executive performance, maintained meeting minutes and records, and ensured that the former SFZS Chief Executive Officer (CEO) provided the Board with adequate visibility into San Francisco Zoo and Gardens (Zoo) operations and access to key materials between FY 2019-20 and FY 2024-25. Specifically, the Board did not require that the former SFZS CEO provide a copy of the Zoo's 2022 Association of Zoos and Aquariums accreditation report to the full Board of Directors, and as a result allowed workplace culture and leadership communication issues identified in the report to persist for at least three years between 2022 and 2025. While the Board of Directors is in the process of implementing changes to its governing and committee structures since the departure of the former CEO, the age of the SFZS Board policies, most of which predate the current governance relationship with the City, makes many of these policies or their contents obsolete and inconsistent with City expectations and standards for contracted nonprofit board governance. The Board of Directors should revise its internal policy manual to reflect modern Zoo operations and ensure the Board has sufficient documentation and information to fulfill its core oversight and management responsibilities.

Board Structure

The San Francisco Zoological Society Board of Directors (the Board) is the governing board of the San Francisco Zoological Society (SFZS), the nonprofit public benefit corporation that manages the San Francisco Zoo and Gardens (San Francisco Zoo). The powers and structure of the Board are described in the SFZS bylaws, which were most recently amended in 2022. The Board also has internal policies that provide additional information and guidance to Board members on specific topics such as fundraising, corporate sponsorship, and a conflict-of-interest statement.

According to SFZS's 2022 bylaws, the Board of Directors consists of 30 to 60 members who serve three-year terms. Members are limited to a total of nine years of service on the Board, although additional elections may be approved if an individual holds particular expertise vital to the Board's work and is approved by a nominating subcommittee of the Board. The Lease and Management Agreement between SFZS and the City also requires that two Board members be community representatives who are residents of San Francisco. As a condition of their election to the Board, all members must contribute dues to SFZS in the amount of \$10,000 annually, plus a \$50,000 one-time contribution during any year of their service. The Board's Chairperson presides over all meetings of the Board.

One of the key responsibilities of the Board of Directors is to elect SFZS's officers: the Chief Executive Officer (CEO),¹ the Chief Financial Officer, the Secretary to the Board, and any other officers that may be elected by the Board.² All officers perform their duties at the Board's direction. The Board of Directors holds the ultimate authority over the affairs, activities, and property of SFZS.

The Board is made up of committees that may change from time to time, but the following committees represent core functions and responsibilities:

- The **Executive Committee** has proxy authority of the full Board of Directors, subject to applicable laws and regulations. Generally, all committee chairs sit on the Executive Committee. From time to time, other SFZS directors (e.g., the Chairperson, Vice Chairperson, Secretary, and/or other Board members) may be approved to be members of the Executive Committee.
- The **Audit Committee** reviews the organization's audited financial statements and Form 990s.
- The **Finance Committee** reviews and approves the proposed annual budget from the Chief Executive Officer and Chief Financial Officer and forwards it for full Board approval.
- The **Governance and Nominating Committee** identifies and recommends candidates for the Board of Directors for approval of the full Board.
- As stipulated in the Lease and Management Agreement, three members of the Board of Directors sit on the **Joint Zoo Committee**, an advisory subcommittee of the Recreation and Park Commission.

As of October 2025, there were 11 total committees of the Board of Directors, plus the Joint Zoo Committee. In November 2025, the committees were consolidated to eight committees.³

¹ The 2022 SFZS bylaws state that the SFZS Chief Executive Officer is appointed by the Board of Directors. The 1993 Lease and Management Agreement between SFZS and the City states that the positions of Zoo Director and Chief Veterinarian are appointed in accordance with Charter Section 3.551 and only in *consultation* with SFZS. Charter Section 3.551, which was repealed in 1996, gave authority to the General Manager of the Recreation and Park Department and the Recreation and Park Commission to appoint the Zoo Director. After Charter Section 3.551 was repealed, no section was added to clarify the responsibility of Zoo Director appointment as this position was vestigial from City management of the Zoo.

² The Internal Revenue Services (IRS) definition for officer includes "anyone who holds a position of trust, authority, or command within an organization" and is reported on the organization's annual Form 990. SFZS's current and former Chief Operations Officers are included in this category while not being explicitly referenced in the bylaws.

³ As of November 2025, the Board of Directors has the following seven committees: Audit; Building & Grounds; Finance; Conservation, Animal Wellness & Safety; Human Resources & Executive Compensation; Governance & Nominating; and, Marketing & Development. Additionally, the Board has an Executive Committee consisting of one

According to Board members, members generally sit on two committees each, but the practice varies by Board member. Board members are confirmed to committees via resolution of the full Board and serve for one-year terms, per SFZS bylaws.

Ongoing Changes to Board Structure

Following the retirement of the SFZS CEO in August 2025, the Board of Directors has implemented changes to its governing and committee structures. The Board approved consolidating its 11 committees, excluding Joint Zoo, to seven while retaining the existing responsibilities and internal controls of each committee. The Board also confirmed the latest composition of the Executive Committee. The Board has filled and is otherwise in the process of recruitment to fill vacancies and is contemplating adjusting the annual contribution amount for its members.

Performance Monitoring and Recordkeeping Deficiencies

Our review of Board activities and materials between FY 2019-20 and FY 2024-25 found that the Board did not fulfill several of its due diligence responsibilities as a governing entity during this time.

The Board did not conduct a sufficient performance evaluation of the former CEO since at least 2019. According to BoardSource, a national authority on nonprofit board management, conducting routine performance evaluations of the CEO is a standard best management practice for nonprofit boards. According to BoardSource, the process for executive performance reviews should include: (a) feedback from direct reports, the CEO, and board members; and (b) an evaluation of the CEO's core competencies, leadership qualities, accomplishments and challenges, and execution of predetermined annual performance goals. Further, the review process should end in a formal written report.

Annual performance reviews of the CEO are also identified in the City's nonprofit fiscal monitoring guidelines as a key element of effective board oversight for nonprofit organizations that contract with the City. Further, California State regulations⁴ mandate that any adjustment to CEO compensation result from a thorough evaluation of the CEO's efficacy, experience, and value provided to the nonprofit.

In an email from August 2025, SFZS management reported to our audit team that SFZS did not conduct a performance review of the CEO between 2019 and her departure. In March 2026, in

chair from each of these committees plus the Board's Chairperson, Vice Chairperson, and Secretary. Three members of the Board also sit on the Joint Zoo Committee, which is a subcommittee of the Recreation and Park Commission.

⁴ California Code Regs. Tit. 11, § 308 and Government Code § 12586.

their feedback to the initial draft of this audit report, SFZS shared documentation with us that showed the former CEO provided the Board with self-evaluation narratives on two separate occasions. However, there was no evidence that Board conducted or produced its own written evaluation of the CEO's performance, considered feedback from direct reports or Board members, or established performance goals in advance of the evaluation period. By not conducting regular performance evaluations of the CEO, the Board did not exercise its duty to hold the CEO accountable for organizational performance. The Board of Directors should adopt an annual CEO performance review process in the SFZS bylaws by December 31, 2026.

In addition, the Board did not properly maintain meeting minutes of official Board meetings as recommended by the Internal Revenue Service (IRS). IRS guidelines⁵ recommend that (a) all official meetings of a board and all its committees have a record of minutes, and (b) those minutes document substantive content: the date and time of the meeting, members present and absent, all motions made and the results of all voting, and information sufficient to show that members acted reasonably in coming to decisions. Maintenance of meeting minutes is also a standard outlined in the City's nonprofit monitoring standards for board oversight. Per SFZS bylaws, the Secretary to the Board of Directors, who is appointed by the Board of Directors and Chief Executive Officer, is responsible for keeping the minutes of the Board.

As shown in Exhibit 6.1 below, the Board of Directors did not record meeting minutes for at least two committees that met between FY 2019-20 and FY 2024-25. Additionally, SFZS staff reported that recordkeeping responsibilities for some committees were assigned to Board members other than the Secretary. As a result, SFZS could not provide minutes for two of the seven committees for which minutes were taken since FY 2019-20 because these Board members are no longer with SFZS.

⁵ Form 990 asks nonprofit organizations to declare whether they contemporaneously document meetings or written actions during the year. The IRS defines "contemporaneous documentation" as being prepared either by the next meeting of the body, or 60 days after the action is taken. There is no penalty for not taking minutes as recommended, but the IRS has indicated that if a nonprofit is unable to declare this form of minute-taking, it may have poor management controls and be more likely to be audited. SFZS has filed its Form 990s with this declaration since at least 2019.

Exhibit 6.1 Availability of SFZS Board Meeting Minutes

Committee	Minutes Taken	Minutes Available
Full Board	Yes	Yes
Finance	Yes	Yes, though not reviewed.*
Development	Yes	No: minutes were kept and retained by an SFZS Board member who passed away in 2024.
Design & Construction	No	No: the subcommittee has not met since the beginning of the audit period.
Governance & Diversity, Equity, Accessibility, and Inclusion	No	Yes, though not reviewed.*
Marketing	Yes	Yes
Conservation & Education	Yes	Yes
Audit	No	No
Safety	Yes	Yes
Executive	Yes	Yes

Source: SFZS Board minutes, SFZS.

Note: The audit team asked SFZS staff to produce all meeting agendas and minutes for all Board committees between FY 2019-20 and August 2025. We also asked SFZS to affirmatively state if minutes were not taken or available for certain committees. SFZS neither produced nor affirmed the lack of minutes for the Executive Compensation, Nominating, Human Resources, and Animal Wellness committees, which are not included in the exhibit above. It is unclear whether these committees met during the audit period.

* SFZS reported to us during our fieldwork that minutes for the Finance and Governance committees were unavailable, but later provided them following review of the initial draft of this audit report.

Our review of the available Board meeting minutes determined their content was generally in compliance with IRS recommendations on substantive record-keeping. All minutes documented attendance from Board members, the date and time, a general overview of items discussed, and voting actions.

However, by not consistently recording and retaining minutes for all Board committee meetings, the Board did not maintain a complete record of its official actions and deliberations, in violation of IRS recommendations and SFZS bylaws. Without complete meeting minute records, the Board cannot demonstrate to our audit team, the Recreation and Park Commission, or any member of the public how key decisions were made, whether required approvals occurred, or whether members exercised appropriate oversight. For example, because SFZS could not provide minutes of Finance Committee meetings to us during our fieldwork, we were not able to verify whether the Finance Committee reviewed SFZS's annual budget and provided adequate oversight and regular monitoring of SFZS's financial condition throughout the fiscal year.

The Board of Directors should follow SFZS bylaws to centrally house recordkeeping responsibilities under its designated Secretary. Further, the Board of Directors should consider forwarding minutes, once approved, to the Recreation and Park Department as part of an ongoing contract monitoring process, as described in more detail in *Section 3: Management Agreement and City Oversight* of this report.

Limited Board Insight into Zoo Operations

The Board's ability to provide effective oversight and governance of SFZS was hindered by a lack of transparency and information-sharing from the former CEO between FY 2019-20 and FY 2024-25. According to interviews and our document review, the former CEO did not share accurate or complete materials of critical relevance to Zoo operations, such as the Zoo's 2007 Master Plan and complete Association of Zoos and Aquariums (AZA) accreditation reports, with the full Board of Directors. The Board's current policy manual does not establish clear expectations for Board committee structures, information-sharing practices, or staff support roles.

A former Board member reported to us that the former CEO declined to provide the Board with a copy of the 2007 Master Plan, even though we observed in meeting minutes that this document was routinely referenced in Board meetings regarding capital improvement updates. Additionally, this Board member told us that the Board was not provided with copies of the Zoo's AZA accreditation reports during this individual's decade-long tenure.⁶ This member reported requesting these materials from the former Chief Executive Officer but not having seen them as of May 2025, more than three years after the Zoo's most recent accreditation visit in 2022. In our review of Board meeting minutes and documentation between FY 2019-20 and FY 2024-25, we found no record of either the Master Plan or the complete AZA accreditation reports being formally shared with the full Board of Directors.

The former CEO's failure to provide key governance documents to the Board prevented the Board from fulfilling its management and oversight responsibilities and impaired its ability to exercise informed decision-making. The AZA accreditation reports are comprehensive evaluations of SFZS's operations and adherence to zoological standards and best practices. Because the information contained in the reports detail SFZS's overall compliance with AZA standards and identifies areas where improvements are needed, these reports are essential documents for SFZS

⁶ A May 2022 letter from the AZA Accreditation Commission to the SFZS CEO indicates a copy of the 2022 accreditation report was provided to the Chairperson of the SFZS Board of Directors. However, we did not see any documentation demonstrating that the accreditation report was shared with all members of the SFZS Board of Directors.

Board members to review in detail and formally discuss. Notably, as described in more detail in *Section 8: Workplace Culture, Organizational Structure, and New Leadership* of this report, the 2022 AZA Visiting Committee identified a significant workplace culture problem and lack of transparency at the Zoo, including a gap in communication between SFZS executive leadership and SFZS staff in 2022. The 2022 AZA Visiting Committee also described these issues and their negative effects in its narrative report. By not requiring the former CEO to provide a copy of the AZA report to the full Board of Directors, the Board allowed the CEO to obscure problems associated with her own performance and leadership, and the lack of transparency prevented the Board from fulfilling its oversight and management duties and taking action to remediate the problem. As we state in *Section 8: Workplace Culture, Organizational Structure, and New Leadership* of this report, workplace culture problems and significant staff dissatisfaction with leadership communication persisted until 2025.

This lack of transparency was inconsistent with SFZS's bylaws: Article 6.12 requires that officers make all SFZS records available to Board of Directors members at any time. Additionally, the Lease and Management Agreement specifically requires that SFZS adhere to the City-approved master plan and remain in good standing with permitting agencies like AZA. Failure to comply with these terms would warrant termination of the agreement by the City. We recommend that the SFZS Board of Directors implement measures to improve the transparency, reporting, and sharing of information between the Board and SFZS leadership. As part of a revised Board policy manual, the Board should adopt written protocols that define the responsibilities of Board committees and designated staff liaisons, including expectations for (a) routine distribution of key reports, performance indicators, and governance documents, and (b) centralized retention of materials used to support committee and Board deliberations.

Internal Policies Over 30 Years Old

The most recent SFZS Board of Directors internal policies that were provided to this audit team were approved in 1999, and most were approved prior to the 1993 Lease and Management Agreement more than 30 years ago. Board policies provide greater specificity than organizational bylaws, which only direct how the Board should conduct official business, and provide important support and guidance for Board members. Exhibit 6.2 below shows the age of the SFZS Board policy documents provided to the audit team.

Exhibit 6.2 SFZS Board Policies and Resolutions

Policy	Adoption
Fundraising	1980
Travel and Safari Tour Sponsorship	1980
Zoological Society Participation in Events	1980
Nominating Committee Policy	1985
Duties and Responsibilities of Trustees	1980
Use of Animals in Public Relations	1983
Donor Recognition Policy	1985
Anti-Discrimination Policy	1994
Acquisition Loan and Disposition Policy	1992
Selection Process of Community Representatives	1993
Joint Zoo Committee Bylaws	1993
Nondiscrimination Policy	1994
Conflict of Interest Statement	1994
Transportation Plan	1997
Policy for Naming Zoo Animals	1987
Corporate Sponsorship Policy	1999

Source: SFZS.

The Controller's Office guidance on best practices for a Board of Director's policy manual states that a manual should be both up-to-date and useful for supporting members to understand their roles and responsibilities in governance. However, the age of the SFZS Board policies, most of which predate the current governance relationship with the City, renders many of these policies or their contents obsolete and unhelpful for modern operations. For example, the 1992 Acquisition Loan and Disposition policy that outlines SFZS's approach to managing its animal collection is misaligned with current Association of Zoos and Aquariums (AZA) guidelines around animal transfer, as institutions no longer pay or get paid for transferring animals. Moreover, several SFZS Board policies include financial thresholds for donor plaques, SFZS participation in events, and fundraising goals that are benchmarked for the 1980s and 1990s.

A current, up-to-date Board policy manual would support Board members by providing guidance on members' roles and responsibilities, including their fiduciary and governance responsibilities. The Board of Directors could also consider developing and maintaining a skills matrix that maps members' skills, expertise, demographics, and connections to SFZS's organizational needs, which would assist the Board of Directors in identifying leadership gaps, guide targeted recruitment, and ensure SFZS has a diverse, experienced Board that is able to fulfil its oversight obligations. If the Board identifies ongoing gaps in recruitment, it could consider revising its annual giving requirements on a case-by-case basis.

As a condition of executing a new Lease and Management Agreement as discussed in *Section 3: Management Agreement and City Oversight*, the SFZS Board of Directors should adopt revised internal Board policies by December 31, 2026 and conduct reviews and revisions of Board policies at least every other year thereafter. The Board of Directors should reference the City's best practices on Board of Directors policy manuals when conducting these revisions. In addition to the specialized policies for zoo management, the Board should prioritize revising and developing policies on the following topics:

- A list of bylaws that define term limits, quorum, committee structures, and voting or decision-making processes;
- Policy on board members assisting with the raising of funds and annual giving;
- Board members' responsibilities for financial oversight, including reviewing financial statements and approving the annual budget;
- How board leadership positions are filled and how the board conducts active recruitment to fill vacancies; and
- Conflict of interest policy.

We recommend the General Manager of the Recreation and Park Department ensure these policies are revised as a condition of executing a renegotiated Lease and Management Agreement.

Conclusion

Between FY 2019-20 and FY 2024-25, the SFZS Board of Directors did not hold the former SFZS CEO accountable for transparency and document-sharing with the full Board, and in doing so allowed identified workplace culture and transparency problems at SFZS to persist for several years. The Board also did not consistently maintain meeting minutes of all committee meetings, and as a result the audit team was not able to verify that key Board oversight activities, such as the Finance Committee's review of SFZS's annual budget and regular monitoring of SFZS's financial condition, took place. While the Board has recently restructured its leadership and is in the process of implementing changes, the underlying policies and procedures that govern Board operations continue to be outdated and out of alignment with City expectations. The Board of Directors should take immediate steps to revise its internal policies to reflect modern operations and expectations.

Recommendations

The General Manager of the Recreation and Park Department should:

- 6.1 As a condition of negotiating and executing a new Lease and Management agreement, require the SFZS Board of Directors to revise its internal Board policies by December 31, 2026 to reflect the Zoo's current governance structure and practices and adhere the San Francisco Controller's standards for contracted nonprofit board policy manuals. When making these revisions, the Board of Directors should:
- a. Ensure revised policies establish a centralized system for recording and retaining meeting minutes for Board and committee meetings. The Board should further consider establishing a mechanism to share approved minutes for all committees with the Recreation and Park Department.
 - b. Establish annual performance reviews for all SFZS officers appointed by the Board.
 - c. Formalize committee structures with SFZS staff liaisons who have assigned performance measures and documentation sharing responsibilities from their respective departments at the Zoo.
 - d. Establish a policy to review and update the Board policy manual at least every two years.

Benefits and Costs

Implementation of the proposed recommendations would strengthen the governance and oversight of the Board of Directors and improve the Board's ability to manage SFZS appropriately and effectively. The proposed recommendations could be implemented with no additional costs to the City or SFZS, but would require Board of Directors time to revise and update Board policies.

7. Worker Safety

The San Francisco Zoological Society (SFZS) does not have current policies and procedures for developing and documenting safety risk assessments, documenting certain types of safety incidents, or overseeing the implementation of remediation plans to prevent recurrence of safety incidents. Existing SFZS incident and accident report forms do not require the person filling out the form to identify the individual responsible for remediation or corrective action, nor do they specify a timeline for completion. SFZS's current practices and processes rely on staff initiative, with no clearly defined responsibilities, oversight, or accountability mechanisms in place.

In January 2022, the Visiting Committee of the Association of Zoos and Aquariums (AZA) recommended that SFZS develop a written risk assessment for working and sharing space with dangerous animals, but SFZS was unable to provide documentation to our audit team demonstrating that it developed the recommended risk assessments. Further, animal staff have expressed frustration and dissatisfaction with both the process of reporting safety concerns and the resolution of those concerns. AZA guidelines state that all reasonable safety concerns should be thoroughly assessed and corrected. SFZS leadership should formalize the risk assessment process and modify internal safety incident procedures and forms to improve the documentation and oversight of remediation measures taken in response to major safety incidents at the San Francisco Zoo and Gardens.

Lack of Written Risk Assessments

The San Francisco Zoological Society (SFZS) has not developed a written risk assessment for working and sharing space with dangerous animals. In its Accreditation Narrative Report, the 2022 Association of Zoos and Aquariums (AZA) Visiting Committee stated that while the SFZS has safety protocols in place, it lacks documented risk assessments for areas where staff share space with potentially dangerous animals, specifically the Komodo dragon, steer,¹ Mexican gray wolves, and giraffes. The 2022 AZA Visiting Committee recommended that SFZS conduct a formal, documented risk assessment of at least these areas to ensure complete compliance with AZA standards.

However, SFZS was unable to provide our audit team with documentation demonstrating that it developed these risk assessments, as recommended by AZA. According to AZA, a risk

¹ SFZS no longer has a steer in its animal collection.

management plan should follow best practices to protect both humans and animals from injuries or diseases resulting from contact with one another. Additionally, according to the Zoo and Aquarium All Hazards Partnership,² a risk assessment should identify hazards, assess the likelihood of their occurrence, determine the institution's vulnerability to each hazard, and thoroughly examine the potential consequences. In this context, SFZS's FY 2020-23 Risk Management Plan briefly describes initiatives taken in response to COVID-19, site inspections, incident investigations, hazard prevention efforts, and insurance policies. However, the document does not include a formal risk assessment for sharing space with dangerous animals.

SFZS's string procedures, which outline the daily routines and diets for each animal, include safety protocols and reminders for the keepers. However, they do not identify or assess potential risks, nor do they include contingency plans for situations in which employees share space with the animals. Only the Savanna string procedures contain a description of the area-specific hazards, including animal-related, weather, chemical, and mechanical risks. However, it does not evaluate the likelihood of these hazards occurring or detail their potential consequences.

To comply with the AZA standard and enhance worker safety, we recommend that the SFZS Chief Executive Officer, the Executive Vice President of Animal Wellness, and the Director of Human Resources conduct a risk assessment according to AZA's guidelines by December 31, 2026, and establish a process for regular risk assessments and safety evaluations going forward.

Insufficient Documentation of Safety Incidents and Accidents

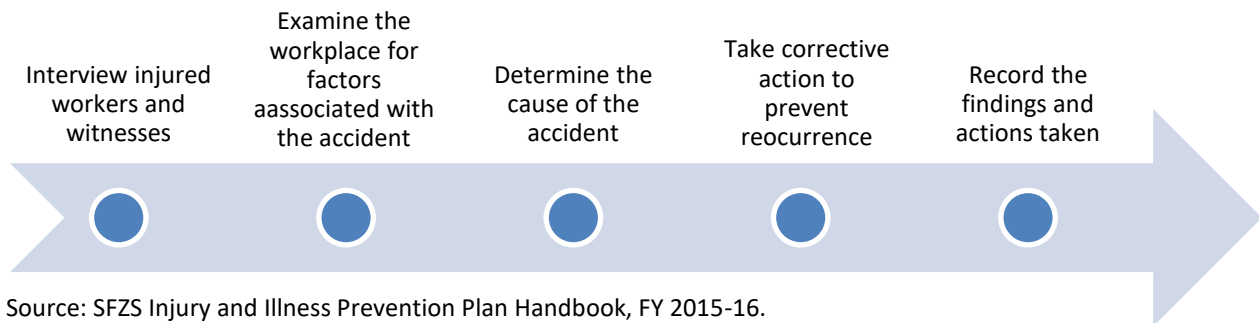
SFZS was unable to provide comprehensive documentation to our audit team demonstrating its investigation of and response to all types of safety incidents and accidents that occurred between FY 2019-20 and FY 2024-25. In response to our request for all incident reports from FY 2019-20 through FY 2024-25 recording safety issues and/or injuries related to staff, guests, and wildlife, and a list of all major incidents for the same period, SFZS only submitted guest incident/injury reports and workers' compensation claims. These reports did not include wildlife or staff safety incidents that did not result in injuries, such as an animal escape. After additional requests for information, SFZS provided our audit team with a few examples of supervisors' accident investigation reports and three reports submitted to AZA regarding incidents involving wildlife. Based on our review of the materials provided, we concluded that SFZS does not consistently

² The Zoo and Aquarium All Hazards Partnership (ZAHP) is an initiative funded by the United States Department of Agriculture to help institutions caring for exotic animals and wildlife enhance their preparedness and resiliency to hazards.

document safety incidents involving animals and/or workers that do not result in injuries, even though such incidents could indicate potential safety problems or concerns.

According to the SFZS Injury and Illness Prevention Plan (IIPP) Handbook, SFZS investigates accidents and implements corrective actions to prevent their recurrence. The procedure for investigating a workplace accident, according to the IIPP, is shown below in Exhibit 7.1.

Exhibit 7.1: Accident Investigations Procedure



Source: SFZS Injury and Illness Prevention Plan Handbook, FY 2015-16.

SFZS maintains various types of records to document different categories of incidents, as defined in the SFZS Policies and Procedures Manual and the IIPP Handbook. These records include incident/injury reports, workers' compensation claims, and supervisor's accident investigation reports (SAIRs). The type of documentation depends on who was involved and the severity of the event. In addition to its internal documentation, SFZS is also required by AZA to notify the institution and submit a written report on significant incidents, such as animal escapes or major injuries to employees or the public, when they occur. Exhibit 7.2 below outlines the types of incident reports, the groups covered, the parties responsible for completing each report, and the circumstances under which each report is generated.

Exhibit 7.2: SFZS Incident Reports

Report	Population Involved	Responsible Party	Description
Incident/Injury Reports	General public	Executive Vice President of Operations & Belonging	Incidents or injuries involving visitors and the public. Includes personal information about the victim, a narrative description, severity, nature of injury, and the action needed.
Workers' Compensation Claims	Employees with work-related illness/injury who decide to file a claim	Human Resources	Claims for injuries and illnesses that result in death, loss of consciousness, days away from work, restricted work activity, or medical treatment beyond first aid.
Supervisor's Accident Investigation Reports (SAIR)	Employees with work-related illness/injury	Direct supervisor	Supervisors are required to report all significant work-related injuries/illnesses within 24 hours. The SAIR includes the severity and nature of the injury, the parts of the body affected, the condition or work area, work behavior, safety equipment, and the corrective action needed.
Reports required by AZA	General public, employees, and animals	No formally defined responsibilities; could be Human Resources, Security, Animal Division, or Facilities, depending on the incident.	A written report must be submitted to AZA within 30 days explaining the circumstances and the corrective actions taken for the following types of incidents: • Significant staff or public injuries • Unusual animal death/injury • Animal mortality/morbidity events • Animal transport events • Animal escapes • Barrier breaches • Unintentional or unexpected sharing of space

Source: SFZS Policy and Procedure Manual (2005), SFZS Injury and Illness Prevention Plan Handbook (FY 2015-16), 2026 AZA Accreditation Standards and Related Policies (2026).

SFZS's IIPP Handbook instructs workers to "report all accidents and any near-miss incidents to your supervisor immediately, whether or not anyone is injured," but as shown in Exhibit 7.2 above, SFZS has no report that documents near-miss incidents or safety incidents that occur that do not result in injury, even though these types of incidents could indicate a safety problem and could still require corrective action to remediate the problem. While some of these non-injury safety incidents, such as an animal escape, could be included in the AZA-required reporting, not every incident will be significant enough to require reporting to AZA. As a result, SFZS does not consistently document events involving animals and/or workers that do not lead to injuries, even when such incidents indicate potential safety concerns. If these events are not documented, SFZS

cannot ensure that all necessary corrective action is taken and the safety risk is adequately addressed.

We recommend that by July 1, 2026, the SFZS Chief Executive Officer, Executive Vice President of Animal Wellness, and Director of Human Resources update the SFZS Policy and Procedure Manual and Injury and Illness Prevention Plan Handbook to include a policy to document and report incidents that do not result in injury but present a safety concern to ensure comprehensive documentation of and response to all incidents that could pose a safety risk.

SFZS Does Not Track Major Incidents

SFZS does not systematically track or keep a record of all major safety incidents, even though as noted above SFZS is required to report these incidents in writing to AZA when they occur. The SFZS Risk Management Plan states that “the Human Resources Department tracks all accident reports and maintains month-to-month and year-on-year statistics to measure progress against goals and to uncover trends.” However, SFZS management was unable to provide us with a comprehensive list of major safety incidents over the last five years when we requested it. Instead, SFZS provided (a) a database of all incident/injury reports, which report only public-facing incidents as well as minor incidents like trip-and-falls or property damage, and (b) workers’ compensation data. These reports did not include employee-related safety incidents or safety incidents that did not result in an injury, such as the grizzly bear incident described below.

Case Study: 2023 Grizzly Bear Incident

In May 2023, an animal keeper and a grizzly bear unintentionally shared space when the bear entered the keeper’s area after exiting its primary containment area. The bear was returned to its primary containment area without any human or animal injuries; however, this unintentional sharing of space was a major safety incident that could have resulted in significant injury to or the death of either the animal keeper or the bear or both. Although SFZS leadership stated that an investigation was conducted for this incident, the only related documentation shared with the audit team was (a) an internal email and informal write-up, and (b) a report submitted to AZA more than a year after the incident occurred. The internal email, dated July 18, 2023, outlines certain corrective actions that were taken, and the undated write-up, which lacks an author, describes additional corrective actions. Neither document specifies timelines or clearly identifies individuals responsible for implementing and overseeing the corrective actions.

Additionally, SFZS submitted a report on the grizzly bear incident to AZA; however, the letter is dated August 8, 2024, more than a year after the incident occurred. This delay is notable given AZA’s requirement that institutions submit a written report “within thirty (30) days explaining what happened and noting what corrective actions are being taken by the institution as a result.”

Further, while the report explains the remedial measures SFZS took in response to the incident, it does not describe a timeline, deadlines, or internal oversight mechanisms for those actions to ensure they were implemented correctly and in a timely manner. As a result, it is not possible to assess the timeliness or effectiveness of the SFZS's response to this major safety incident.

To ensure all types of major incidents are adequately documented in the future and that SFZS reports major incidents within the timeframe established by AZA, we recommend that by July 1, 2026, the Chief Executive Officer, Executive Vice President of Animal Wellness, and Director of Human Resources modify all internal incident reporting forms to indicate whether the incident qualifies as a major safety incident. Additionally, they should update the SFZS Policy and Procedure Manual to include a process for tracking and reporting all types of major safety incidents and their remediation plans, including the parties responsible for investigating and documenting the incident.

Lack of Oversight and Accountability in the Implementation of Corrective Actions

There are currently no defined timelines or oversight processes to ensure that corrective actions in response to reported safety incidents are implemented effectively and in a timely manner. While the Supervisor's Accident Investigation Report includes sections for documenting corrective actions and related comments, it does not provide space to establish timelines or assign responsibility for follow-up and verification of the satisfactory implementation of these corrections. For example, in the case of the grizzly bear incident mentioned above, there was no documented timeline or designated individual responsible for ensuring that corrective actions were implemented promptly and sufficiently.

Further, although SFZS has a Safety Committee, it does not provide oversight or accountability for the implementation of corrective actions. The Committee functions in an operational capacity and focuses on drills and safety trainings. The Committee periodically discusses safety concerns when they are raised, but does not routinely review incidents, corrective actions, or follow-up procedures. Similarly, while the Human Resources Department participates in incident investigations, it does not oversee the implementation or execution of corrective actions. As a result, there is a lack of accountability and oversight to ensure corrective actions are implemented adequately and on time to prevent similar incidents in the future.

We recommend that the Chief Executive Officer, Executive Vice President of Animal Wellness, and Director of Human Resources update the SFZS Policy and Procedure Manual to include a process for tracking and reporting all types of major safety incidents and their remediation plans

by July 1, 2026. The policy should specify which parties are responsible for investigating and documenting all types of incidents, guidelines for developing remediation plans (for example, timelines and responsible parties), and establishing oversight mechanisms (for example, the Safety Committee, the Safety and Security Team, or Human Resources) for ensuring that the remedial actions are implemented.

Dissatisfaction with Safety Concerns Reporting and Resolution

According to SFZS employee focus groups facilitated by our audit team and a survey conducted by our audit team,³ some SFZS employees are dissatisfied with both the process for reporting safety concerns and the resolution of those concerns. There are two main mechanisms for employees to raise safety concerns at SFZS. The first way is through the organizational chain of command: according to SFZS management, staff report safety concerns by initially speaking with their supervisor and Human Resources and escalating the issue as necessary. The second method, specifically for facilities-related safety concerns, involves submitting a work order through SFZS's work order software system to communicate facilities maintenance needs to the maintenance team (see *Section 4: Maintenance and Facilities* of this report for further discussion). Additionally, staff may raise safety concerns through their representatives on the Safety Committee, although they are instructed to first follow the organizational chain of command.

Several staff expressed dissatisfaction with both reporting pathways during the focus groups, and staff stated that they feel their worker safety concerns are often not addressed or resolved in a timely manner. Staff reported that as a result, they rely on submitting animal wellness concerns with the help of the Wellness Department to escalate safety concerns. However, wellness concerns are intended to address issues related to animal well-being, not staff safety (although there may be overlap in some circumstances). Staff reported using this alternative when the regular channels were ineffective in addressing their concerns.

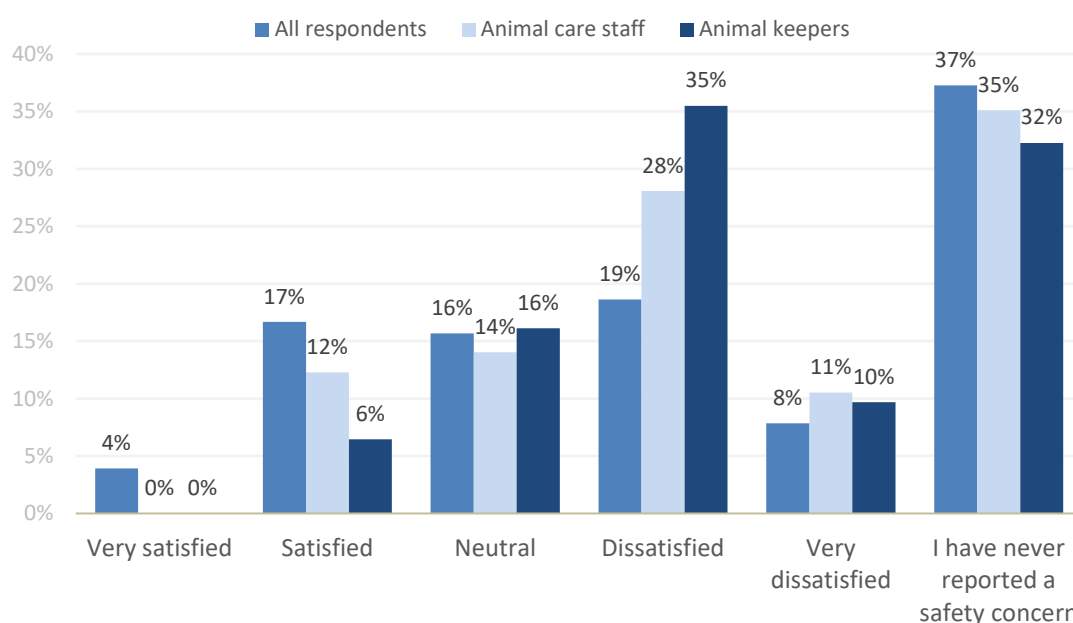
Our staff survey results show that animal keepers and animal care staff⁴ feel particularly dissatisfied with both the process for reporting safety concerns and the resolution of those concerns. Exhibit 7.3 below shows that only four percent of all survey respondents are very satisfied with the reporting process, 17 percent are satisfied, 16 percent are neutral, 19 percent are dissatisfied, and 8 percent are very dissatisfied. These figures are more concerning among

³ See *Appendix D: Focus Groups and Survey Methodology* for additional detail on the focus groups and survey methodology.

⁴ For the purposes of this report, we consider animal care staff to include all roles that work with animals directly or in a supportive capacity, including keepers, curators, veterinarians, nutrition staff, researchers, and others.

animal care staff and animal keepers. None of the animal care staff or animal keepers reported being very satisfied with the process to report a safety concern, and 39 percent of animal care staff and 45 percent of animal keepers reported being dissatisfied or very dissatisfied. Survey results regarding the resolution of safety concerns closely mirror those related to the reporting process.⁵

Exhibit 7.3: Satisfaction with the Process to Report a Safety Concern



Source: SFZS staff survey (conducted by BLA).

We recommend that beginning on July 1, 2026, the Director of Human Resources conduct regular anonymous staff surveys to measure employee satisfaction with both the mechanisms for reporting safety concerns and the resolution of those concerns. This staff survey may be combined with the staff survey recommended in *Section 8: Workplace Culture, Organizational Structure, and New Leadership* of this report. Additionally, the audit team has provided recommendations to improve the maintenance work order system’s guidelines and protocols (see *Section 4: Maintenance and Facilities Condition* of this report) and to establish timelines and accountability mechanisms for addressing safety concerns (see *Section 8: Workplace Culture, Organizational Structure, and New Leadership* of this report). If fully implemented, these

⁵ The survey included two questions about safety concerns: (i) satisfaction with the process for reporting safety concerns and (ii) satisfaction with the resolution of those concerns. Because the responses were very similar, we reported only the results for satisfaction with the reporting process.

recommendations should improve employee satisfaction with safety reporting mechanisms and resolutions and should help ensure that safety concerns are addressed promptly and effectively. However, by July 1, 2027, we recommend that the Director of Human Resources evaluate whether those changes are sufficient or if further changes are necessary to strengthen the process for reporting and resolving safety concerns and improve employee satisfaction with these processes. Evaluation results and additional remediation steps, if necessary, should be reported to the SFZS Board of Directors.

Fire Alarms

In January 2022, the AZA Accreditation Visiting Committee noted that several animal holdings lacked fire alarms. In response, SFZS installed 36 Nest Protect smoke/carbon monoxide detectors on San Francisco Zoo grounds. These detectors are managed in the Nest app by 13 staff members who have been trained and have access to the app on their devices. However, the training has been conducted only once, and there is no schedule for recurring training to account for staff turnover and ensure all relevant staff have appropriate access and understand its functionality.

We recommend that by July 1, 2026, the SFZS Vice President of Technology establish a recurring training schedule for staff on monitoring fire alarms using the Nest app, and review and update the list of staff members with app access to reflect personnel changes (e.g., staff departures and new hires).

Conclusion

SFZS's current safety-related policies and procedures do not cover developing and documenting safety risk assessments, documenting incidents without injuries, or overseeing the implementation of remediation plans to prevent recurrence of safety incidents. The current practices and processes rely on staff initiative, with no clearly defined responsibilities, oversight, or accountability mechanisms to ensure that necessary risk assessments are conducted and that remedial actions are promptly implemented when needed.

Because of insufficient documentation, tracking major safety incidents and their remedial actions is challenging. SFZS produces several types of incident or accident reports, but these reports do not cover all safety incidents that occur at the Zoo, especially those without injuries but that still pose a safety risk. Overall, there is insufficient documentation to demonstrate that necessary corrective measures in response to all safety incidents were implemented in a timely manner.

Finally, a significant portion of animal care staff have expressed dissatisfaction with the current process for reporting safety concerns and the resolution of those concerns. Our audit team has

provided recommendations in *Section 4: Maintenance and Facilities Condition* and *Section 8: Workplace Culture, Organizational Structure, and New Leadership* that should improve SFZS's ability to address staff safety concerns and overall employee satisfaction. However, moving forward, the Human Resources Department should evaluate whether those improvements are sufficient or if further changes to the reporting process are needed.

Recommendations

The SFZS Chief Executive Officer, Executive Vice President of Animal Wellness, and Director of Human Resources should:

- 7.1 Conduct a safety risk assessment according to AZA's guidelines by December 31, 2026, and establish a process for regular risk assessments and safety evaluations going forward.
- 7.2 By July 1, 2026, update the SFZS Policy and Procedure Manual and Injury and Illness Prevention Plan Handbook to include:
 - a. A policy to document and report incidents that do not result in injury but present a safety concern.
 - b. A process for tracking and reporting all types of major safety incidents and their remediation plans. The policy should specify which parties are responsible for investigating and documenting all types of incidents, guidelines for developing remediation plans (for example, timelines and responsible parties), and establishing oversight mechanisms (for example, the Safety Committee, the Safety and Security Team, or Human Resources) for ensuring that the remedial actions are implemented.
- 7.3 By July 1, 2026, modify all internal incident reporting forms to require employees filling out the form to indicate whether the incident is a major safety incident, whether remediation or corrective action is required, the individual responsible for developing and executing corrective actions, and the timeline for the corrective action.

The SFZS Director of Human Resources should:

- 7.4 Beginning on July 1, 2026, conduct regular (annual or biannual) anonymous staff surveys to assess satisfaction with both the mechanisms for reporting safety concerns and the resolution of those concerns. Survey results should be reported to the SFZS Board of Directors. This survey may be combined with the staff survey recommended in Section 8 of this report.

- 7.5 By July 1, 2027, evaluate whether improvements in the maintenance work order system and workplace culture have enhanced the process and resolution of safety concerns and improved employee satisfaction with these processes, or if further changes to the reporting mechanisms are necessary. Evaluation results and additional remediation steps, if necessary, should be reported to the SFZS Board of Directors.

The SFZS Vice President of Technology should:

- 7.6 By July 1, 2026, establish a recurring training schedule for staff on monitoring fire detectors using the Nest app. Additionally, review and update the list of staff members with app access to reflect personnel changes (e.g., staff departures and new hires). The training should include a walkthrough of the app to ensure all relevant staff have appropriate access and understand its functionality.

Benefits and Costs

Implementing the proposed recommendations would help ensure that SFZS appropriately conducts and documents risk and safety assessments and maintains complete records for all incidents. Additionally, the recommendations would improve oversight and accountability in implementing remedial actions and would also likely improve satisfaction among animal care staff with the process and outcomes of safety concern resolution. More broadly, these recommendations should improve overall workplace safety conditions and reduce the likelihood of preventable staff injuries.

Many of the recommendations require a one-time investment of staff time to review and update the SFZS Policy and Procedure Manual, the Injury and Illness Prevention Plan Handbook, and the incident reporting forms. Activities such as conducting and documenting risk and safety assessments will demand periodic staff time when these activities occur. Finally, training and anonymous staff surveys will require staff time on a biannual or annual basis to develop, analyze, and present the results of the survey.

8. Workplace Culture, Organizational Structure, and New Leadership

In interviews, focus groups, and an employee survey, San Francisco Zoological Society (SFZS) staff expressed widespread significant dissatisfaction with the communication and transparency under the previous SFZS leadership, and high numbers of staff reported experiencing and witnessing favoritism, retaliation, and/or discrimination. Despite the clear, explicit identification of a communication and culture problem by the Association of Zoos and Aquariums (AZA) Visiting Committee in 2022, there is no evidence that former SFZS leadership took meaningful action to address these issues between 2022 and 2025. The perceived retaliation, favoritism, and lack of communication and transparency all contributed to a widespread view among staff that SFZS has a toxic work environment. Relatedly, SFZS leadership repeatedly restructured its senior leadership team multiple times without clear documentation or alignment between responsibilities and professional qualifications, which contributed to many employees' expressed sentiments of discrimination and favoritism.

Staff reported an overall more positive and optimistic perception of the new SFZS leadership and noted that it is more open, communicative, and proactive than the previous leadership. However, repairing the workplace culture and rebuilding trust will require time and sustained effort from SFZS leadership, and SFZS should implement several initiatives to improve workplace culture and accountability. These include quarterly all-staff meetings to enhance communication, updated job descriptions, and a comprehensive staffing review. The Human Resources Department should also establish timelines for addressing workplace concerns, revise and implement the Strategic Communication Plan, provide leadership training for middle managers, and launch regular anonymous staff surveys.

Workplace Culture

As part of our audit fieldwork, we conducted individual interviews with San Francisco Zoological Society (SFZS) employees, multiple employee focus groups, and an employee survey to hear directly from SFZS staff about workplace culture and the employee experience at the San Francisco Zoo and Gardens (San Francisco Zoo). In October 2025 we held five employee focus groups with a total of 27 participants, and in November 2025 we conducted an employee survey that received 102 responses, or 44 percent of SFZS employees. Participation in both the focus groups and the employee survey was voluntary and open to all SFZS employees. *Appendix D:*

Focus Groups and Survey Methodology contains more information about our survey methodology.

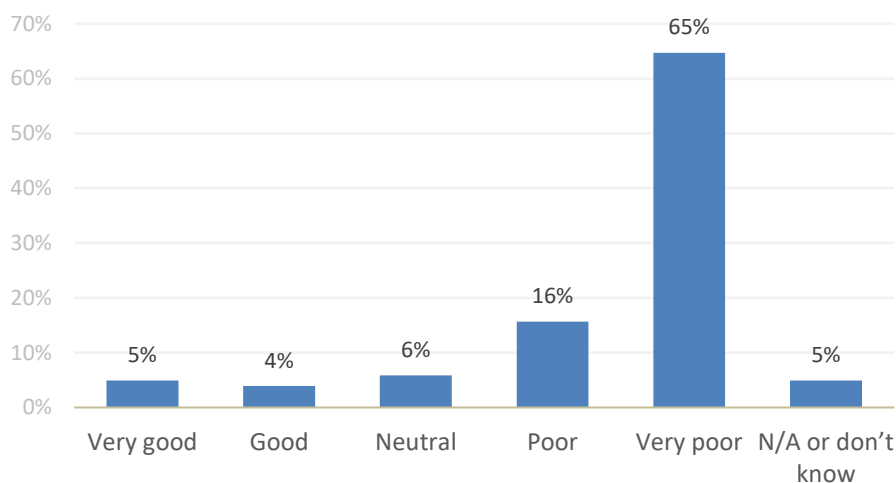
Workplace Culture and Communication Under Previous Leadership

Multiple staff members reported to our audit team their perception that there was minimal and poor communication under previous SFZS leadership. According to staff who participated in the focus groups, previous leadership used a top-down communication approach in which staff were not included or consulted on decisions, even ones that had significant, direct impact on Zoo operations such as new animal acquisitions or exhibit design. For example, in the case of the Madagascar Center development, animal care staff reported that they were not consulted during the design process. As a result, the exhibit was initially unsuitable for housing certain animals and required immediate retrofitting. According to staff, the exhibit lacked heaters and contained pools that were too deep, posing a drowning risk for the animals.

Multiple staff stated to our audit team that there was a lack of transparency from SFZS leadership, and staff reported often hearing about Zoo updates through the media or external sources rather than from leadership. All the focus groups we held with SFZS staff as part of this audit shared similar sentiments about the previous leadership and staff used terms such as “toxic,” “dictatorship,” or “them vs. us” to describe the former workplace culture. Staff also expressed to our audit team that they were unfamiliar with leadership’s strategic plan or the long-term vision for the Zoo.

The results of our staff survey were similar to the sentiments expressed in the focus groups. As Exhibit 8.1 shows below, 65 percent of survey respondents described communication and workplace culture as “very poor” under the previous SFZS Chief Executive Officer (CEO), and another 16 percent described it as “poor.” Only four percent and five percent of respondents rated it as good and very good, respectively.

Exhibit 8.1: Communication and Workplace Culture Under Previous CEO



Source: SFZS staff survey (conducted by BLA).

Concerns raised by 2022 AZA Visiting Committee

The Association of Zoos and Aquariums (AZA) Visiting Committee identified similar problems with communication and workplace culture at SFZS in 2022. In the narrative report from its most recent accreditation visit in 2022, the Visiting Committee wrote that, “there appears to be a significant gap in communication from the executive level throughout rest of the staff, and a lack of transparency of zoo operation decision-making to staff,” which the Visiting Committee noted contributed to frustration and mistrust among staff. In a separate cover letter addressed to the AZA Accreditation Commission, the 2022 Visiting Committee stated that there was “a clear and pervasive culture of fear among all levels of staff related to the risk of retribution” from SFZS executive leadership. When the AZA Visiting Committee presented its concerns about communication to SFZS executive leadership, the cover letter stated that leadership “responded in ways that made it clear that they view communication as a top-down, one-way channel,” and that there was “no recognition or indication of the importance of hearing from staff, seeking their feedback or input, or facilitating broad awareness of what’s happening at the zoo now and into the future.”

Despite the clear, explicit identification of a communication and culture problem in 2022 by AZA, there is no evidence that SFZS former leadership took meaningful action to address these issues between 2022 and 2025. In response to the concerns raised by the AZA Visiting Committee, SFZS developed a Strategic Communication Plan that included:

- All-staff meetings conducted by the CEO and senior management
- Division and department staff meetings

- Quarterly meetings to welcome new employees
- Dedicated meetings for the CEO and senior management
- A dedicated space in the employee portal for direct communication from the CEO, including video recordings
- Implement a buddy system to support mentoring and knowledge sharing among employees.

The plan aimed to create a safe forum for employees to share ideas, concerns, and complaints; enable managers to foster open communication and feedback; and promote mentoring among staff. However, we were unable to find any evidence demonstrating that the communications plan was implemented. The current Human Resources Department was unaware of the Strategic Communication Plan when we asked about its implementation during our audit fieldwork.

As discussed in more detail later in this section, many SFZS employees reported to our audit team a more positive perception of SFZS's new leadership, noting that it is more open, communicative, and proactive than the previous leadership. However, as shown in Exhibit 8.11 later in this section, communication is still the largest challenge identified by SFZS employees who responded to our staff survey. We recommend that by July 31, 2026, the SFZS Chief Executive Officer and Director of Human Resources review the 2022 Strategic Communication Plan, make necessary revisions to make the plan current and comprehensive, and implement the updated plan upon approval by the SFZS Board of Directors. The revised plan should include measurable metrics and outcomes that can be periodically assessed to evaluate staff perceptions and satisfaction with the workplace environment, and whether efforts to improve communication have resulted in meaningful improvement in employee sentiment.

Lack of Trust in Existing Reporting Channels and Retaliation

Staff also expressed to our audit team a lack of trust in the existing channels for reporting and addressing workplace concerns (such as facility-related issues, safety concerns, discrimination or favoritism, retaliation, or animal well-being concerns) and the perception that these channels are often ineffective. SFZS procedure is that employees follow the chain of command when raising workplace concerns, starting with their direct supervisor, then the Human Resources Department, and finally SFZS's anonymous hotline, which is intended to allow staff to report concerns anonymously. However, animal keepers reported in the focus groups that their concerns are often not addressed by either their supervisors or Human Resources. Staff also reported a lack of trust in the hotline, as it was previously not independent.

In focus groups, surveys, and one-on-one meetings with our audit team, SFZS staff expressed dissatisfaction with the Human Resources Department's handling of workplace issues and

investigations. Staff also reported a lack of trust in the Department and described it as unhelpful in addressing their concerns. The Human Resources Department was only able to provide limited documentation of workplace investigations and the results and corrective actions taken. Consequently, we were not able to assess the timeliness or appropriateness of the Department's responses.

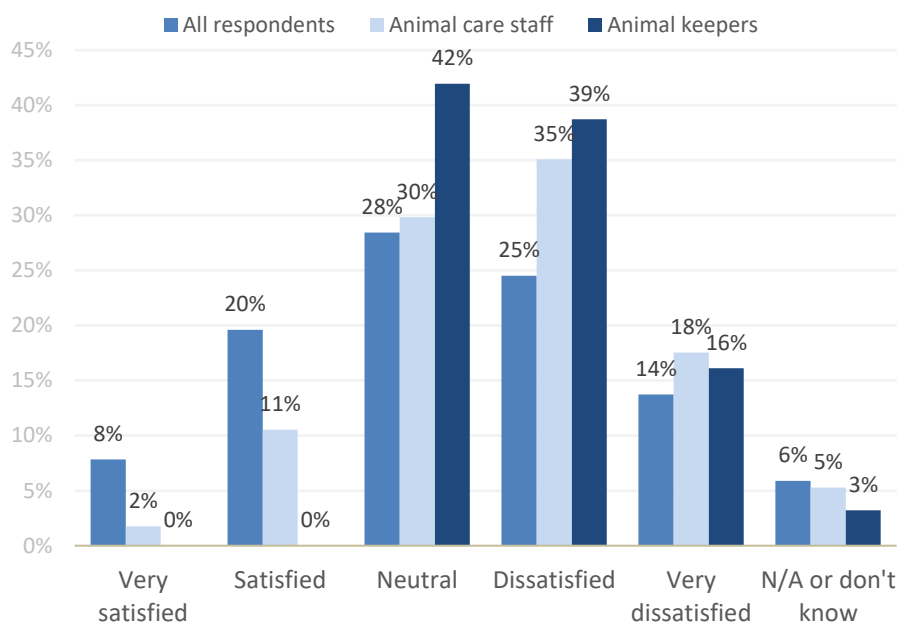
Staff reported that as a result, they have resorted to escalating issues through alternative channels, most commonly by submitting animal wellness concerns. However, animal wellness concerns are intended only for animal-related issues, making them an inappropriate channel for reporting matters unrelated to animal wellbeing (although there may be overlap for some types of concerns, such as a facility issue that could impact animal wellness). Nevertheless, several animal care staff reported using this mechanism when they felt their concerns were not adequately addressed through other channels.

Our survey of SFZS staff confirmed that there is a high level of dissatisfaction with SFZS's reporting channels. As Exhibit 8.2 shows below, 39 percent of all respondents reported being dissatisfied or very dissatisfied with the mechanisms available for reporting and addressing workplace concerns. Meanwhile, 28 percent were neutral, and 28 percent expressed satisfaction or strong satisfaction. These figures are more concerning when focusing specifically on animal care staff. Among animal keepers,¹ none reported being satisfied with the reporting channels, 42 percent were neutral, 39 percent dissatisfied, and 16 percent very dissatisfied. Overall, among animal care staff,² only 13 percent felt satisfied or very satisfied, while more than 50 percent reported being dissatisfied or very dissatisfied.

¹ Sixty-two percent of animal keepers participated in the survey.

² All roles that work with animals directly or in a supportive capacity, including keepers, curators, veterinarians, nutrition staff, researchers, and others.

Exhibit 8.2: Satisfaction with the Channels Available to Report Workplace Concerns

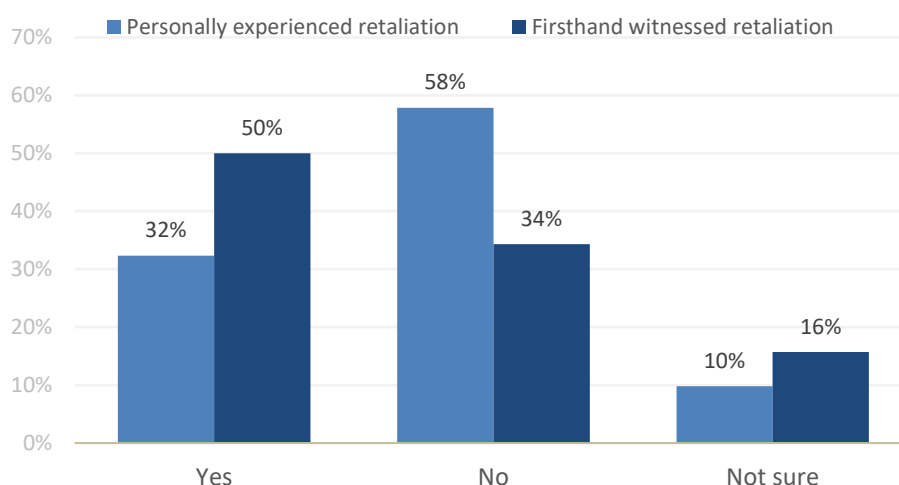


Source: SFZS staff survey (conducted by BLA).

Further, several staff members reported to our audit team that retaliation was common under previous SFZS leadership and that it remains an issue even after the change in leadership. Despite the confidentiality and non-retaliation clauses outlined in the 2008 SFZS Whistleblower Policy within the SFZS Policies and Procedures Manual, concerns submitted through the hotline were reviewed by Human Resources and staff reported that these concerns often led to retaliatory actions. Although animal wellness concerns can be submitted anonymously, some staff stated to our audit team that they now choose to include their names on report forms so they can formally document their complaints if retaliation occurs.

As Exhibit 8.3 shows below, 32 percent of survey respondents reported personally experiencing retaliation when reporting workplace concerns, such as safety or animal welfare concerns, harassment, or discrimination, and 50 percent reported personally witnessing retaliation.³

³ The survey question regarding witnessing retaliation specified to report only direct firsthand observations and not hearsay.

Exhibit 8.3: Employee Experiences and Observations of Retaliation

Source: SFZS staff survey (conducted by BLA).

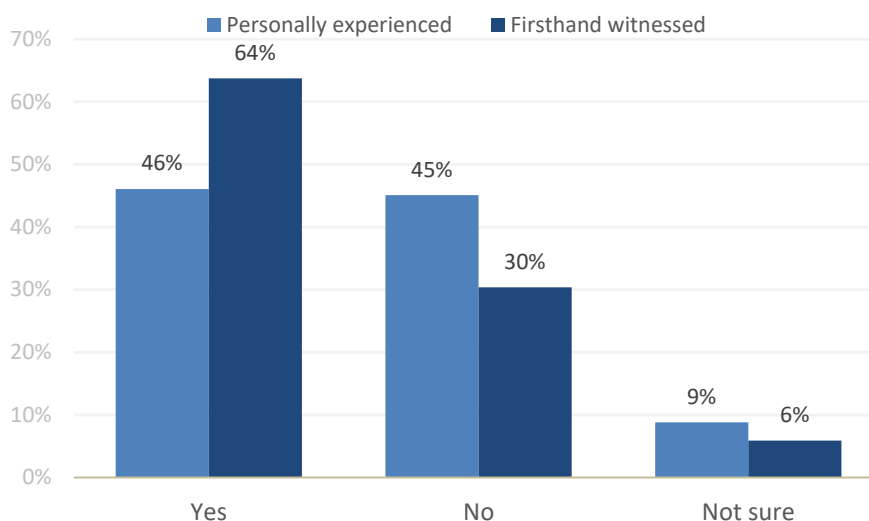
Discrimination and Favoritism

In both focus groups and the survey, many staff reported experiencing favoritism and discrimination while working at SFZS. Despite the 2006 Equal Opportunity Employer policy in the SFZS Policies and Procedures Manual, staff reported their perception that previous leadership often promoted selected staff based on favoritism rather than merit. Several employees mentioned that former leadership would prioritize “loyalty” and award management and leadership positions as rewards, rather than using standardized criteria for promotions. As discussed in more detail later in this report section, SFZS’s current Employee Handbook, which is dated 2002, and the Policies and Procedures Manual both lack formal, documented criteria for promotion or advancement to and between management roles.

Gender discrimination was mentioned specifically by some focus group participants and other SFZS staff we interviewed. As of March 2025, all leadership positions directly reporting to the Chief Executive Officer (Vice Presidents, Executive Vice Presidents, Deputy Directors, and Chiefs) were filled by men. During the focus groups, some female animal keepers also reported a barrier to participating in spaces such as the Safety Committee because they felt only men would be chosen as the keepers’ representatives.

As shown in Exhibit 8.4 below, 46 percent of staff survey respondents reported personally experiencing favoritism, discrimination, or harassment, and 64 percent reported witnessing⁴ such behavior in the workplace.

Exhibit 8.4: Experiences or Observations of Favoritism, Discrimination, or Harassment



Source: SFZS staff survey (conducted by BLA).

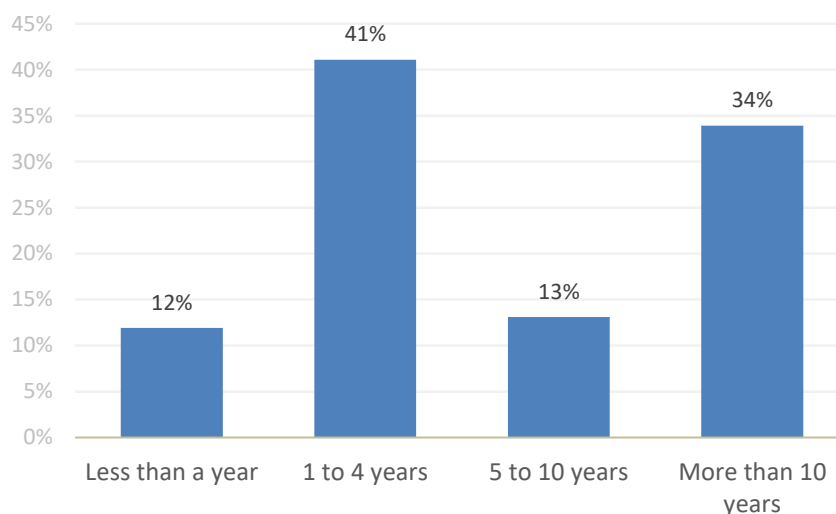
Given the high number of staff who have responded that they have experienced or observed retaliation, favoritism, discrimination, and/or harassment, we recommend that SFZS establish formal timelines and procedures for investigating and documenting cases related to retaliation, discrimination, and harassment by July 31, 2026. These timelines and procedural steps should be documented and incorporated into the SFZS Policies and Procedures Manual to ensure all staff understand the process and expected timeline. Additionally, we recommend that SFZS establish a formal accountability mechanism to ensure that all reported workplace concerns are appropriately addressed and resolved. To assess workplace culture and staff satisfaction, we recommend that beginning on July 1, 2026, the SFZS Director of Human Resources conduct regular (annual or biannual) anonymous staff surveys to evaluate employee satisfaction with supervisors, workplace culture, reporting mechanisms, and concern resolution. The survey results should be reported to the SFZS Board of Directors. This staff survey may be combined with the staff survey recommended in *Section 7: Worker Safety* of this report.

⁴ The survey question specified to report only direct, firsthand observations and not hearsay.

Work Environment and Turnover

Despite staff concerns related to workplace culture, SFZS has long employee tenure among regular full-time and part-time employees. As Exhibit 8.5 shows below, 34 percent of full- and part-time employees have worked at SFZS for more than 10 years, and 13 percent for five to 10 years. About half of the staff have worked at SFZS for four years or less: 41 percent for one to four years, and only 12 percent for less than a year.

Exhibit 8.5: Full- and Part-Time Employee Tenure at SFZS

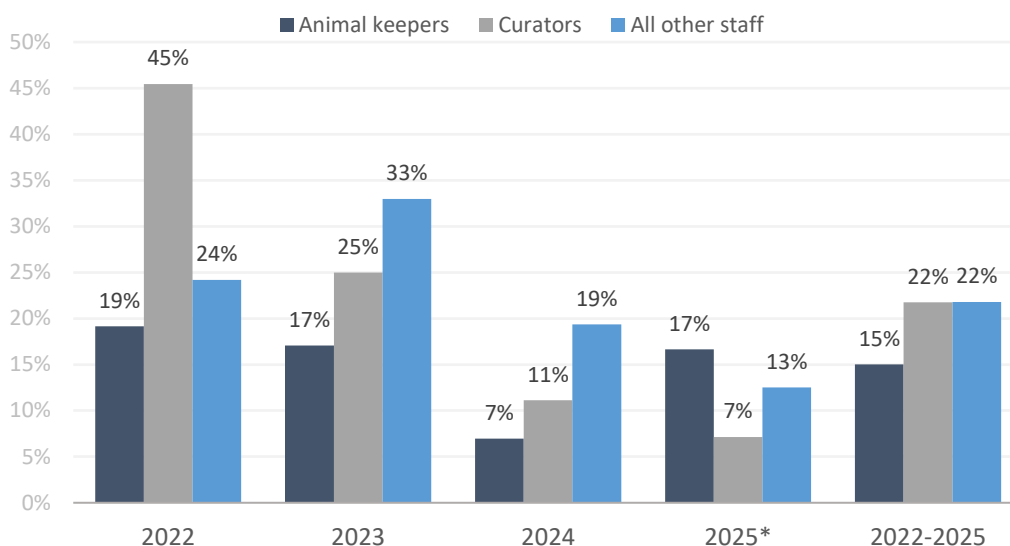


Source: SFZS employee list as of October 14, 2025.

However, there has also been high turnover, especially in certain departments and job positions. Notably, 20 members of the leadership staff⁵ have departed SFZS since 2019. As shown in Exhibit 8.6 below, from 2022 to October 2025, the average turnover rate for animal keepers was 15 percent, for curators was 22 percent, and for all other SFZS staff was 22 percent. Curators had a significantly high turnover rate in 2022 at approximately 45 percent. We identified three curator positions that turned over multiple times between 2022 and 2025, including the Assistant Curator of the Animal Rescue and Conservation Center position (three employees), the Assistant Curators of Carnivores position (two employees), and the Assistant Curator of Invertebrates and Conservation position (two employees).

⁵ Including the following positions: Chief Executive Officer, Chief Financial Officer, Executive Vice President, Vice President, and Director.

Exhibit 8.6: SFZS Employee Turnover Rates 2022-2025



Source: SFZS budgeted personnel 2022-2024; Employees list as of October 14, 2025; Terminations report from 1/1/2019 - 09/30/25.

(*) Data as of September/October 2025.

Organizational Structure Changes and Insufficient Position Requirements

Between FY 2019-20 and FY 2023-24, the senior leadership structure at SFZS changed each year, often introducing additional layers of management, but neither SFZS's Employee Handbook nor the Policies and Procedures Manual has formal, documented criteria for promotion or advancement to and between management roles. Additionally, SFZS was unable to provide job descriptions for all senior leadership positions that existed between FY 2019-20 and FY 2023-24, and not all the job descriptions that we were able to review require measurable experience and a secondary education degree.

Multiple Changes in Senior Leadership Structure

We requested job descriptions of all senior leadership positions between FY 2019-20 and FY 2023-24, but SFZS was only able to provide job descriptions for select Vice President (VP) positions and one Executive Vice President (EVP) position. There was no documentation differentiating between the titles of Vice President and Executive Vice President of Development, and no job description was available for several leadership positions listed (denoted with an asterisk) in Exhibit 8.7 below. Due to the lack of comprehensive documentation, the SFZS senior leadership structure reported in Exhibit 8.7 below is based on our review of SFZS's annual IRS

Form 990s filings, which include a list of SFZS's officers, key employees, and the highest compensated employees.

Exhibit 8.7: Senior Leadership Structure at SFZS, FY 2019-20 to FY 2023-24

FY 2019-20	President	CEO*
	Officers	Chief Financial Officer*, Deputy Director*
	EVPs	Human Resources,* Wellness & Animal Behavior,* Philanthropy,* Operations
FY 2020-21	President	CEO*
	Officers	Chief Financial Officer*
	EVPs	Human Resources,* Wellness & Animal Behavior,* Philanthropy,* Operations
	Other	Development & Membership Specialist*
FY 2021-22	President	CEO*
	Officers	Chief Financial Officer*
	EVPs	Human Resources,* Wellness & Animal Behavior,* Philanthropy,* Operations
	Other	Director of Development*
FY 2022-23	President	CEO*
	Officers	Chief Financial Officer*
	EVPs	Human Resources & Deputy Director,* Philanthropy*
	VPs	Education & Community Engagement
	Other	Medical & Animal Wellness Director,* Director of Development*
FY 2023-24	President	CEO*
	Officers	Chief Financial Officer*
	EVPs	Human Resources & Deputy Director,* Animal Care & Wellness, Philanthropy,* Guest Services & Guest Connections
	Other	Director of Advancement*

Source: IRS Form 990, Section A. Officers, Directors, Trustees, Key Employees and Highest Compensated Employees. FY 2023-24 is the most recent Form 990 available.

(*) Denotes positions for which SFZS could not provide a job description. While SFZS did not provide the audit team with a job description for the CEO or the Chief Financial Officer, the SFZS bylaws do include high-level descriptions of the duties and responsibilities of these positions.

As shown in Exhibit 8.7 above, the senior leadership structure at SFZS changed each year between FY 2019-20 and FY 2023-24. According to some staff who participated in the focus groups, this frequent organizational restructuring created uncertainty among staff regarding reporting relationships, role definitions, and decision-making authority. SFZS's current Employee Handbook, dated 2002, and the Policies and Procedures Manual both lack formal, documented criteria for promotion or advancement to and between management roles. While both documents include Equal Employment Opportunity protections, stating that SFZS seeks the best

available candidate, makes employment decisions based on merit, and prohibits discrimination, they do not provide specific guidelines for advancement. The Employee Handbook outlines a performance planning and feedback process, which includes annual performance plans and quarterly reviews. These plans are intended to establish objectives and assess competencies such as communication, interpersonal relationships, guest relations, and leadership. Although this framework provides a basis for evaluating employee performance, there is no defined process or criteria specifying what is required for promotion (e.g., a scoring system and minimum required scores).

Deficient Job Position Requirements

Despite the frequent changes in management structure, SFZS did not have job descriptions for many senior leadership positions as shown in Exhibit 8.7 above. Of the senior leadership job descriptions SFZS was able to provide to the audit team for review, one position (the Vice President of Animal Care) notably lacks (a) measurable experience in the required job functions and (b) a degree from secondary education, both of which are specified for all other senior leadership positions with available job descriptions. Exhibit 8.8 below summarizes the required experience and education for SFZS senior leadership positions with available job descriptions.

Exhibit 8.8: Required Experience and Education for Senior Leadership

Role	Reports to*	Years of Experience	Education
VP Animal Care	EVP Animal Care	None	Degree in animal studies preferred, work experience substitutable
VP Education & Community Engagement	Executive Director	4 to 10	MA in biological sciences
VP Technology	Deputy Director	2	BA
VP Development	EVP of Guest Connections	10	BA
VP Behavioral Husbandry	EVP Conservation and Wellness	10	BA
VP Guest Services	Executive Director	10	BA, MA preferred
VP Marketing	Executive Director	10	BA
EVP Operations	Executive Director	10	BA

Source: SFZS job descriptions.

(*) Based on available job descriptions. With the departure of the former CEO and the resulting interim leadership, the reporting structure and job titles changed in 2025. Some of the job titles shown in this exhibit no longer exist as of 2025.

AZA requires that accredited institutions maximize the generation and dissemination of scientific knowledge under the direction of a staff member or committee qualified to make informed

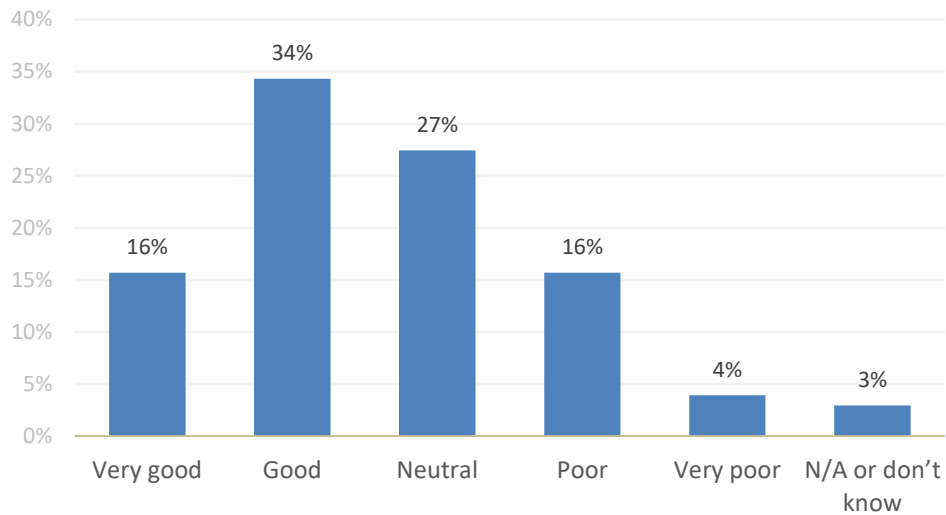
decisions. Prior to September 2025, SFZS had assigned responsibility for directing research activities to the Vice President of Animal Care, but the Vice President of Animal Care position description specifies minimal experience requirements and makes no reference to scientific knowledge, animal welfare standards, or research experience. The absence of defined qualifications for scientific leadership could limit SFZS's capacity to oversee research integrity, ensure animal welfare compliance, and contribute meaningfully to the broader scientific and conservation community.

Given the frequency of changes in senior leadership positions, the lack of documented criteria for promotions and advancement in management positions, and the absence of job descriptions for several senior leadership roles, we recommend that by December 31, 2026, the SFZS Chief Executive Officer and Director of Human Resources develop job descriptions for all positions that lack them and conduct a comprehensive review to determine whether others require updates. Additionally, by December 31, 2026, SFZS should conduct a formal staffing and classification assessment of senior management and operational divisions. The assessment should compare staff qualifications and experience to current job descriptions, confirm that reporting lines provide appropriate oversight and accountability, and realign roles as needed to ensure competent supervision of all operational functions and services. The Director of Human Resources should update the SFZS Employee Handbook to include criteria for promotion or advancement to and between management roles, so that all staff can be aware of promotional requirements.

SFZS Strengths and Challenges Under New Leadership

Staff reported an overall positive perception of the new SFZS leadership in the focus groups and employee survey and noted that it is more open, communicative, and proactive than previous leadership. Specifically, staff expressed an appreciation for the introduction of all-staff meetings, the presence of the Chief of Operations at the Labor Management Committee meetings, and other efforts to engage directly with staff. Survey results show significant improvement in respondents' characterizations of communication and workplace culture at SFZS, with only a small percentage expressing dissatisfaction as shown in Exhibit 8.9 below.

Exhibit 8.9: Communication and Workplace Culture Under the New Leadership



Source: SFZS staff survey (conducted by BLA).

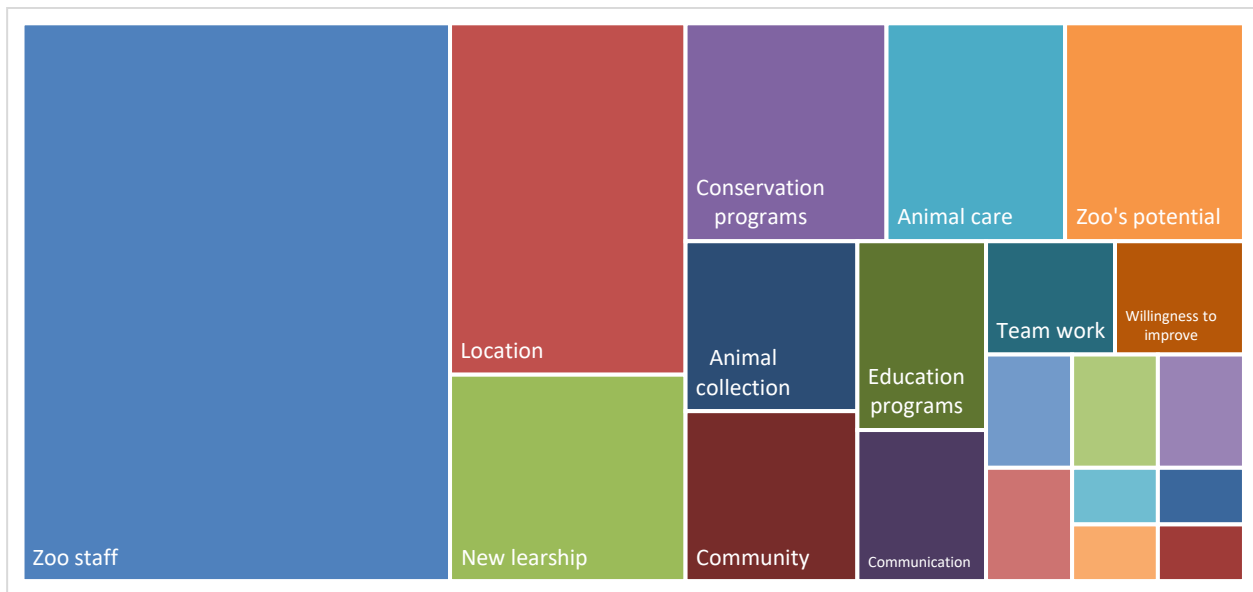
However, despite the significant improvements in staff sentiment regarding communication and workplace culture, some staff continue to express concerns about SFZS management in focus groups and open-ended survey responses. Key persistent issues include the current organizational structure, the presence of management staff who may not be well-suited for their roles, and the continuing influence of individuals who appear to be maintaining aspects of the previous “toxic” work culture associated with previous SFZS leadership.

SFZS Strengths

In the open-ended survey responses, staff were given the opportunity to identify both the strengths of SFZS and the challenges that remain. Among the main strengths, many survey respondents mentioned the commitment and passion of employees and particularly emphasized the dedication of the animal care staff. They also noted the Zoo’s excellent location and its strong potential to become a world-class institution.

Many respondents noted the quality of animal care, the conservation programs, the return of educational programming, and the Zoo’s animal collection. Staff also identified the new leadership as a positive change and a current strength of the Zoo. Exhibit 8.10 below summarizes the main themes of the open-ended survey responses related to SFZS’s strengths.

Exhibit 8.10: SFZS Strengths: Survey Open-Ended Responses



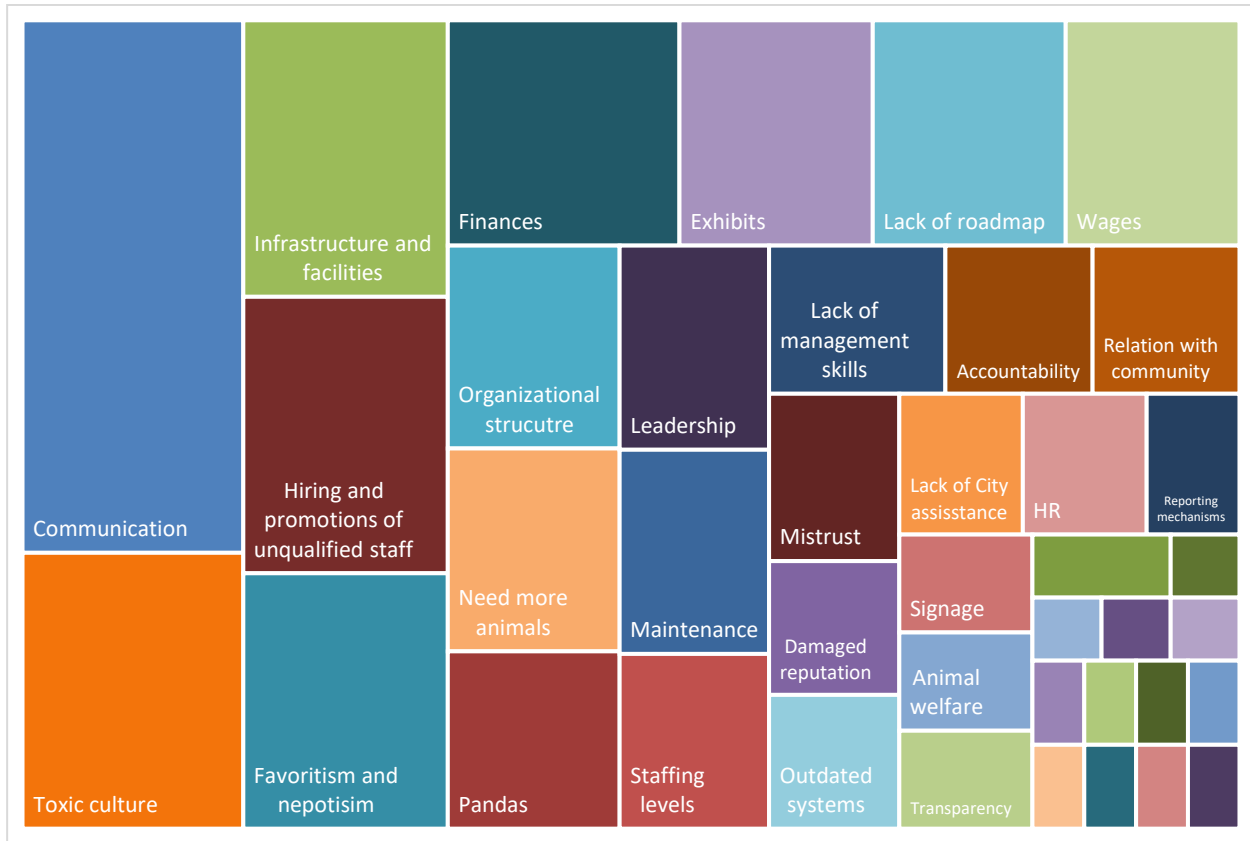
Source: SFZS staff survey (conducted by BLA).

SFZS Challenges

Through the survey's open-ended responses, staff also highlighted many challenges that SFZS continues to face. Despite the increased satisfaction with workplace culture and communication under the new leadership, many staff reported ongoing communication issues and a toxic work environment, acknowledging that meaningful change will take time.

Staff members also raised concerns about aging infrastructure and facilities in need of maintenance, numerous empty exhibits, and the need for more animals. Some expressed skepticism about plans to bring pandas to the Zoo, given the current state of existing exhibits and SFZS's limited resources. Additionally, workplace concerns such as favoritism, nepotism, and the hiring and promotion of unqualified individuals, along with concerns that the organizational structure is overly layered and lacks clearly defined roles, remain significant challenges identified by SFZS staff. Exhibit 8.11 below summarizes the main themes of the open-ended survey responses related to SFZS's strengths.

Exhibit 8.11: SFZS Challenges: Survey Open-Ended Responses



Source: SFZS staff survey (conducted by BLA).

To continue efforts to improve communication and workplace culture, we recommend that the Chief Executive Officer continue to hold quarterly all-staff meetings. The purpose of the meetings should be to promote transparent, consistent, and open communication between leadership and staff. The meetings should be used to share major updates, such as plans for new exhibits, animal acquisitions, and the status of ongoing projects, as well as provide basic information about reporting channels and the hotline. Additionally, we recommend that the SFZS Director of Human Resources revise and update the Employee Handbook to reflect current standards and best practices and provide annual training opportunities for middle managers to enhance their leadership skills by December 31, 2026.

Conclusion

A lack of communication, a lack of trust in channels for reporting workplace issues and safety concerns, retaliation, favoritism, and high turnover in certain job titles have all contributed to a widespread perception among SFZS employees that SFZS has a toxic work environment, marked by mistrust and frustration at all levels. Employees consistently expressed to the audit team that

the previous SFZS leadership fostered a toxic workplace culture and failed to uphold institutional policies, including those related to whistleblower protections and equal opportunity employment. Although the AZA Visiting Committee raised concerns about the workplace environment and communication issues at SFZS in 2022, leadership did not take meaningful steps to address them.

Additionally, frequent organizational restructuring created uncertainty among staff regarding reporting relationships, role definitions, and decision-making authority. The lack of communication to direct reports and the absence of reliable documentation for senior leadership roles and promotional opportunities have impaired institutional continuity, made accountability difficult to trace, and diminished staff confidence in management decisions.

While SFZS staff are generally optimistic about the new leadership and recent changes, repairing the workplace culture and rebuilding trust will require time and sustained effort. SFZS faces significant challenges that require significant, ongoing effort from SFZS leadership and the Human Resources Department.

Recommendations

The SFZS Chief Executive Officer should:

- 8.1 Beginning July 1, 2026, hold quarterly all-staff meetings to promote transparent, consistent, and open communication between leadership and staff. Use these meetings to share major updates, such as plans for new exhibits, animal acquisitions, and the status of ongoing projects. Also, provide basic information about reporting channels and the hotline (e.g., the number of sustained, ongoing, and closed reports).
- 8.2 By December 31, 2026, develop job descriptions for all positions that lack them and conduct a comprehensive review to determine if others need to be updated.
- 8.3 By December 31, 2026, conduct a formal staffing and classification assessment of senior management and operational divisions. The review should compare staff qualifications and experience to current job descriptions, confirm that reporting lines provide appropriate oversight and accountability, and realign roles as needed to ensure competent supervision of all operational functions and services.

The SFZS Director of Human Resources should:

- 8.4 By July 31, 2026, establish a formal accountability mechanism to ensure that all reported workplace concerns are appropriately addressed and resolved. Establish formal timelines

and procedures for investigating and documenting cases related to retaliation, discrimination, and harassment. These timelines and procedural steps should be documented and incorporated into the SFZS Policies and Procedures Manual.

- 8.5 Beginning on July 1, 2026, conduct regular (annual or biannual) anonymous staff surveys to assess satisfaction with supervisors, workplace culture, reporting mechanisms, and concern resolution. Report the survey results to the SFZS Board of Directors. This staff survey may be combined with the staff survey recommended in Section 7 of this report.
- 8.6 By December 31, 2026, revise and update the Employee Handbook to ensure it reflects current standards and best practices. The updated handbook should include criteria for promotion or advancement to and between management roles, so that all staff can be aware of promotional requirements.
- 8.7 By December 31, 2026, provide first annual training and development opportunities to enhance the managerial and leadership skills of middle managers.

The SFZS Chief Executive Officer and the Director of Human Resources should:

- 8.8 By July 31, 2026, review the 2022 Strategic Communication Plan, revise it as needed to make it current and comprehensive, obtain approval from the Board of Directors, and implement the updated plan. Ensure the revised plan includes measurable metrics and outcomes that can be assessed periodically and evaluate whether efforts to improve communication have resulted in meaningful improvement in employee sentiment.

Benefits and Costs

Implementing the proposed recommendations will continue to strengthen workplace culture and communication, while also enhancing institutional transparency and accountability. Most recommendations require a one-time investment of staff time to revise, update, or create documents or standards. Activities such as staff meetings, training sessions, and anonymous staff surveys will require staff time on a quarterly or annual basis.

9. Fiscal Management and Internal Controls

Although the San Francisco Zoological Society (SFZS) has recently made improvements to some of its fiscal policies and internal controls, several key policies were not in place prior to 2024, and policy gaps remain in the areas of budget development, contracting and procurement, donor and employee relations expenses, and employee conflicts of interest. Insufficient or outdated policies, procedures, and internal controls increase the risk of fraud, waste, and abuse. Further, in our transaction sampling, we observed deficiencies in internal controls related to expense reimbursements and travel expenditures prior to 2024. We also found that SFZS has not engaged in a recent full-scale competitive solicitation process for the selection of its audit firm and has used the same firm since at least 2006. Finally, while SFZS receives funding from the City in the form of an annual \$4 million management fee, SFZS does not prepare an annual cost allocation plan or a budget that controls or specifies its use of this funding, and as a result neither SFZS nor the City can ensure that the management fee does not support unallowable costs such as fundraising expenses or the purchase of alcoholic beverages.

SFZS should conduct a comprehensive review of all SFZS financial policies, procedures, and internal controls by December 2026, review and update these documents at minimum every two years and engage in a competitive solicitation process for the selection of an audit firm. The City should include the requirement for an annual cost allocation plan in any new or amended lease and management agreement with SFZS.

Fiscal Management Policies and Procedures

California Attorney General's Guidance for Charities

Chapter 5 of the California Attorney General's *Guide for Charities* discusses responsible fiscal management practices for nonprofit organizations such as the San Francisco Zoological Society (SFZS). The guide outlines key fiscal internal controls that should be in place to prevent internal fraud and the theft of charitable assets, including the segregation of duties, invoice monitoring, controls on credit card expense authorizations, regular bank account reconciliations, limits on the number of bank account signatories, a two-signature requirement on checks for expenditures over a specific amount, and annual independent audits. The guide also emphasizes that ultimate responsibility lies with members of the Board of Directors to ensure that internal controls are sufficient and that the organization is operating in a fiscally sound manner. The guide advises that members of the Board of Directors should monitor the organization's budgeted and actual revenues and expenditures, income and expense statements, bank account statements, check reconciliations, and books of accounts for irregularities.

Citywide Nonprofit Monitoring and Capacity Building Guidance

As part of the Citywide Nonprofit Monitoring and Capacity Building Program and Fiscal Monitoring Program, the Controller's Office has developed a Citywide Standard Monitoring Form that establishes a set of standards for strong fiscal management and administrative practices for nonprofit organizations that contract with the City.¹ The 2025-2026 Standard Monitoring Form includes standards for nonprofit contractors' fiscal policies and procedures, including: (a) fiscal policies and procedures are reviewed upon turnover of the executive director and/or fiscal manager, and updated every two years; (b) fiscal policies are current (updated within the past two calendar years); (c) fiscal policies are complete and include internal controls, financial reporting, accounts payable and accounts receivable, payroll, procurement of goods and services, conflicts of interest, subcontracts and monitoring, record retention, and travel and reimbursement; and (d) fiscal policies and procedures are implemented in a way that demonstrates appropriate internal controls, including segregation of duties.

The Controller's Office published a *Finance Guide for Nonprofits* (November 2024) that outlines key recommended elements of a nonprofit fiscal policies and procedure manual, including internal controls, financial reporting, accounts payable, accounts receivable, petty cash, payroll procedures, and conflicts of interest. The Controller's Office has also compiled a set of fiscal monitoring resources for nonprofits, including tools and sample policies, that are available online on the Controller's Office website.²

Policy Review and Transaction Sampling

In response to our request to the San Francisco Zoological Society (SFZS) for all policies and procedures related to fiscal operations, internal controls, and conflicts of interest, SFZS provided the following documents to us:

- Cash Disbursements Narrative, updated 6/30/25 (current) and prior year versions
- Cash Receipts Narrative, updated 6/20/25 (current) and prior year versions
- Payroll Narrative, updated 6/30/25 (current) and prior year versions
- Investments Narrative, FY 2019-20 through FY 2023-24

¹ SFZS has not been included in the pool of monitored nonprofits because the Recreation and Park Department, which pays the annual \$4 million management fee to SFZS, does not participate in the City's Fiscal Monitoring Program. However, according to the October 2025 *Fiscal Monitoring Program Policies and Guidelines* published by the Controller's Office, departments that do not participate in the Fiscal Monitoring Program must still perform independent fiscal monitoring of nonprofit contractors.

² <https://www.sf.gov/resource--2024--fiscal-monitoring-resources-nonprofits>, <https://www.sf.gov/resource--2022--tools-managing-nonprofit>

- Investment Policy Statement, dated 11/19/2024 (replaced the Investments Narrative)
- Travel Expense Policy (date is blank in file, dated 6/7/2024 in file name)
- Record Retention Policy (not dated)
- The Conflicts of Interest statement in the Employee Handbook (page 1.6), dated June 2002

We also requested and reviewed copies of SFZS's annual financial statements and associated independent auditor's reports. To support our review of SFZS's fiscal policies and controls, we conducted transaction sampling of vendor payments, employee expense reports and reimbursements, and employee credit card expenditures. We reviewed the records and underlying documentation associated with these sample transactions.

Key Fiscal Policies Missing Prior to 2024

Prior to 2024, SFZS did not have several key fiscal control policies in place, including a two-signature requirement for checks over a threshold amount, a travel and expense reimbursement policy, or a detailed investment policy. In our transaction sampling, we also observed deficiencies in internal controls related to expense reimbursements and travel expenditures prior to 2024.

Two-signature requirement

SFZS established a two-signature requirement for checks over \$5,000 effective May 3, 2024. Prior to this date, SFZS did not have a two-signature requirement for high-value checks. A two-signature requirement is listed as a necessary internal control in the California Attorney General's *Guide for Charities*, the City's 2025-2026 Standard Monitoring Form, and the Controller's Office *Finance Guide for Nonprofits*.

Travel and expense reimbursement policy

SFZS developed a detailed travel and expense reimbursement policy in 2024. The policy describes the requirements for expense reimbursement, provides examples of non-reimbursable expenses, and discusses allowable and non-allowable charges for travel, hotels, transportation, and meals. Prior to 2024, SFZS did not have a formal travel and expense reimbursement policy document that outlined allowable and unallowable expenses or established requirements for expense reporting. A travel policy or travel reimbursement policy is listed in the City's 2025-2026 Standard Monitoring Form as a key fiscal policy.

In our review of SFZS employee credit card expense reports and supporting documentation, we observed that some charges for car service transportation appeared to be for transportation of the daughter of the SFZS Chief Executive Officer from a private residence in San Francisco to a local high school. Exhibit 9.1 below shows three such invoices from 2018 and 2020. The 2024

travel and expense reimbursement policy explicitly prohibits travel expenses for another individual.

Exhibit 9.1: Invoices for Possible Personal Transportation

Bluesky Limousine Invoice 1

Bill To: Tanya Peterson
tanyap@sfzsa.org
[Redacted] 50 San Francisco CA 94129

Invoice No: 208
Date: 12/11/2018
Due Date: 12/11/2018

Description	Amount
Car transfer	\$65.00
10/30/18, 7:30am	
Avery + 1	
Drive at SF, To [Redacted] High Geneva st	
X stop: Piece at	\$10.00
Subtotal	\$75.00
0%	\$0.00
Total	\$75.00
PAID	\$75.00
Balance Due	\$0.00

Handwritten: TRAVEL - 01-647200-254-090

Bluesky Limousine Invoice 2

Bill To: Tanya Peterson
tanyap@sfzsa.org
[Redacted] 50 San Francisco CA 94129

Invoice No: 180
Date: 10/09/2018
Due Date: 10/09/2018

Description	Amount
Car transfer	\$65.00
09/07/18, 7:25am	
Avery	
Drive at San Francisco To [Redacted] High San Francisco	
Subtotal	\$65.00
0%	\$0.00
Total	\$65.00
PAID	\$65.00
Balance Due	\$0.00

Handwritten: TRAVEL 01-647200-254-090

Bluesky Limousine Invoice 3

Bill To: Tanya Peterson
tanyap@sfzsa.org
[Redacted] 50 San Francisco CA 94129

Invoice No: 233
Date: 04/03/2020
Due Date: 04/03/2020

Description	Amount
03/10/20, 7:45am	
Avery Peterson	\$65.00
Drive at San Francisco To [Redacted] High	
03/12/20, 7:45am	
Avery P	\$65.00
Drive at San Francisco To [Redacted] High	
Subtotal	\$130.00
0%	\$0.00
Total	\$130.00
PAID	\$130.00
Balance Due	\$0.00

Source: BLA review of SFZS accounting records.

Monitoring of Chief Executive Officer's expense reimbursements

The 2024 travel and expense reimbursement policy also establishes quarterly monitoring of the Chief Executive Officer's expense reimbursements by the Chair of the Finance Committee of the Board of Directors. Prior to 2024, SFZS did not have a policy for regular review of the Chief Executive Officer's expense reimbursements. (SFZS's Cash Disbursements Narrative does establish an annual review of the Chief Executive Officer's credit card expenditures by the Chair of the Finance Committee, but not expense reimbursements.)

In our review of employee expense reimbursements, we observed that in FY 2021-22, the SFZS Chief Executive Officer approved/authorized her own expense reimbursements, and we did not see evidence of review or approval by a second individual on two out of five expense reports. These expense reimbursements included travel costs and donor relations expenses, as shown in Exhibit 9.2 below. (The other three expense reports that were self-approved by the Chief Executive Officer were also signed or initialed by the SFZS Chief Financial Officer, a staff person who reports to the Chief Executive Officer).

Exhibit 9.2: No Second Approval of Chief Executive Officer Reimbursements

12599
6/29/2022
Peterson, Tanya

SAN FRANCISCO ZOOLOGICAL SOCIETY

To: Peterson, Tanya

Invoice Number	Date	Description	Amount	Discount	Net Amount
Ck reg6/28/22	6/28/2022	reimb for travel expenses	\$382.60	\$0.00	\$382.60
Totals:			\$382.60	\$0.00	\$382.60

Amount: \$382.60

Description: Travel to meet with UN Envoy re: Climate Change

Account No.: 01-647200-254-090

Date Needed By: ASAP

Delivery Instructions: To Me

Requested By: Tanya Peterson

Authorized By: Tanya Peterson

11852
3/17/2022
Peterson, Tanya

SAN FRANCISCO ZOOLOGICAL SOCIETY

To: Peterson, Tanya

Invoice Number	Date	Description	Amount	Discount	Net Amount
Ck reg3/9/22	3/9/2022	travel for AZA director's conference	\$2,164.63	\$0.00	\$2,164.63
Totals:			\$2,164.63	\$0.00	\$2,164.63

Amount: \$2164.63

Description: See attached - donor relations + travel for AZA Director's Conference

Account No.: see attached

Date Needed By: ASAP

Delivery Instructions: To Me

Requested By: Tanya Peterson

Authorized By: Tanya Peterson

Source: BLA review of SFZS accounting records.

Beginning in FY 2022-23, the Chief Executive Officer's expense reimbursements in our transaction sample were consistently signed or initialed by a second individual (either the Chairperson of the Board of Directors, the SFZS Chief Financial Officer, or both).

Investment policy

SFZS's Investment Policy Statement is dated November 19, 2024. The stated purpose of the policy is to guide SFZS, the Board of Directors, SFZS's investment manager, and SFZS's investment custodian in "effectively and prudently managing, monitoring, and evaluating the Society's investment portfolio." The policy statement outlines investment principles, goals and objectives, permitted and prohibited investments, and the roles and responsibilities of individuals involved in management and oversight of SFZS's investments.

Prior to the development of the 10-page Investment Policy Statement in 2024, SFZS's only investment policy documentation was the Investments Narrative, which contained a one-paragraph description of the responsibilities of Finance staff in initiating, authorizing, and reviewing investment transactions. However, this document did not describe any of SFZS's investment policies, such as investment principles or permitted investments, or make any mention of the roles and responsibilities of the Board of Directors or SFZS's investment manager or custodian.

Key Fiscal Policies Needed in 2025

Although SFZS made recent improvements in the policies described above, gaps remain in the areas of budget development and budget control, donor-restricted funds, purchases for donor and employee relations, contracting and procurement, and conflicts of interest.

Budget development, budget controls, and management of restricted funds

SFZS lacks a policy or procedure document that formalizes the development of its annual budget or establishes budget controls to warn of and/or prevent overspending. SFZS also lacks a policy or procedure document that establishes its practice for managing and monitoring donor-restricted funds. As discussed in more detail in *Section 1: Financial Condition, Transparency, and Contingency Planning* of this report, in recent fiscal years SFZS has not accurately budgeted for earned revenues, and several departments have regularly overspent their budgets for multiple fiscal years in a row. SFZS also does not prepare a capital budget, as discussed in *Section 2: Planning and Vision* of this report, which is supported by donor contributions.

According to the Controller's Office *Finance Guide for Nonprofits*, budget controls can provide for board oversight, goal focus, financial control (by setting practical limits on amounts that can be spent on specific programs or activities and ensuring that costs are consistent with revenues), and cash forecasting. We recommend that SFZS institute a budget development policy and

budget control policy that: (a) formalizes its process for budget development, and (b) establishes budget controls. We also recommend that SFZS establish a policy for the management of donor-restricted funds.

Purchases for donor and employee relations

According to SFZS management, staff engagement activities such as holiday parties and department holiday lunches are budgeted by department. However, SFZS lacks a policy or procedure document that describes: (a) allowable and non-allowable purchases for employee relations, and (b) when documentation supporting employee relations expenses is necessary. In our review of sampled expense reports and reimbursement requests, we observed that SFZS leadership incurred several significant expenses for employee relations, including:

- A \$7,182 charge on the Chief Executive Officer's expense report for a bill from a resort and spa in Half Moon Bay for "Employee Relations" in September 2018
- A \$4,000 reimbursement to the Chief Executive Officer for "mid-manager meeting/sailing retreat expenses," including a chartered sailboat, in December 2021
- \$6,000 in cash payable to the Chief Financial Officer for an ice cream social for "Employee Relations" in May 2022

None of these expenses had supporting documentation showing which SFZS employees benefitted from or participated in these employee relations activities. As a result, it is not known whether these events were equally available to all staff. As discussed in more detail in *Section 8: Workplace Culture, Organizational Structure, and New Leadership* of this report, multiple SFZS employees reported to us in a staff survey that they experienced or witnessed favoritism or discrimination at work. We recommend that SFZS develop an employee relations expense policy that: (a) describes allowable, appropriate, and fiscally responsible employee relations expenses, and (b) requires managers or SFZS leadership to document which employees participated in or benefitted from the employee relations activity in certain circumstances.

In our sampling review, we also observed that SFZS leadership inconsistently documented attendees and donor names for donor relations expense activities such as meals at restaurants. In some instances, these expenses had supporting documentation such as a list of donor names and/or correspondence documenting the context of the donor expense, and in other instances there was no such documentation. Similar to the employee relations expense policy, we recommend that SFZS develop a donor relations expense policy that: (a) describes allowable, appropriate, and fiscally responsible donor relations expenses, and (b) in specific circumstances, such as when the expense is over a threshold amount, requires SFZS leadership to document the donors who participated in or benefitted from the donor relations activity.

Procurement, purchasing authority, and contract oversight

None of SFZS's financial policies or procedures discuss purchasing authority, procurement processes, competitive solicitation, contractor selection, procurement documentation, or contract administration and oversight. As discussed in more detail in *Section 5: Contracting and Procurement* of this report, SFZS was unable to provide us with evidence of competitive solicitation or contract monitoring for the years of our audit scope. SFZS also lacks any document that specifies which staff are authorized to enter into agreements and approve purchases on behalf of SFZS, or how to avoid conflicts of interest in the procurement process (discussed below). Specific recommendations related to procurement and contracting are detailed in *Section 5: Contracting and Procurement*.

Employee conflicts of interest

SFZS does not have a written employee conflict of interest policy other than the following high-level, general language in section 1.6 of the Employee Handbook, last revised in 2002 as shown in Exhibit 9.3 below:

Exhibit 9.3: SFZS Conflict of Interest Policy

**SAN FRANCISCO ZOO
EMPLOYEE HANDBOOK**

Ethical Conduct

The Zoo expects all employees to be ethical and honest in their daily interactions. This list highlights some specific guidelines, however it is not intended to be all-inclusive.

Gifts or Gratuities

You may not accept a gift or gratuity from any customer, vendor, supplier or other person doing business with the Zoo. In no event may a gift, gratuity or expense payment influence a business decision, transaction, or service.

Conflict of Interest

You should avoid situations of actual or potential job-related conflict of interest. Personal involvement with a competitor, supplier, or subordinate employee, which impairs your ability to exercise good judgement on behalf of the Zoo, can create actual or potential job-related conflict of interest.

Honesty

You are expected to be truthful in all work-related matters. This includes accurate reporting information, and interacting with one another and our guests with integrity.

Source: SFZS Employee Handbook, section 1.6, revised 2002.

The policy lacks the elements recommended in Appendix E of the Controller's Office *Finance Guide for Nonprofits*, including:

- A definition of what would constitute a conflict for the organization
- The process for and requirements to disclose conflicts
- Consequences and remedies

The policy also lacks most of the elements in the sample conflict of interest policy developed by the Controller's Office in its online resources for nonprofits, including:

- Requirements to provide written disclosure of direct and indirect financial interests that could potentially result in a conflict of interest
- Requirements to disclose any interests in a proposed transaction or decision that could create a conflict of interest
- Specification of responsibility for determining whether a conflict of interest exists, in the case of any disputes

We recommend that SFZS revise its employee conflict of interest policy to incorporate the elements outlined above.

The Importance of Fiscal Internal Controls

Insufficient policies, procedures, and internal controls raise the risk of fraud, waste, and abuse. Although SFZS has made some improvements since 2024, gaps remain in the areas described above. The 2025-2026 Standard Monitoring Form developed by the Controller's Office as part of the Citywide Nonprofit Monitoring and Capacity Building Program requires that a nonprofit's fiscal policies and procedures be reviewed upon turnover of the executive director and/or fiscal manager. In accordance with this requirement, we recommend that by December 31, 2026, the SFZS Chief of Finance conduct a comprehensive review of all SFZS fiscal policies, procedures, and internal controls, using the resources and sample policies developed by the Controller's Office, and submit proposed revisions and updates to the Board of Directors for approval. The review should identify outdated policies, necessary new policies, and specifically include policies on: budget development and budget control, donor-restricted funds, purchases for donor and employee relations, contracting and procurement, and employee conflicts of interest. Going forward, the SFZS Chief of Finance should review and update all financial policies and procedures at minimum every two years, or when executive leadership turnover occurs.

No Recent Competitive Solicitation for Financial Audits

SFZS has used the same audit firm to perform its annual financial audit for at least 20 years (since at least 2006), and SFZS reported to the audit team that it has not undertaken a competitive solicitation for auditing services in the last five years. The Government Finance Officers Association (GFOA) recommends that governmental entities undertake a full-scale competitive process for selecting independent auditors at the end of the term of each audit contract³ and actively seek the participation of all qualified firms, including the current auditors (if past performance has been satisfactory) in the solicitation process. While SFZS is a nonprofit rather than a governmental entity, it can benefit from the increased independence and transparency that would result from a full-scale competitive solicitation. The Controller's Office *Finance Guide for Nonprofits* notes that there are several potential benefits to changing auditors and engaging in competitive solicitation periodically, including the potential for better quality, lower fees, and/or new perspectives.

We recommend that upon expiration of SFZS's current contract with its audit firm, or if the contract is on a year-to-year basis no later than December 31, 2026, SFZS engage in a competitive solicitation process for the selection of an audit firm for a new five-year agreement. SFZS's current auditors may be included in the solicitation if their performance is satisfactory as determined by the Chief of Finance and Board of Directors.

No Cost Allocation Plan

SFZS receives funding from the City in the form of an annual \$4 million management fee but does not prepare an annual cost allocation plan or a budget that controls or specifies its use of this funding. As stated in the *Finance Guide for Nonprofits* developed by the Controller's Office, the City requires nonprofit organizations that receive City funding to develop a cost allocation plan or document when a nonprofit agency has multiple activities with one funding source, one activity with multiple funding sources (such as SFZS), or multiple funding sources and multiple activities. The City's guidelines for cost allocation for nonprofits follow those described by Generally Accepted Accounting Principles (GAAP) and the Federal Office of Management and Budget (OMB) Uniform Guidance.

In addition to the \$4 million management fee from the City, SFZS has other funding sources such as earned revenue from admissions and contributed revenue from donations. All of SFZS's

³ GFOA recommends that contracts for independence auditing services be multi-year agreements of at least five years in duration, which allows for greater continuity, can minimize disruption, and can reduce audit costs.

unrestricted revenue, including the management fee, is recorded in its general unrestricted fund and is used to pay for SFZS's regular operations. These regular operations include both direct program services (animal care, membership/visitor services, and education services) and supporting services (administrative functions and fundraising activities).

However, certain expenditures in SFZS's unrestricted operating fund are not allowable to include within City contracts and grants, according to Version 2.0 of the Controller's Office *Guidelines for Cost Categorization in Nonprofit Contracts and Grants*. Examples of unallowable costs include fundraising expenses and certain other administrative costs. Salaries and benefits of development staff, fundraising event costs, the purchase of alcoholic or sugar-sweetened beverages, staff recognition expenses, and legal services (without prior authorization from the City Attorney's Office) are all costs that are specifically deemed unallowable according to the Controller's Office guidelines, but are recorded in SFZS's unrestricted operating fund, which is supported in part by the management fee paid by the City.

As discussed in *Section 1: Financial Condition, Transparency, and Contingency Planning* of this report, SFZS's salary and benefit costs are its largest expense category and totaled \$17.3 million in FY 2024-25. These costs are largely, although not entirely, allowable costs, and would likely account for the total \$4 million management fee paid by the City. However, Section 1 of this report also recommends an increase in the management fee paid by the City to SFZS. Without a cost allocation plan, neither the City nor SFZS can ensure that the management fee does not support unallowable costs. The General Manager of the Recreation and Park Department should include the requirement for an annual cost allocation plan in any new or amended lease and management agreement between SFZS and the City, in consultation with the Controller's Office as needed.

Conclusion

Responsible fiscal management, cost allocation plans, competitive solicitation for independent auditors, and good internal controls can help safeguard assets, prevent loss, and ensure sufficient fiscal oversight for both SFZS and the City. *Section 1: Financial Condition, Transparency, and Contingency Planning* of this report discusses SFZS's financial condition and recommends additional financial support from the City, with certain conditions. As a condition of this support, SFZS should strengthen its fiscal management and internal controls to ensure sufficient and responsible fiscal management.

Recommendations

The SFZS Chief of Finance should:

- 9.1 By December 31, 2026, conduct a comprehensive review of all SFZS fiscal policies, procedures, and internal controls, using the resources and sample policies developed by the Controller's Office, and submit proposed revisions and updates to the Board of Directors for approval. The review should identify outdated policies, necessary new policies, and specifically include policies on: budget development and budget control, donor-restricted funds, purchases for donor and employee relations, contracting and procurement, and conflicts of interest. Review and update all financial policies and procedures at minimum every two years, or when executive leadership turnover occurs.
- 9.2 Upon expiration of SFZS's current contract with its audit firm, or if the contract is on a year-to-year basis no later than December 31, 2026, engage in a competitive solicitation process for the selection of an audit firm for a new five-year agreement. SFZS's current auditors may be included in the solicitation if their performance is satisfactory as determined by the Chief of Finance and Board of Directors.

The General Manager of the Recreation and Park Department should:

- 9.3 Include the requirement for an annual cost allocation plan in any new or amended lease and management agreement between SFZS and the City, in consultation with the Controller's Office.

Benefits and Costs

Implementation of the proposed recommendations would require one-time use of resources, primarily SFZS Chief of Finance and finance staff time, to conduct a comprehensive review of all SFZS fiscal policies, procedures, and internal controls and to engage in a competitive solicitation for the selection of SFZS's audit firm. It will also require ongoing staff time to regularly revise and update SFZS's fiscal policies every two years. Preparing and adhering to an annual cost allocation plan would introduce complexity to SFZS's accounting operations and would require ongoing finance and accounting staff time to prepare the plan and to allocate costs appropriately throughout the year.

Strengthening its fiscal management and internal controls will improve accountability and reduce the risk of fraud, waste, and abuse. Engaging in competitive solicitation for audit services could result in lower fees and generate cost savings for SFZS and will improve transparency and accountability.

10. Animal Care and Welfare Evaluation

The animals at the San Francisco Zoo and Gardens appear to be in generally good physical condition and are well cared for by the animal and veterinary staff, but staff are somewhat limited by a history of poor planning and older facilities that do not reflect the notion of a modern zoo that integrates animal care, visitor experience, and education goals. Veterinary care and animal diets appear to be appropriately managed, and we observed no abnormal animal behavior during several days of site visits in October and November 2025. The animal wellness/enrichment staff is strong, but has shrunk in the last two years and should be better coordinated with animal care staff.

While most animals we observed were housed in appropriate social groupings, the mandrill population is housed in a space with two young males who are ready to leave the group once appropriate housing can be found (the presence of two juvenile males in the same space can cause in-fighting). Exhibit barriers and safety mechanisms appeared adequate with some historical exceptions, including the grizzly bear and jaguar exhibits. The appropriateness and aesthetics of exhibit spaces vary with the African Savanna and lemur exhibits as model spaces while animals housed in older spaces are either cramped (orangutans) or are aesthetically out of date (Bear Country area, rhinoceros, Przewalski's horse, and lion exhibits).

More proactive animal collection and master planning as well as additional funding from public and private sources is needed to improve exhibit spaces and upgrade conditions for many animals from acceptable to more ideal conditions. Additionally, San Francisco Zoological Society management should focus on improving collaboration between animal wellness/enrichment and animal care staff.

Animal Care and Welfare Evaluation by Subject Matter Expert

Background on Subject Matter Expert Dennis E. Pate

Dennis E. Pate joined our audit team in August 2025 as a subject matter expert in zoo management and operations, including management of animal care and welfare. Mr. Pate conducted an evaluation of animal care and welfare at the San Francisco Zoo and Gardens (San Francisco Zoo), which is presented below, and provided subject matter expertise on various aspects of zoo management to our audit team.

Mr. Pate retired in January 2023 from his role as President and Chief Executive Officer of Omaha's Henry Doorly Zoo and Aquarium, which he held since March 2009. Prior to managing the Henry Doorly Zoo and Aquarium, Mr. Pate was Executive Director of the Jacksonville Zoo and Gardens

(June 2002 to March 2009), Senior Vice President at the Lincoln Park Zoo in Chicago (January 1997 to May 2002), and Division Manager/General Curator at the Oregon Zoo in Portland (March 1987 to December 1996). He also chaired the Association Zoos and Aquariums (AZA) Accreditation Commission and served as Chair of the Board of AZA.

Methodology

Mr. Pate reviewed pertinent San Francisco Zoological Society (SFZS) documents and joined the audit team during two separate series of site visits occurring October 5-7 and again November 9-11, 2025. These visits included:

- An independent walkthrough of the grounds mirroring the experience of a typical Zoo visitor,
- Multiple guided tours of the grounds by the Executive Vice President of Animal Wellness, interim Co-Chief Executive Officers, curatorial staff, and the head veterinarian,
- Behind the scenes tours at exhibits where animals are housed overnight or during the day by their own choice,
- A tour of the Zoo hospital including quarantine space, labs, treatment, surgery, and necropsy rooms,
- Tours of animal conservation program spaces housing endangered San Francisco garter snakes, threatened Yosemite toads, and endangered yellow-legged frogs,
- Tours of the back-of-house animal commissary along with hay and frozen storage facilities, and
- Private discussions with curator and zoo keeper staff who oversee exhibits cited by the [October 2024 report](#) *San Francisco Zoo Recommendations* by the Joint Zoo Committee animal welfare advisors to the Director of the San Francisco Zoo, Chair of the San Francisco Zoological Society Board of Directors, and the San Francisco Joint Zoo Committee and Recreation and Park Commission.

Mr. Pate and other members of the audit team observed public-facing exhibits, the animals, public perception of exhibit spaces, and behind the scenes animal areas with the following in mind:

- Physical condition of the animals
- Appropriate social grouping
- Animal behavior
- Exhibit barrier integrity (barriers, electric fencing, rust, etc.)
- Safety of the exhibit and animal night quarters with respect to guests and keeper staff
- Animal visibility

- Animal environment (shade, shelter, water, space, heat, [including vertical space])
- Exhibit aesthetics
- Suitability of exhibits to the animals housed therein.

During our site visits, we met with curators and selected animal keepers who spoke with us without management present about habitat and safety concerns identified by the October 2024 report by the Joint Zoo Committee animal welfare advisors (summarized in Exhibit 10.1 below). We also met animal care, curatorial, animal registrar, veterinary, and research staff whom we spoke with during the guided tour or separately in their respective offices.

Animal Care and Management Observations

This section of the report notes whether, in the opinion of Dennis E. Pate, the Zoo is deficient, meets, or exceeds modern zoo animal care standards based on our site visits, discussions, and interviews with staff. This evaluation includes an overview of physical conditions, suitability of exhibits, animal behavior, exhibit barrier integrity, animal visibility, and management. A list of key observations from the October 2024 Joint Zoo Committee animal welfare advisors report along with the observations of Mr. Pate are detailed in Exhibit 10.1.

Physical condition of animals

Animals appeared to be in good physical condition. Diets were appropriate to the species and quantities were carefully measured out by the commissary staff to ensure that animal weights stayed within normal ranges. Excessive hoof growth was not observed in the giraffe, zebra, or Przewalski's horse populations.

Suitability of exhibits to the animals housed within

Most animals were in appropriate social groupings although some were individually housed (snow leopards related pair), kept as single animals (Andean condor, Baird's tapir, anteater), or housed with other species (Bactrian camel, Przewalski's horse). Planned or implemented stopgap measures to fill empty exhibits (pygmy hippopotamus, otter, Przewalski's horse, jaguar) resulted in a poor fit due to the San Francisco climate (pygmy hippopotamus), underwhelming animals (turtles replacing otters), poor aesthetics (Przewalski's horse), or safety concerns by staff (jaguars). Barriers were sufficient although not ideal as they sometimes provided obstructed views of the animals. Shade and, more importantly, shelter during inclement weather could provide better viewing of animals that are more likely to retire to indoor spaces not available to the public. Adding heated rocks in sheltered areas could also improve animal visibility, comfort, and the ability to control their own preferences for preferred temperatures. Arboreal (tree-dwelling) or semi-arboreal animals were afforded climbing structures (langurs, orangutans, chimpanzees, gorillas, lemurs, and birds).

Animal behavior

Animals were not observed exhibiting abnormal behavior such as pacing, head throws, repetitive movements, excessive grooming, aggression, hair or feather plucking, etc. These behaviors can be indicators of stressful environments that lack environmental enrichment, complexity, and overly aggressive behavior by socially incompatible animals in a zoo setting, among other factors. Although excessive grooming or feather plucking were not observed during our visit, staff did indicate that some parrots in the collection arrived with the problem and they were actively working to extinguish what can be a very difficult problem to overcome.

Exhibit safety

Exhibit barriers and safety mechanisms appeared to be adequate with a few exceptions in the past that have been corrected or are no longer relevant due to animal death.

In April 2024, the *San Francisco Chronicle* reported on an incident that occurred the previous May of 2023 in the grizzly bear grotto where a keeper had accidentally been locked into the exhibit space with a bear. A subsequent internal investigation determined that the incident was caused by worker error and additional safety instruments (locking mechanisms) were installed.

According to several staff accounts, the previous SFZS Chief Executive Officer acquired a jaguar from the Sacramento Zoo without staff input and without an appropriate exhibit space. According to staff accounts, previous SFZS management had planned to house the jaguar in the former tiger exhibit with some additional safety measures, but without netting. The jaguar has since passed away without ever being housed in the former tiger exhibit. See notes on jaguar in Exhibit 10.1 below for more details.

Animal visibility

Several exhibits appeared to have been without animals for quite some time, which could leave guests wondering why. More effort needs to be given to acquiring additional animals for empty exhibits or to meet the social needs where their natural history indicates. Older long-outdated exhibits may be a limiting factor in achieving this endeavor.

Exotic mammal species numbers appear to be decreasing over the last 10 years as outdated exhibits (otters, hippopotamus, sea lions, polar bears) sit empty or are modestly restocked with other animals such as native turtles, as was the case with the former otter exhibit. Exotic mammals are the animals (large antelope, big cats, bears, rhinoceros, giraffe, gorillas, etc.) most zoo guests recognize and typically most look forward to seeing.¹ Some of this decrease can be

¹ As shown in *Appendix C: Main Collection Animal Census, 2015 to 2025* of this report, our review of animal inventory records found that the total population of charismatic species (animals with symbolic value or widespread appeal

attributed to combining exhibits to allow more space for existing species, and some to abandoning the use of outdated exhibits no longer appropriate for the species intended.

Animal wellness and enrichment

Despite some loss of staff recently, the animal enrichment staff operate at a level not common in zoos at the depth and expertise shown at the San Francisco Zoo. Environmental enrichment, behavioral data collection, animal training, annual wellness reviews, and other functions all serve to better understand the behavior of the animals in the Zoo's care and recommend changes that will enhance their lives. More cooperation and collaboration between the Animal Wellness and Enrichment staff and the Animal Department, including a structure for following up on goals recommended by animal wellness staff, would be beneficial.

that are regarded as beautiful, impressive, or endangered) at the Zoo decreased by 26 percent between 2015 and 2025.

Exhibit 10.1: October 2024 Animal Welfare Advisors’ Habitat and Safety Concerns and Dennis Pate’s Observations²

Animal Enclosure/ Area of Concern	Animal Welfare Advisors Concerns	BLA Subject Matter Expert Observations
Kangaroo	“For years, the kangaroo’s habitat has lacked running water. Keepers must carry buckets of water for the animals every morning and evening.”	The animals in the enclosure are wallaroos, a medium-sized marsupial similar to kangaroos. While inconvenient and inefficient, the animals’ health remained satisfactory during this period. It has since been repaired. Keepers were able to extend a hose while awaiting a repair which took approximately four years.
Gorilla	“The gorilla habitat moat area backs up and fills with water during heavy rainfall.”	This is a temporary condition that has been easily rectified by clearing leaves and landscape debris from the drain cover. Standing water is usually gone by the next day. No animal health concerns were expressed by animal care or veterinary staff.
Koala	“The koala habitat can only hold one koala at a time. Currently, the zoo has three koalas, which means two cannot go outside daily. If it’s not warm enough, no one goes outside; instead, they sit in a small, enclosed room with a window.”	The koala population currently stands at one male. In the past, while one koala was exhibited the other was placed in the windowed exhibit. However, there are seven much larger interconnected night holding areas where koalas routinely spend the night. During the day, koalas not on exhibit are transferred to an outdoor off exhibit enclosure where they can experience sunlight, wind, and novel views. In general, koalas are fairly sedentary unless in the presence of other males or moving between treed perches. Temperature standards for koalas have changed allowing them to be outside in colder weather.
Orangutan	“The orangutan yards reside in a 100-year-old circular concrete circle that’s 10 x 10 and has just a three-level platform.”	The usable ground footprint is 900 square feet providing good shade, resting, and climbing opportunities with 270-degree views outside their habitat. While not ideal, this space is acceptable. Larger space would allow for hand over hand

² As listed under “Habitat and Safety Concerns” by the Joint Zoo Committee animal welfare advisors in Attachment A (starting on p. 6) of their report.

Animal Enclosure/ Area of Concern	Animal Welfare Advisors Concerns	BLA Subject Matter Expert Observations
Przewalski's horses	"The Przewalski horses' habitat is an old, dilapidated holding area. The Zoo was unwilling to plan for them properly; they wanted to fill a space."	locomotion. Current plans call for transfer to the significantly larger chimpanzee exhibit. The Przewalski's horse exhibit is shared with a Bactrian camel where both are compatible. The enclosure is very basic and more reminiscent of a horse corral with lean-to shelters for the animals. While not pleasing to look at, the space functions well for the animals.
Pygmy hippopotamus	"The Pygmy hippo has an extra-large elevated hot tub that was put inside his indoor holding without planning. His outdoor pool has no heater. They are a western African species that live in a warm and humid climate, not San Francisco temperatures."	SFZS transferred the lone pygmy hippopotamus to another zoo for breeding. The exhibit stands empty with future plans to acquire a female black rhinoceros when this and an adjacent exhibit are combined for rhinos.
Rhinoceros (black and Indian)	"The black rhino exhibit remains completely unrenovated year after year. When there is a viable option to double the habitat size for the current rhino that resides there. It would be a simple fence work project to double that area. The old sandbox that the Indian rhino lives in [is] a small rectangle with just sand and a pool."	<u>Black rhinoceros</u> : Expanding the exhibit and acquiring a female would return the Zoo to its history of being a significant breeding institution for this highly endangered species, as it was in the past. There is nothing simple about rhinoceros exhibit modifications as these are powerful animals that require substantial barriers and gates. <u>Indian rhinoceros</u> : Husbandry guidelines list 10,000 square feet/animal. This exhibit space is approximately 18,000 square feet and houses one elderly animal. The rhinoceros has two substrates to choose from, sand and mulch, along with a 1,200 square foot pool which it uses frequently.
Langur	"The langurs live in an old concrete chain-link box. They have nothing natural in their habitat/cages leading to depression."	SFZS staff experts in assessing animal welfare disagree that the animals are depressed. Our observations showed active animals using several vertical components of their exhibit. They appeared in good health. The exhibits themselves resemble off-exhibit spaces where aesthetics are not a priority. Two animals had free access to the entire suite of cages. Peeled wood logs

Animal Enclosure/ Area of Concern	Animal Welfare Advisors Concerns	BLA Subject Matter Expert Observations
Mandrill	“The mandrill night house is also falling apart and way too small for the ever-growing family there. Again, they could’ve turned the empty yard next to them and tripled their space if they planned and invested in retrofitting the available empty yard. Instead, they placed a sole grey fox in the huge habitat.”	set at an angle were used throughout the exhibit to make the best use of the vertical space for these largely arboreal primates. The chain-link barrier is difficult to see through. Although the night house appears small, individual holding areas are interconnected allowing separation when needed. Additional light and a refreshment of the space are needed. Two young males are ready to leave the group when another home can be identified to avoid intraspecific aggression. The outdoor habitat currently provides sufficient space for the group.
Otter	“The otter habitat needs to be updated and expanded, and the holding space needs to be bigger and more sufficient for any animal to be housed. Unfortunately, a dropped door killed the penguin in that area. No one from the Bird management Team or the VP of the Animal Division reached out for any tips, guidance, or knowledge about that area from the curator or carnivore staff who have worked there for years. There is plenty of space to renovate the otter holding and habitat, but upper management or the director never discuss or are willing to discuss what needs to be done in that area.”	The former otter exhibit now houses native turtles. The exhibit, designed before current standards for otters were published, does not meet design standards for the ratio of land to water areas within the exhibit. Like other comments about exhibits, improvements seem to stall due to lack of funds, a plan, coordinated staff discussions, or the leadership push needed to move enhancements forward.

Animal Enclosure/ Area of Concern	Animal Welfare Advisors Concerns	BLA Subject Matter Expert Observations
Jaguar	“The netted exhibit that the jaguar currently inhabits was supposed to be temporary. As noted in the AZA jaguar Animal Care manual - Primary containment for jaguars should be designed to provide the highest level of security which includes completely enclosing the top of the jaguar enclosure. Although there are options for a lower level open-top approach which include dry moats and minimum vertical height, cantilevered supports, fencing/mesh with hot-wire attachments- this approach would be unsatisfactory considering the Zoo’s tiger incident of 2008. Zoo enclosures should always be designed to the highest level of security for the safety of the animals and zoo patrons.”	The jaguar died of natural causes before making use of the planned exhibit. According to the AZA Jaguar Husbandry manual, closed topped exhibits are recommended. However, other barriers (dry moats, and vertical walls with cantilevered supports and hot wire) are considered acceptable. Input from the previous zoo would be important when considering exhibit barriers. Young adult animals in prime condition and animals known to readily climb rock surfaces should be taken into consideration as well as conditions at the planned exhibit that may include free-ranging animals within the zoo seen as prey, loud sudden noises, etc. A netted overtop would allow more use of the vertical space within the exhibit for a jaguar.
Children’s Zoo	“Children’s Zoo hoof-stock animals live in small, square, dirt-only habitats, with no grass, trees, or other natural options outside.”	Animals are rotated between several corrals and staff regularly take animals on walks in the Children’s Zoo area. The dirt is decomposed granite mixed with sand and is commonly used in hoof stock paddocks to allow good drainage - important for keeping hooves dry and healthy in wet environments like San Francisco. Some of the small horses have gastrointestinal issues and are on restricted diets that do not include grass.

Sources: BLA summary of Animal Welfare Advisors’ October 2024 report to the Joint Zoo Committee/Recreation and Parks Commission; visual observations; discussions with SFZS staff; and AZA standards.

Veterinary Care, Commissary, and Animal Wellness/Behavior/Research

Veterinary staffing, including licensed veterinarians, veterinary technicians, a hospital manager, and other support staff, is adequate for the size and nature of the animal collection. Policies and protocols for animal care are in keeping with American Association of Zoo Veterinarians guidelines. Routine preventative care is planned using a calendar shared with curators and hospital staff. Endemic disease rates and susceptibility rates all factor into how often tests are conducted. Veterinary coverage is provided seven days a week and a relief pool of contract veterinarians is maintained should the need arise. Controlled drugs are stored in a safe and selected staff are trained in their use and handling. Animals under their care appeared healthy and well cared for. Adequate quarantine facilities, labs, surgery, treatment rooms, x-ray, and hospital rooms are all located in the animal hospital. An adjacent necropsy facility and cremation furnace are also adequate.

The Animal Commissary was clean and well managed by a full-time staff person. Diets and amounts were organized in a loose-leaf binder and used by staff in preparing food. Walk-in refrigerators and freezers as well as the hay storage barn were organized and clean, with no signs of pests. Food is rotated regularly. Meat and fish are thawed under refrigeration.

Animal Exhibits

Animal exhibits are one of the significant issues facing the San Francisco Zoo. Significant multi-million-dollar capital improvements have not occurred in over 20 years. Current exhibits that represent modern zoo design include the African Savanna, Gorilla Preserve, and Lemur Forest.

Night quarter space, visitor sight lines, natural looking or hidden barriers, service access, pools, trees (both real and artificial), multiple unobstructed viewing areas, resting and sheltered areas for visitors, education graphics integration, proper substrate, etc. are all examples of amenities that define excellent exhibits that function well for animals, the people who care for them, and zoo visitors. Some exhibits that were built more than 80 years ago are functional and continue to house animals, but do not meet current zoo standards without significant modifications. These modifications would require either more maintenance time than SFZS has available or external contractors to finish more substantial projects. Some of this under-investment can be explained by exceptionally tight budgets during the COVID-19 pandemic, but is mostly related to:

- Lack of vision for the future of the Zoo
- Lack of an aggressive development effort by the previous SFZS Chief Executive Officer and development staff to cultivate donors and raise funds to build new, professionally-designed exhibits

- Insufficient support from the City without inflation escalators to keep up with rising labor and other operating expenses
- Significant deferred expenses following the handover of the Zoo from the City to SFZS
- Failure to initiate a process that involves and receives input from all levels of staff in formulating a master plan
- Lack of a collection plan that considers staff expertise with various species, San Francisco climate and animal adaptability, potential cost to maintain species, exhibit capacity, national level species priorities for sustainability, local interest, and alignment with education, conservation, and master plans goals

Visitor Experience

Pathways throughout the Zoo campus can seem confusing without constantly referring to a map. Dead-end paths leading to exhibits require doubling back. Guests must make competing choices about what they want to see, sometimes leaving some exhibits behind. Landscaped areas along guest paths are inconsistently maintained, and some restrooms require maintenance to repair leaky toilets. These factors can influence guest perceptions about animal care and the Zoo as a whole.

Choice and control objectives, where the animals choose where and when they want to be depending on the weather, crowds, privacy needs, who they want to spend time with, etc., cannot be met with dated exhibits that do not allow for viewing when the animals choose to be inside.

Several exhibits remain empty for multiple reasons, but the result is always the same: disappointed Zoo guests.

Written Protocols and Policies for Animal Management

We received documents through site visits, publicly available sources, and materials transferred to us by current SFZS management. Mr. Pate was able to review policies and protocols related to the veterinary medicine program, animal records department, and animal management.

Mr. Pate used United States Department of Agriculture reports that included inspection results of mammal and bird areas. All non-compliant areas were noted as well as follow-up actions and re-inspections. All were satisfactorily addressed. The Zoo received an acceptable AZA accreditation inspection report as of the last inspection in 2022, with the next due in 2027. These reports were based on published standards for animal care and other facets of zoo operations. These are the best available standards formulated by the premier accreditation program worldwide used when evaluating animal care. Published AZA Animal Care Manuals also provide

more specific husbandry guidance for animal caretakers, although we note that not all animal keepers were aware of these documents available online. Documents reviewed include drills for various emergencies (2025 drills were incomplete), newspaper articles, animal inventories, the October 2024 report by the Joint Zoo Committee animal welfare advisors, San Francisco Zoo history, SFZS acquisition and disposition policies, and grievances.

As noted in *Section 2: Planning and Vision* of this report, SFZS lacks an active master plan and collection plan, both of which are critically important in moving the Zoo forward.

Conclusion

The animals at the San Francisco Zoo appear to be in generally good physical condition and are well cared for by conscientious and dedicated animal care, veterinary, and animal enrichment staff that seemed genuinely concerned about the future of the Zoo. However, this staff is somewhat constrained by a lack of planning and older facilities that no longer fit the notion of a modern zoo that integrates animal care, visitor experience, and educational goals. Veterinary care and animal diets appear to be appropriately managed, and we observed no abnormal animal behavior during several days of site visits in October and November 2025. The animal wellness/enrichment staff is strong, but has shrunk in the last two years and should be better coordinated with animal care staff.

While most animals were housed in appropriate social groupings, the mandrill population is housed in a small space and two young males are ready to leave the group once appropriate housing in another zoo can be found. Exhibit barriers and safety mechanisms appeared adequate with some historical exceptions, including the grizzly bear and jaguar exhibits. The appropriateness and aesthetics of exhibit spaces vary, with the African Savanna and lemur exhibits as model spaces while animals housed in older spaces are either cramped (orangutans) or are aesthetically out of date, including the Bear Country area, and the rhinoceros, Przewalski's horse, and lion exhibits.

More proactive animal collection and facilities planning, as well as additional funding from public and private sources, is needed to improve exhibit spaces and upgrade conditions for many animals from acceptable to ideal. Additionally, SFZS management should focus on improving collaboration between animal wellness/enrichment and animal care staff.

Recommendations

The SFZS Chief Executive Officer should:

- 10.1 Consistent with the recommendation in Section 2 of this report, revise the institutional collection plan, in collaboration with Animal Division leadership, curators, and keepers, to include specific details and rationales for planned future animal acquisitions, as well as resources needed (such as exhibit modifications) to support these plans. Ensure that the following issues are addressed in the collection plan:
 - a. A plan for housing and/or exhibit modifications for the mandrill population should in-fighting occur between the two juvenile males.
 - b. A plan for moving the orangutans to a more appropriate exhibit.
- 10.2 Assess staffing needs for animal wellness and enrichment given recent turnover and backfill vacant positions as appropriate.
- 10.3 Work with animal wellness/enrichment, animal behavior, and animal care staff to ensure there is sufficient communication and collaboration between these divisions, including the establishment of a follow-up structure for goals set by animal wellness staff.

Benefits and Costs

Implementation of the proposed recommendations would improve coordination and planning of animal exhibits so that all animals can be housed in exhibits that are ideal rather than simply acceptable and would also enhance animal wellness and enrichment. The proposed recommendations would require additional SFZS staff time to revise the institutional collection plan and build stronger communication processes between wellness/enrichment staff and animal care staff. Rebuilding capacity of animal wellness and enrichment staff would also carry ongoing salary and benefit costs, which would be dependent on the recently vacant positions that management chooses to fill.

11. Organizational Impact and Guest Experience

The San Francisco Zoological Society (SFZS)'s core mission-driven activities related to education, conservation, and the guest experience declined between 2019 and 2025 due to reductions in the number and continuity of educational programs, curtailed research publication and scientific output, and deferred maintenance of interpreted signage. During this same period, SFZS did not implement many elements of staff-developed marketing and public relations strategies. These conditions collectively weakened community engagement and the guest experience at the San Francisco Zoo and Gardens and, without effort and investment to support public-facing activities like public relations, educational programming, targeted marketing, and signage repair, will continue to affect SFZS's ability to increase attendance and donor support. SFZS should implement a near-term remediation plan to repair signage, restore core education and marketing functions, and reestablish baseline scientific and research capacity while developing longer-term operational plans to sustain these functions.

Mission-Driven Activities

The mission statement of the San Francisco Zoo and Gardens (Zoo) is to “connect all people with wildlife, inspire caring for nature, and advance conservation action.” This mission provides the framework for the organizational structure, resource allocation, and programmatic output of the San Francisco Zoological Society (SFZS) beyond its animal care and management duties. The Zoo, and SFZS as its operator, support a range of mission-driven functions related to education and conservation across the organization, including:

- The **Education Department** programs the Zoo's various classes and camps that connect youth with wildlife at the Zoo. Staff also facilitate outreach to community organizations in and around San Francisco. The docent program with trained adult volunteer educators is also housed under the Education Department.
- The **Animal Rescue & Conservation Center (ARC)** is a facility that houses and cares for dozens of off-exhibit animals. The ARC provides educational programming and volunteer opportunities to teens and adults who are trained to care for ARC animals, give animal ambassador talks to guests, and talk about conservation.
- **Wellness and Conservation** staff manage species-specific conservation and recovery initiatives in partnership with external organizations and institutions. Staff with advanced credentials may conduct and publish research that contributes to the broader zoological and conservation fields.

Education, conservation, and institutional engagement are core elements of the Association of Zoos and Aquariums (AZA) accreditation standards. Accredited institutions must demonstrate active participation in conservation initiatives, including support for species and habitat protection, collaboration with regional or global conservation programs, and integration of conservation messaging into exhibits and programming. AZA education and interpretation standards emphasize the delivery of structured educational programming and interpretive materials and signage that connect guests to wildlife, promote environmental stewardship, and reinforce conservation goals through meaningful and accessible visitor experiences. AZA scientific advancement standards require institutions to base animal care and conservation practices in science and to contribute to the generation or dissemination of scientific knowledge through research, partnerships, or participation in fieldwide initiatives.

Reduced Education Programming and Enrollment

SFZS's education programming enrollment has declined substantially since 2019 and has not returned to pre-pandemic levels. As shown in Exhibit 11.1 below, total enrollment in education programs fell from 4,662 participants in 2019 to 3,505 in 2020, when SFZS cancelled its Little Learners program and in-person attendance for its Zoo Camps¹ declined in response to the COVID-19 pandemic. Although in-person Zoo Camp attendance recovered in 2022, the Little Learners program was not brought back until 2025 and enrollment across all programs has remained well below the 2019 pre-pandemic level. As of December 2025, annual enrollment in education programming was 1,849 students, or 40 percent of 2019 enrollment.

Exhibit 11.1: Enrollment in SFZS Education Programming, 2019-2025

Program	2019	2020	2021	2022	2023	2024	2025
Summer Zoo Camp	1,818	437	509	1,203	1,588	1,855	1,457
Little Learners	2,684	197	0	0	0	0	184
Fall/Winter/Spring Zoo Camps	160	2,871	1,122	232	164	0	134
Bilingual Zoo Camps	n/a	n/a	n/a	31	23	61	74
Total	4,662	3,505	1,631	1,466	1,775	1,916	1,849

Source: SFZS Education Department.

At the same time, SFZS offers fewer opportunities for guests to participate in educational programming and education-focused volunteer activities in 2025 than it did at the beginning of

¹ Little Learners is a program for preschool-aged children to explore animals through letter-themed lessons, games, and hands-on activities. Zoo Camps are weeklong day camps for children in grades K-6 to participate in educational tours, games, close-up animal encounters, and craft projects.

the audit period in 2019. As shown in Exhibit 11.2 below, SFZS offered 22 programs in 2019 and only eight in 2025. The 14 programs that are no longer offered include multiple youth programs, teen education and volunteer opportunities, and family- and school-focused programs. While some programs have been reinstated or remain in place in 2025, the overall number and variety of educational and guest programming options is significantly reduced compared to 2019.

Exhibit 11.2: Educational and Guest Programming Offered by SFZS, 2019 vs. 2025

Age	Program	2019	2025
Youth	Bilingual Camps		✓
	Seasonal Zoo Camps	✓	✓
	Little Learners	✓	✓
	Stroller Safari	✓	
	Animal Adventures	✓	
	SF Tots @ SF Zoo	✓	
	Young Zoologist	✓	
	Ocean Explorers	✓	
	Girl Scouts	✓	
Teens	Nature Trail	✓	✓
	Zoo Crew	✓	
	Talk on the Wild Side	✓	
	Zoo Teacher Assistant / Leadership Fellows	✓	✓
Families	Renew the Zoo	✓	✓
	BikeAbouts	✓	
	Senior Stroll	✓	✓
	Wildlife Illustration	✓	
	Conservation Speaker Series	✓	
Schools	Zoomobile	✓	
	Close Encounters (At the Zoo)	✓	
	Biodiversity Basics	✓	
	Docent-Guided Tours	✓	
	Teacher resources & classroom guides	✓	✓
Total		22	8

Source: SFZS education website archives.

The COVID-19 pandemic was the primary cause of the initial reduction in education program availability and enrollment when SFZS eliminated or significantly limited established programming between 2020 and 2022. However, according to SFZS staff, decisions made by SFZS leadership during and following this period prolonged the effects of the pandemic on educational and guest programming beyond its immediate impact.

SFZS did not use a written strategic education plan, as required by AZA accreditation standards, which call for institutions to articulate how education activities advance the organization's mission and to establish strategic goals and objectives. The Zoo's most recent accreditation report from 2022 shows that the evaluation committee reviewed the Zoo's written education plan at the time. However, according to staff interviews and focus groups, at least five individuals with direct responsibilities to education programming and outreach reported to us that they had never seen an education planning document or used one in their work. Staff also recalled instances where education programs would disappear, modify, or launch without sufficient coordination or explanation from the former SFZS Chief Executive Officer (CEO). For example, one staff member recounted being told the Zoo was relaunching the Nature Trail teen volunteer program following the pandemic. According to the staff person, the program was to be modified as a "lite" version of the pre-pandemic program, though the former CEO did not clarify what this meant, and this decision was not made as part of any educational strategic document or in consultation with education or Animal Rescue and Conservation Center staff.²

The SFZS Education Department relies on program continuity to serve youth and families through age-sequenced offerings from early childhood through adolescence. It is likely that the lack of planning for educational programming and programming disruptions impeded reenrollment, limited participation by siblings over time, and contributed to an overall decline in educational opportunities that is reflected in the trends shown in Exhibit 11.1 above.

Reduced Scientific Output

SFZS has conducted impactful conservation work in recent years, including efforts to restore yellow-legged frog populations and research on optimal breeding standards for the western pond turtle. However, reductions in scientific and research-oriented staffing and restrictions on research publication imposed by prior SFZS leadership impacted SFZS's capacity to contribute to shared scientific learning and professional collaboration.

Between 2019 and 2025, SFZS eliminated two of the three positions held by expert animal behavioral science researchers and did not fill them upon vacancy. Moreover, staff reported to our audit team that during this period, the former SFZS CEO discouraged or prohibited scientific personnel from publishing their work and/or participating in professional research dissemination. These circumstances coincided with a sustained decline in measurable scientific output: our review of the AZA Conservation and Research Database (ACRD) found that the San

² Some of the education-focused teen programming and volunteer opportunities, such as the Nature Trail, are run out of the Animal Rescue and Conservation Center (ARC) rather than the Zoo's Education Department.

Francisco Zoo has not submitted any completed research projects or publications since 2019. The ACRD shows several active or ongoing research projects at the San Francisco Zoo between 2019 and 2025. However, these projects are either (a) missing from subsequent years without recording completion, or (b) led by individuals that are no longer employed at the San Francisco Zoo. By comparison, the Oakland Zoo submitted more than 35 completed research projects during the same time frame.

SFZS's ability to actively contribute to the generation and dissemination of scientific knowledge remains limited due to its current staffing capacity. SFZS's remaining animal behavioral scientist is primarily tasked with routine monitoring of the Zoo's entire animal collection, which limits the capacity to design or pursue independent research initiatives. This position is early-career and is supervised by the Chief Veterinarian, who also oversees the veterinary clinic and the Zoo's conservation, wellness, and training teams. As a result, the amount of dedicated leadership and staff time available for research-focused planning and publication is more limited now than it was in 2019, when SFZS had three positions held by expert animal behavioral science researchers. To align with AZA accreditation standards that require organizations to advance scientific studies in proportion to its organizational size, SFZS will need to adopt a formal organizational scientific study plan and ensure that scientific activity is treated as a priority. In the staffing reassessment discussed in *Section 8: Workplace Culture, Organizational Structure, and New Leadership*, SFZS should evaluate reasonable reporting lines, job duties, and leadership for research-focused activity by individuals with appropriate scientific qualifications and capacity.

Signage Deficiencies

Informational and interpretive signage is a core component of zoo operations and has a critical role in advancing institutional missions related to education, conservation, and animal welfare. AZA standards state that effective signage must be accurate, legible, current, and consistent with SFZS's stated mission to provide meaningful conservation education. Signage is an important element of the guest experience by communicating animal status, exhibit context, and institutional transparency to visitors.

SFZS staff provided our audit team with a Zoo-wide inventory from 2019 that recorded more than 50 instances of wayfinding and educational signage in need of repair or replacement. Despite this inventory, staff reported to us that the requested improvements and repairs were not made between 2019 and 2025 and that new permanent signage has not been systematically ordered or installed in several years. Further, Graphics staff reported to our audit team that SFZS does not have written protocols related to the installation or use of temporary signage or a regular schedule for signage renewal and replacement. Consistent with these staff assertions, we

observed inconsistent signage quality across exhibits, and some signs were in such disrepair that they were largely illegible. We also observed empty animal enclosures that had no explanatory signage about why the enclosure was empty, while others had postings indicating that an animal was temporarily off display or had passed. Examples of signage conditions observed during fieldwork are included in Exhibit 11.3 below.

Exhibit 11.3: Examples of Signage Issues



The top photo shows an educational sign within the African Savanna region that has been corroded by salt and sun, largely rendering the text illegible. The signage inventory from 2019, more than five years before this photo was taken, records that this exact sign is faded to the point of needing replacement. The second photo below is a sign located indoors in the giraffe barn for comparison purposes. Source: BLA site visit observations (October 2025).



Empty exhibit at the Insect Zoo with no signage indicating why the exhibit is empty.

Source: BLA site visit observations (October 2025).

These signage deficiencies detract from the visitor experience and weaken SFZS's educational mission. Outdated or illegible signage contributes to an overall sense of disrepair on Zoo grounds and limits opportunities for visitor learning. Inconsistent communication regarding animal exhibits that are temporarily or permanently empty could lead visitors to perceive a lack of transparency or care. Over time, these conditions could impact the public perception of the Zoo and reinforce broader reputational challenges, particularly when combined with declining attendance and the reductions in educational and guest programming described earlier in this section. SFZS should develop and implement a Zoo-wide signage plan as part of a three- to five-year remediation effort that prioritizes the replacement of illegible or outdated educational and wayfinding signage and the installation of clear explanatory signage for empty exhibits. The plan should establish standards for signage content, design, and maintenance; identify funding needs and timelines for replacement; and assign responsibility for ongoing monitoring and updates.

Absence of Marketing and Public Relations Strategy

Lack of marketing planning and low strategic investments

SFZS's marketing team operated without an active, implemented annual marketing plan from at least 2019 through 2025. Although SFZS developed annual written marketing plans for 2021, 2022, 2023, and 2025,³ marketing staff reported to us that these plans were not implemented and that staff lacked the authority or resources to carry out sustained promotional efforts. The written plans themselves outline campaigns and special events intended to drive visitation and community engagement, but many of these campaigns and events did not take place. For example, marketing staff proposed contracting for a hand-crafted seasonal lantern display in three separate plan years, but the display never occurred. In interviews, current and former marketing staff indicated that although the former SFZS CEO ultimately approved the funds for this festival in at least one budget year, the authorization was not made in time for the overseas vendor to proceed.

Meanwhile, in lieu of a defined advertising strategy, three plans stated only that the marketing team would develop advertising programs "when allowed" or "in advance of events." Staff also stated that requests to conduct guest surveys, audience research, or demographic trend analyses were denied by senior management. In response to our request for visitor surveys conducted between FY 2019-20 and FY 2024-25, SFZS management reported that only one visitor survey was conducted in 2019. SFZS management also reported that SFZS's secret shopper program, which tests customer experience, was canceled in late 2020 due to the COVID-19 pandemic. At the same time, SFZS expended funds for isolated, non-targeted promotional efforts such as radio advertising. This approach resulted in marketing decisions that marketing staff characterized as disconnected from data, uncoordinated across departments, and ineffective at advancing attendance or engagement objectives.

We found that SFZS invests significantly less in advertising and promotions than local peer cultural institutions. As shown in Exhibit 11.4 below, in FY 2024-25 SFZS spent \$396,520 on advertising, or approximately 1.4 percent of its total operating expenses. This investment is substantially less than comparable institutions such as the Oakland Zoo, the California Academy of Sciences (Cal Academy), and the Gardens of Golden Gate Park,⁴ each of which spent two to four times as much, proportionally, on their promotional activities. Staff reported to us that

³ SFZS did not produce a written plan for the fiscal or calendar years of 2020 and 2024. They did, however, provide a list of all marketing events and campaigns that took place between July 2018 and December 2024.

⁴ The Gardens of Golden Gate Park include the Conservatory of Flowers, Japanese Tea Garden, and San Francisco Botanical Garden.

despite SFZS’s scale, complexity, and reliance on earned revenue, marketing expenditures were not strategically planned or consistently targeted, limiting SFZS’s ability to attract new audiences, retain repeat visitors, or respond to changing demographic trends.

Exhibit 11.4: Advertising Expenditures of Bay Area Cultural Institutions

Institution	Operating Expenses	Advertising Expenses	Proportion of Operating Expenses
Cal Academy (FY 2024-25)	\$108,668,894	\$4,400,608	4.0%
Oakland Zoo (FY 2023-24)	31,798,382	1,531,387	4.8%
Gardens of Golden Gate Park (FY 2023-24)	14,798,747	406,290	2.7%
San Francisco Zoo (FY 2024-25)	27,906,819	396,520	1.4%

Source: Most recently available audited financial statements.

Note: Figures reported above are from audited financial statements for the fiscal year ending in 2025 except for the Oakland Zoo and the Gardens of Golden Gate Park, which are for the year ending in 2024.

Restrictions on public relations and transparency

Communications staff reported to our audit team that they operated with minimal autonomy and direction for several years prior to 2025. Multiple staff across departments stated that press releases were frequently prohibited or suppressed, including communications related to animal conditions, exhibit changes, or conservation work, due to concerns about potential negative attention. Staff also reported to us that external communications decisions were centralized under the former CEO, who frequently engaged outside consultants to prepare press releases and communications materials rather than working with in-house staff, and that these consultant engagements were often not coordinated with existing communications efforts.⁵ The marketing plans provided by SFZS between the years 2021 and 2025 include SFZS’s annual public relations strategy, which is limited to the statement that public relations opportunities shall be “vetted and approved [by the CEO] for possible distribution.”

As discussed in more detail in *Section 8: Workplace Culture, Organizational Structure, and New Leadership* of this report, this environment of limited transparency and suppressed communications also affected SFZS employees and workplace culture: more than 80 percent of SFZS staff who responded to a staff survey conducted by our audit team rated communication and workplace culture as “poor” or “very poor” under the previous CEO. It is also likely that the absence of an implemented marketing strategy, limited investment in promotional activities, reliance on external consultants, and sustained suppression of public communications weakened

⁵ SFZS’s general ledger records between July 1, 2023, and June 30, 2024, show at least three vendors who were receiving monthly payments of \$4,000 to \$5,000, or approximately \$14,000 per month in total, to provide strategic communication and marketing consulting services.

the Zoo's public visibility and its institutional reputation by limiting its ability to promote its mission, educational programming, and conservation efforts. As discussed in *Section 1: Financial Condition, Transparency, and Contingency Planning* of this report, Zoo attendance decreased by 170,236 visitors, or 22 percent, between FY 2018-19 and FY 2024-25, and SFZS experienced a significant decline in external financial support from both corporate and individual donors.

SFZS Needs a Short-Term Remediation Plan

Attendance-related revenue is SFZS's largest and most significant revenue source, and as discussed more in *Section 1: Financial Condition, Transparency, and Contingency Planning* of this report, increasing attendance is necessary to stabilize SFZS's financial health and ensure its longevity. However, without near-term effort and investment to support and prioritize public-facing activities like public relations, educational programming, targeted marketing, and signage repair, SFZS's lack of institutional strategy, planning, and investment in these areas will continue to affect its ability to increase attendance and donor support. We recommend that the SFZS Chief Executive Officer develop a short-term remediation plan for public-facing, revenue-related efforts to help SFZS identify and prioritize immediate restoration needs and ensure that programs critical to public engagement and financial sustainability are stabilized as soon as possible.

Based on the conditions identified in this section, a remediation plan should prioritize restoring consistent and reliable educational programming; reestablishing baseline scientific capacity and professional engagement; addressing deferred maintenance of public-facing signage and exhibit communications; rebuilding core marketing and public relations functions to improve visibility and transparency; and supporting near-term donor and community outreach efforts.

Conclusion

The reduction in SFZS's educational programs, research publication, and scientific output, along with deferred maintenance of interpreted signage and a lack of strategic communications, have impacted the Zoo's ability to carry out its mission to connect people with wildlife, inspire caring for nature, and advance conservation action. These conditions also collectively weaken community engagement and the guest experience at the Zoo. To stabilize attendance and restore public trust, the Zoo should implement a near-term remediation plan to repair signage, restore core education and marketing functions, and reestablish baseline scientific and communications capacity while developing longer-term operational plans to sustain these functions.

Recommendations

The SFZS Chief Executive Officer should:

- 11.1 By December 31, 2026, develop and implement a three- to five-year remediation plan in consultation with appropriate senior leadership that plans for, and prioritizes, the restoration of public-facing functions that affect attendance, revenue stability, and public trust. The plan should clearly distinguish short-term remediation activities from longer-term strategic planning needs and should identify timelines and responsible parties for implementation. This effort should center the following objectives:
- a. Repair and replace zoo signage that is either in physical disrepair or contains inaccurate information.
 - b. Restore educational programs.
 - c. Develop an operational annual marketing plan and public relations protocols.
 - d. Restructure staff scientist capacity to follow a written institutional scientific research plan.

Benefits and Costs

Implementation of the recommended remediation plan would support near-term stabilization of the SFZS's public-facing functions, which are necessary to increase attendance, rebuild donor confidence, and improve community perception. By addressing deferred needs in education programming, scientific capacity, signage, and marketing, SFZS would be better positioned to achieve financial solvency and sustain the longer-term governance, staffing, and funding reforms described elsewhere in this report. Clear sequencing of remediation and permanent changes would also reduce the risk that structural improvements fail to generate intended outcomes due to unaddressed reputational and operational challenges.

Implementing the remediation plan would likely require additional short-term resources beyond SFZS's existing operating budget to support acute restoration needs, such as replacement of outdated signage, rebuilding education and outreach capacity, and strengthening marketing and communications. Other ongoing costs could include potential increases in full-time staffing, particularly in scientific and marketing functions at an estimated annual compensation level of \$90,000 to \$110,000 per position.

Appendix A: Benchmarking Analysis of Peer Zoos

We conducted a benchmarking analysis of peer zoos with similar public-private governance structures to the San Francisco Zoo and Gardens (San Francisco Zoo) as part of our audit fieldwork. The purpose of the benchmarking analysis was to identify common practices in zoo operations and management and compare standard practices with those of the San Francisco Zoo. Our analysis used publicly-available financial and governance materials from a total of 22 institutions across the United States.

We found that peer zoos operate under a wide range of governance, funding, capital planning, and oversight structures. Compared to these institutions, the San Francisco Zoo operates under one of the oldest active management agreements, receives a relatively modest level of public support, and lacks several formalized oversight and long-term capital planning mechanisms in place at other zoos. These comparisons highlight opportunities for a revised agreement between the San Francisco Zoological Society and the City to clarify oversight authority, strengthen reporting and performance expectations, and align capital planning and funding structures with contemporary peer practices.

Methodology

We identified peer institutions for this analysis using the following criteria: (a) zoos¹ accredited by the Association of Zoos and Aquariums (AZA) as of 2025; (b) zoos managed and operated by a nonprofit organization under the authority of an operating agreement with a local government entity; and (c) zoos with a minimum 500,000 average annual visitors recorded as of 2025. Using these criteria, we identified and reviewed the 22 peer zoos listed in Exhibit A.1 below.

¹ AZA-accredited institutions include both zoos and aquariums. We excluded aquarium-exclusive institutions from our review but included institutions that are both a zoo and an aquarium.

Exhibit A.1: Peer Zoos and Materials Reviewed

Zoo	Form 990 Year	Audited Financial Statement?	Most Recent Operating Agreement with Host Jurisdiction?
Fresno Chaffee Zoo	2023	✓	✓
Kansas City Zoo	2023	✓	✓
Zoo Miami	2022	✓	✓
Nashville Zoo	2023	✓	
Woodland Park Zoo (Seattle)	2023	✓	✓
Detroit Zoo	2023	✓	✓
Denver Zoo	2023	✓	✓
Fort Worth Zoo	2022	✓	✓
Columbus Zoo	2023	✓	
Pittsburgh Zoo	2023		
Oakland Zoo	2022	✓	✓
Cincinnati Zoo	2023		
Philadelphia Zoo	2022	✓	
San Diego Zoo	2023	✓	✓
Birmingham Zoo	2023	✓	✓
Fort Wayne Zoo	2023	✓	✓
San Antonio Zoo	2023	✓	✓
Oklahoma City Zoo	2023	✓	✓
Zoo Atlanta	2023	✓	✓
Dallas Zoo	2022	✓	✓
Reid Park Zoo (Tucson)	2022	✓	✓
Tulsa Zoo	2023	✓	✓
Total	22	20	17

Source: BLA collection of publicly-available materials.

Collected materials are summarized in Exhibit A.1 above.² For each zoo, we collected the most recently published IRS Form 990 of the nonprofit operator,³ which was available for all institutions reviewed, and the nonprofit operator's recent audited financial statements (available

² Our team reviewed additional publicly available materials that broadly informed our fieldwork areas for this audit report. These include performance audits, local jurisdiction meeting minutes, annual reports, strategic plans, relevant ballot measures, and news publications.

³ Form 990 is a federal IRS informational return that tax exempt organizations file to provide the IRS with financial, operational, and governance data.

for 20 out of 22 zoos). We also collected and reviewed the zoos' lease and management agreements or comparable governing documents, which were available for 17 out of 22 zoos.

Due to the nonprofit status of these zoos' operating organizations and their public-sector agreements, most materials used in this analysis were obtained from publicly-available online sources. Where key documents were not publicly accessible, we submitted public records requests to host jurisdictions to obtain relevant materials.

Findings

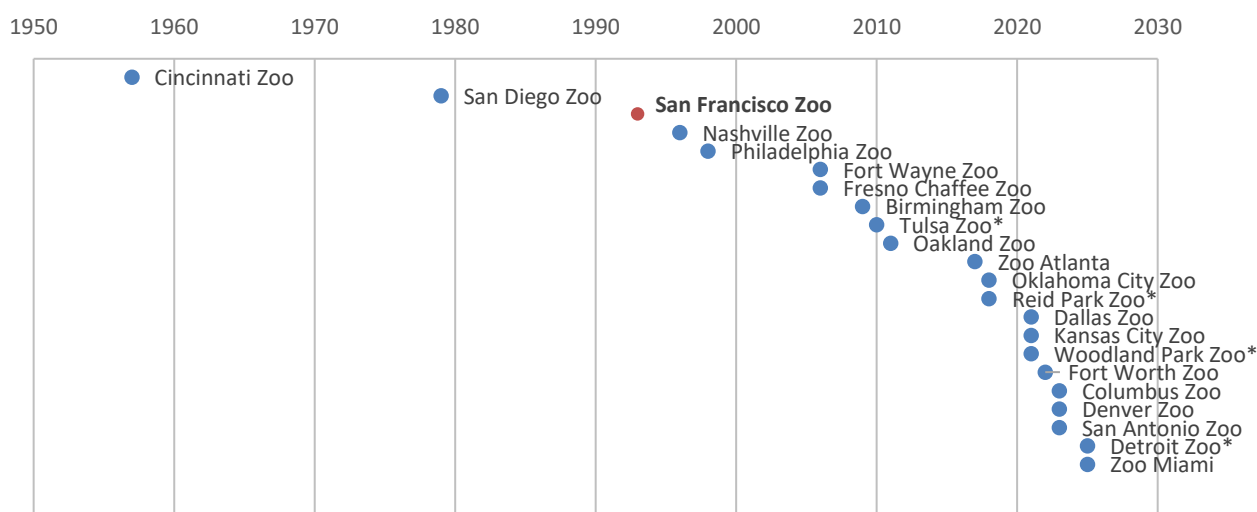
To inform the City's consideration of a new lease and management agreement, this appendix summarizes key governance, financial, capital planning, and oversight practices observed among peer zoos. The information below is intended to provide context and examples to guide and inform the agreement renegotiation process between the San Francisco Zoological Society (SFZS) and the City, as discussed further in *Section 3: Management Agreement and Oversight* of this report.

Governing Agreement

Exhibit A.2 below shows the age of each zoo's active operating agreement between its host jurisdiction and nonprofit operator, inclusive of any amendments or memoranda of understanding. Of the 22 peer zoos we reviewed, the San Francisco Zoo and Gardens (San Francisco Zoo) has the third oldest agreement and is one of five zoos with provisions from before the year 2000. Other zoos, such as the Oklahoma City and Denver Zoos, have original agreements dating back to the 1970s-1990s, but these agreements were amended in the last decade prior to this audit report.

We also observed that agreement terms varied in length and renewal conditions. Though individual terms ranged between one year and 55 years, most agreements included automatic renewal provisions extending the total length of the agreement term to anywhere between 15 and 100 years without requiring an active review or approval process. At least four of the agreements we reviewed included a provision for conditional renewal, where one or all parties must actively opt to extend the operating agreement at renewal. These institutions are identified in Exhibit A.2 below.

Exhibit A.2: Dates of Peer Zoos' Most Recent Operating Agreements

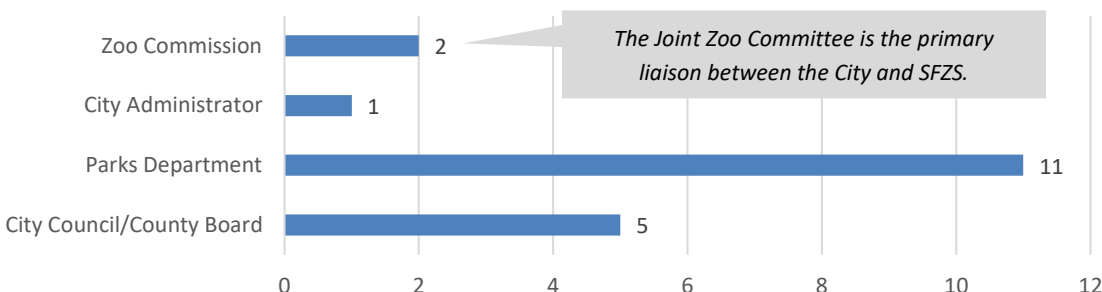


Source: Peer zoos' operating agreements and amendments, audited financial statements, and public meeting minutes.

* Indicates the agreement includes a provision to optionally renew.

Exhibit A.3 below identifies the primary host jurisdiction entity responsible for managing relations with nonprofit zoo operators among the 19 peer zoos for which we were able to verify this information. In most cases, this responsibility rests with a municipal parks and recreation department (11 out of 19 zoos), followed by direct oversight from a city council or county board (five out of 19 zoos). One institution (Oakland Zoo) primarily coordinates with its host jurisdiction's City Administrator. The San Francisco Zoo is one of only two zoos, along with Zoo Miami, with oversight from a zoo commission or Joint Zoo Committee; in both cases, these committees serve in a purely advisory capacity to a larger parks or recreation commission rather than functioning as primary oversight bodies.

Exhibit A.3: Count of Peer Zoos by Primary Oversight Body (n=19)



Source: Peer zoos' operating agreements and amendments.

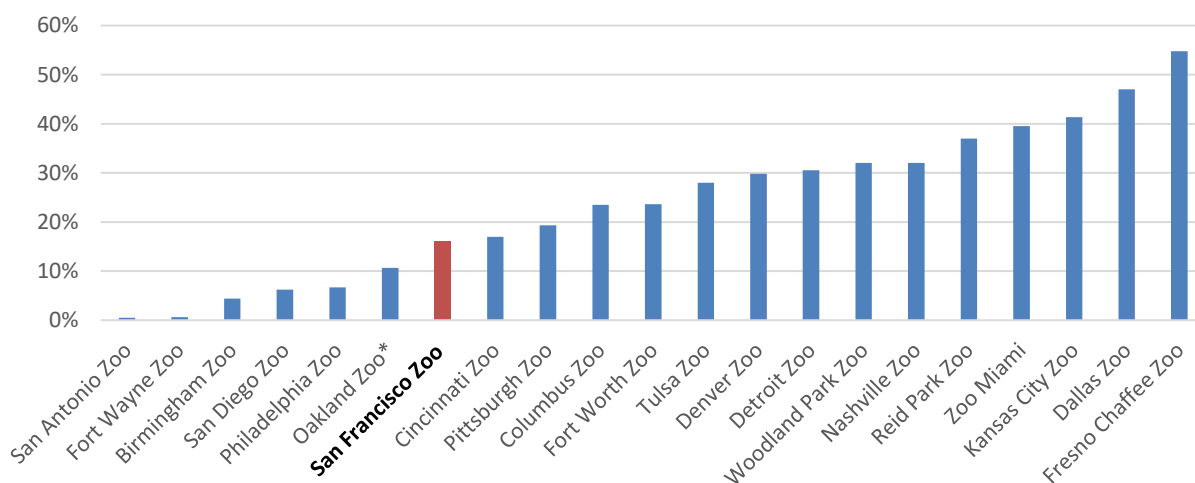
Note: We were only able to verify oversight structure for San Francisco and 18 other zoos with available operating agreements and/or audited financial statements clearly indicating the arrangement.

Financials

Revenues to zoos generally consist of the following: (a) **earned** support through ticketing, concessions, and other sales; (b) **contributed** support from individual and corporate donations; and (c) **public** support from federal, state, and local contributions or grants. While earned and contributed revenue varies widely across institutions based on attendance, fundraising capacity, and local market conditions, the level of government support is a useful indicator of the extent to which each zoo is financially supported by its host jurisdiction.

Exhibit A.4 below shows each peer zoo's public support from its host jurisdiction as a percentage of its total operating expenditures.⁴ Public support includes both ongoing base funding and discretionary appropriations provided by the local governing authority. As shown below, the level of public support varies widely across zoos, ranging from minimal contributions (such as the San Antonio Zoo and the Fort Wayne Zoo) to more than half of total operating expenditures (such as the Fresno Chaffee Zoo). The San Francisco Zoo falls on the lower range of peer institutions, with public funding representing 16 percent of its overall operating budget in FY 2023-24 compared to the median of 24 percent for this group.

Exhibit A.4: Public Support as Proportion of Operating Expenditures



Source: Peer zoo audited financial statements and Form 990s for 2023 and 2024.

* The City of Oakland passed a parcel tax in 2022 to provide an additional \$12 million annually in contributed public support to the Oakland Zoo. The tax has not been collected as of the most recently available financial report for FY 2023-24 and is therefore not reflected in Exhibit A.4.

⁴ Some of these values may also include grant revenue from state and federal sources, but these amounts are commonly not a meaningful proportion of public support.

Zoos receive public support through a variety of funding mechanisms structured through operating agreements, local ordinances, and voter-approved measures. As shown in Exhibit A.5 below, these mechanisms range from annual management or operating fee commitments to dedicated tax revenues, fee waivers, and direct funding for maintenance or capital needs.

Exhibit A.5: Sample of Public Support Funding Mechanisms of Peer Zoos

Funding Source	Examples
Management/Operating Fee	Zoo Miami: Miami-Dade County agrees to issue a general fund appropriation to the Zoo of no less than 80 percent of the FY 2024-25 appropriation, each year, subject to available revenues. Dallas Zoo: The management fee paid to the Dallas Zoo each year shall be capped and limited to an amount that, when added to revenues, equals but does not exceed the Zoo's projected operating costs. San Francisco Zoo: The City and County of San Francisco shall pay \$4,000,000 to SFZS each year from a General Fund appropriation within the Recreation and Park Department budget.
Tax Revenue	Columbus Zoo: Franklin County voters approved a levy of \$0.75 per \$1,000 in taxable appraised property value to support the Zoo over a 10-year period. Detroit Zoo: The counties of Macomb, Oakland, and Wayne each passed a property tax levy at \$0.1 per \$1,000 of taxable property value to fund Zoo operations over 10 years.
Tax/Permitting Waiver	Birmingham Zoo: The City of Birmingham will issue a rebate for sales tax generated at the Zoo up to \$562,000 per year. Woodland Park Zoo: The City of Seattle exempts the Zoo from City taxes on admission charges to visitors. Fort Worth Zoo: The City of Fort Worth agrees to waive up to \$50,000 in permitting fees each year for work performed on the premises.
Funding Commitment	Dallas Zoo: The City of Dallas pays for routine maintenance to the wetlands on the premises incurred above \$150,000 in a year.

Source: Peer zoos' operating agreements and audited financial statements.

Of the 18 peer zoos with verifiable public funding sources,⁵ nine zoos (50 percent) included more than one type of public funding mechanism. Sources supporting capital projects and long-range facility planning are discussed in a later section of this appendix.

⁵ Audited financial statements and Form 990s did not reliably account for different mechanisms of government support. The actual number of peer zoos with multiple public funding sources may be higher.

Notably, many of these funding mechanisms vary year-to-year due to fluctuations in tax or levy revenues or variable appropriations. This variation complicates revenue forecasting during budget planning, as we observed in our review of peer organizations' audited financial statements. We also observed that some peer zoos' operating agreements with management fee funding specifically incorporate annual inflation adjustments into their payment schedules. Examples include:

- **Woodland Park Zoo:** The 2022 agreement between the City of Seattle and the Woodland Park Zoological Society (WPZS) establishes a first-year operations support payment of \$7.6 million from the City to WPZS. For each year thereafter, the payment shall escalate by the increase in the Consumer Price Index (CPI) for the Seattle-Tacoma-Bremerton area. The operations support payment may decrease in the event of a fiscal emergency, defined as insufficient current-year revenues to the City's General Fund or Park District. In this event, the payment may decrease by the lesser of five percent or the percentage decline in expected General Fund or Park District revenues.
- **Tulsa Zoo:** The 2010 contract between the City of Tulsa and Tulsa Zoo Management, Inc. established the management fee for the first four years, covering FY 2010-11 through FY 2013-14. Between these years, the management fee was set at \$2.8 million and increased to \$4.6 million. Beginning in FY 2014-15 and continuing through the remainder of the 25-year term, the agreement requires the management fee to increase annually by the greater of 2.5 percent or the CPI inflation factor.

Restricted Revenue Uses

Of the 17 zoos with lease and management agreements or comparable governing documents that we reviewed, 10 (59 percent) do not place formal restrictions on how public revenue from host jurisdictions may be used. These institutions generally use public contributions to support overall operations, and their governing agreements do not require nonprofit operators to use public revenue for specific purposes. Five zoos (29 percent) receive a mix of restricted and unrestricted public funding, with certain funding amounts designated for specific purposes. For the remaining two zoos (12 percent), all public funding must be used in accordance with restrictions established in operating agreements or local ballot language. Restrictions most commonly apply to facilities and exhibit maintenance, although some institutions must designate funds for public access initiatives, education programming, or conservation activities. A sample of funding structures and associated conditions is presented in Exhibit A.6 below.

Exhibit A.6: Sample of Conditions on Public Funding Sources of Peer Zoos

Zoo	Restrictions on Public Funding Revenues	Summary of Uses
Detroit Zoo	Partial	The Detroit Zoological Society may request additional appropriations from the City of Detroit each fiscal year to support specific projects. The City maintains a fund for expenditures not assigned to any single department, from which the Society may seek support by submitting detailed programmatic and financial documentation for City Council review and approval. In FY 2024-25, the City awarded the Society \$1.2 million from this fund for security and insurance expenditures. Separately, the Society receives approximately \$1.2 million annually from the City of Detroit for operations, as well as roughly \$15 million per year in dedicated levy funding from three regional counties. As a condition of the tri-county levy support, the Detroit Zoo must maintain free admission for residents of these counties.
Woodland Park Zoo (Seattle)	Partial	Revenues from the City of Seattle include approximately \$2 million annually to support major maintenance performed on the Zoo's premises. The City of Seattle also provides approximately \$3 million annually in insurance reimbursements to the Society. Further, the King County property tax levy proceeds in the amount of \$7 million annual are to be used for the purposes of education and conservation programming and maintenance work performed on the premises. The Woodland Park Zoological Society receives public support through the City of Seattle towards general operations in addition to these sources.
San Diego Zoo	All	Revenue from the City of San Diego Zoo property tax levy proceeds shall be restricted for the purpose of exhibit maintenance on the premises.
Columbus Zoo	All	Revenue from the Franklin County property tax levy proceeds shall be used for general maintenance of campus facilities.

Source: Peer zoos' operating agreements, audited financial statements, and City of Detroit Legislative Policy Analyst.

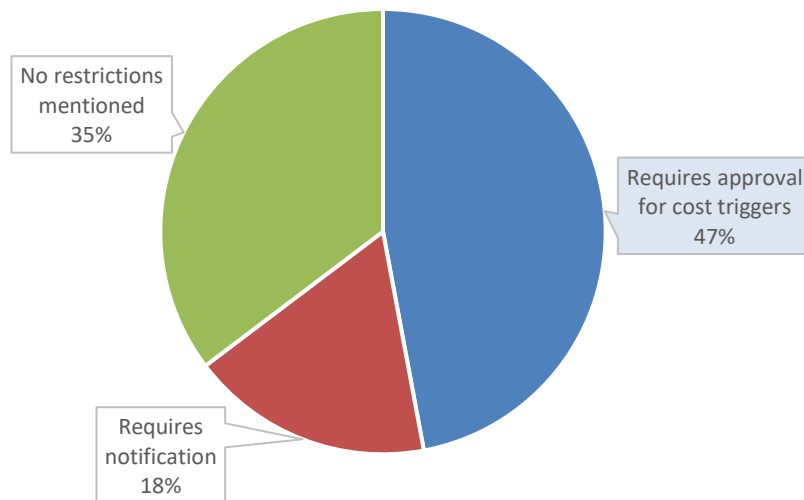
In some instances, operating agreements include provisions to restrict earned revenue. Such is the case with Zoo Miami, which requires that its nonprofit operator earmark gross membership revenues for funds dedicated to conservation and campus improvement expenditures.

Capital Improvements

The 1993 Lease and Management Agreement between SFZS and the City requires SFZS to obtain approval from the Recreation and Park Commission for any capital improvement or alteration to the premises exceeding \$50,000. As shown in Exhibit A.7 below, operating agreements for eight of the 17 peer zoos (47 percent) with available operating agreements include similar approval provisions. Expenditure thresholds requiring host-jurisdiction approval vary widely, ranging from

\$0 (where any alteration outside of routine maintenance must receive written approval) to \$1 million. Three zoos (18 percent) do not require formal written approval but instead require the nonprofit operator to notify the host jurisdiction either prior to commencing work or upon project completion. Operating agreements for the remaining six zoos (35 percent) do not include provisions requiring either reporting or approval from the host jurisdiction for capital or improvement work performed on zoo premises.

**Exhibit A.7: Discretionary Authority of Peer Institutions
to Make Improvements and Alterations (n=17)**



Source: BLA analysis of peer zoos' operating agreements.

Note: The shaded box reflects the San Francisco Zoo's agreement terms. The San Francisco Zoo is not included in this figure.

Capital Planning

The 11 operating agreements that require notification to or approval by their respective host jurisdictions for capital work also include provisions that link improvements and alterations to broader capital planning requirements, as shown in Exhibit A.8 below. These provisions require either:

- That the proposed projects align with an approved master plan, strategic plan, or multi-year capital improvement and budgeting process maintained by either the nonprofit operator or the host jurisdiction; or
- That the nonprofit operator submit annual or multi-year capital plans for review and approval by local officials to ensure that improvements are coordinated with long-term planning priorities and available funding.

These requirements provide host jurisdictions with greater visibility into the scope, timing, and funding of capital investments to ensure that improvements to publicly-owned zoo premises are consistent with adopted plans and long-term facility needs.

Exhibit A.8: Sample of Capital Planning Materials in Peer Operating Agreements

Zoo	Summary of Uses	Agreement Requires Plan Renewal?*
Reid Park Zoo (Tucson)	Prior to each fiscal year, the Zoological Society must propose an itemized list of capital improvements for the operational year and a capital plan and budget for the following five years thereafter. The proposed annual and five-year capital budgets must be submitted to the City Manager, Mayor, and City Council each year for approval.	Yes
Kansas City Zoo	The operating agreement between the Zoological Society and the City stipulates that the City and Zoo will cooperate to complete exhibits identified in the Master Plan, and that the Strategic Plan will endeavor to develop more permanent financial support via a capital improvements campaign. The Society is not obligated to make or is restricted from making improvements outside of projects specified in official joint documents.	No
Woodland Park Zoo (Seattle)	The Zoological Society may make capital improvements if and only if they are in alignment with the Long Range Plan approved by the City. The Long Range Plan is developed in consultation with the Park Department's Superintendent on a five-year basis for physical improvements to the Zoo's campus. Capital improvements outside of the Long Range Plan must be approved by the City if and only if they do not obstruct progress made towards plan objectives. Expenditures on any project must be proposed in the capital budget produced annually to the City.	Yes

Source: Operating agreements from peer zoos.

Our audit team attempted to assess the contents and current status of the long-term planning documents referenced in peer operating agreements; however, these materials were not always publicly available. Accordingly, our analysis is limited to the planning requirements reflected in governing agreements and other publicly accessible documentation. Available audited financial statements and operating agreements nonetheless provided insight into how peer institutions structure public support for capital projects.

The most common sources of capital financing from host jurisdictions include voter-approved bond measures and dedicated tax or levy proceeds. Bonds are typically used to finance long-range facility and infrastructure improvements over 10 to 20 years, while parcel taxes, sales

taxes, and levies more often support ongoing or shorter-term capital needs and frequently return to the ballot for renewal approximately every 10 years. In some cases, operating agreements—such as that of Woodland Park Zoo—also allow for one-time municipal appropriations for capital projects that arise outside the scope of an adopted long-range plan.

The San Francisco Zoological Society received General Obligation bond proceeds for a period of 10 years between 1997 and 2007 to develop Phase I of the Zoo 2000 Master Plan. However, SFZS no longer receives public support for capital improvements or long-term projects. Further, there is not an active long-term strategic plan in place that is approved by the Recreation and Park Commission, as described in more detail in *Section 2: Planning and Vision* of this report.

Oversight Authority

The current management agreement between SFZS and the City requires several areas of City oversight related to admissions, executive appointments, and public access to the Zoo, but these provisions tend to be less prescriptive and transparent than those of other peer operating agreements. The case studies below highlight selected examples of reporting and monitoring requirements in place at peer zoos that the City could consider enhancing its oversight of the San Francisco Zoo in a revised management agreement.

Case Studies in Reporting Obligations and Monitoring

Woodland Park Zoo (Seattle) Public Benefit Report

Under the Woodland Park Zoo Operations and Management Agreement, the Woodland Park Zoological Society (WPZS) must prepare an annual Public Benefits Report documenting the public benefits it provides each year, including the scale and impact of those benefits and a reasonable dollar valuation of their value. Public benefits generally include free or reduced-cost admission programs, educational programming and camps, community access initiatives for low-income or underserved groups, conservation and outreach activities, and other services provided to the public at reduced or no cost. If the City of Seattle determines that the reported value of public benefits does not meet the minimum required under the agreement, WPZS must address the shortfall in the following year by increasing the value of benefits delivered and reported.

Zoo Miami

Zoo Miami's operating agreement requires that an annual performance review be conducted as part of the agreement renewal process, during which both the Zoo and its supporting foundation are evaluated against established performance benchmarks. These benchmarks include attendance targets, customer satisfaction and net promoter scores, conservation funding goals, and achievement of annual revenue targets across membership, donations, grants, and educational programming. Continued renewal of the operating agreement is tied to performance against these measures, which are intended to assess operational success, financial sustainability, and public engagement.

San Antonio Zoo

The San Antonio Zoo's operating agreement includes a record-keeping provision requiring the zoological society to maintain and provide the City of San Antonio, upon request, with access to a defined set of inspection, accreditation, and regulatory compliance documents. These include federal Animal Welfare Act inspection reports and responses, current accreditation reports and bylaw changes from the AZA and equivalent organizations, and inspection reports related to amusement ride safety. By explicitly identifying these materials, the agreement ensures that the City retains ongoing visibility into regulatory compliance, accreditation status, and operational conditions associated with the facilities, animals, and attractions for which it maintains ownership and liability.

Board of Directors

The San Francisco Zoological Society primarily engages with the City through Joint Zoo Committee and Recreation and Park Commission meetings. However, as shown in Exhibit A.9 below, some

peer operating agreements grant the host jurisdiction more direct involvement in nonprofit governance, either in addition to or instead of public meeting oversight. At least three peer institutions authorize the host jurisdiction to appoint representatives to the nonprofit's Board of Directors, either as ex officio or voting members, thereby formalizing the City's role within the organization's internal governance structure.

Exhibit A.9: Sampling of Peer Zoos with Board Representation

Zoo	Board Representation	Voting Rights?
Kansas City Zoo	The City Council, City Manager, and the Mayor shall each have a representative liaison on the Board of Directors. At least one Recreation and Parks representative shall sit on the committee responsible for appointing the Executive Director.	No, except during executive appointment
San Antonio Zoo	The City of San Antonio may appoint a representative liaison to the Zoological Society's Board of Directors.	No
Woodland Park Zoo (Seattle)	The Seattle City Council, Superintendent, and Mayor shall each appoint one member of the public to the Society's Board of Directors.	Yes

Source: Peer zoos' operating agreements.

Appendix B: Summary and Assessment of the Lease & Management Agreement

Overview of the Agreement

The Lease and Management Agreement between the San Francisco Zoological Society (SFZS) and the City, acting through the Recreation and Park Commission, took effect on July 1, 1993 and governs the operation, management, and maintenance of the San Francisco Zoo and Gardens (Zoo). The agreement was structured to maintain the Zoo as a cultural and educational institution operated by a nonprofit organization for the benefit of the public, while preserving its role as a City-owned asset. Under the agreement, the City leases the Zoo premises, structures, and animals to SFZS and assigns responsibility for day-to-day operations, animal care, programming, private fundraising, and maintenance to SFZS. In exchange, the City provides financial support via an annual management fee. The City retains oversight responsibilities through the Recreation and Park Commission, including review of budgets, capital improvements, admission policies, and other major operational decisions requiring Commission approval or resolution. The agreement was authorized for an initial five-year term with automatic five-year renewals through 2092.

Assessment of Actionable Provisions

The agreement contains numerous provisions assigning specific responsibilities to SFZS, the City, and the Recreation and Park Commission related to financial management, capital planning, public access, reporting, and oversight. Exhibit B.1 below summarizes key provisions with ongoing operational or governance significance and presents our assessment of their status as of February 2026 based on our review of documents and our audit fieldwork. Our assessment primarily reviewed materials from within our audit period between FY 2018-19 and FY 2024-25. Provisions were classified as satisfactory, non-compliant, outdated, insufficient, or complete where obligations have already been fulfilled. The reference sections identified in Exhibit B.1 indicate where within this report we discuss each provision and the analysis supporting its status in greater detail.

Our review found 13 provisions to be **non-compliant** with current practice, six provisions to be **outdated** due to changes in law, operations, or organizational structure, and three provisions to be **insufficient** to serve as a meaningful performance or financial benchmark under current conditions. The number and significance of these provisions indicate that the existing agreement no longer reflects current Zoo operating conditions or oversight needs and supports the need for a revised Lease and Management Agreement, as discussed further in *Section 3: Management Agreement and City Oversight* of this report.

Exhibit B.1: Assessment of Key Provisions

Agreement Term/Section	Summary	BLA Assessment	Audit Report Section(s)
Rent			
4	SFZS shall pay rent in the amount of \$1 annually to the City.	Non-Compliant: Recreation and Park Department staff confirmed there is no record of an annual transaction in the amount of \$1 to SFZS. The Department holds similar lease agreements with nominal annual rent charges of less than \$100 but does not have a process to collect them.	
Management Fee			
5.1.1	The City shall pay SFZS an annual management fee equal to \$4 million. This Management Fee must be paid from a General Fund appropriation, separate from the budget of the [Recreation and Park] Department.	Insufficient: The \$4 million management fee is not indexed to inflation and no longer provides its original level of material support to SFZS.	1. Financial Condition, Transparency, and Contingency Planning 3. Management Agreement and City Oversight
5.1.2	City intends to fund the payment of the Management Fee from a general fund appropriation, which shall be separate and apart from the budget of the [Recreation and Park] Department. The payment of the Fee shall be governed by and subject to the budget and fiscal provisions of the Charter.	Satisfactory: The Recreation and Park Department appropriates \$4 million of General Fund monies annually to a subfund for the management fee. The Department issues payments to SFZS on a monthly basis in the amount of \$333,333.	

Appendix B: Summary and Assessment of the Lease & Management Agreement

Agreement Term/Section	Summary	BLA Assessment	Audit Report Section(s)
5.2	Upon each [five-year] extension of the Agreement, the Management Fee must be adjusted to reflect any change in the wages/benefits paid to all PCS staff employed by the Zoo. The amount cannot be less than what is required to be reimbursed by SFZS to the City for PCS wages.	Complete: There are no Permanent Civil Service (PCS) staff employed at the Zoo as of FY 2018-19.	
Payment to the City for Services Rendered			
6.1	SFZS must pay to the City the cost of all services provided by City to SFZS under this Agreement and otherwise as requested by SFZS.	Complete: There are no Permanent Civil Service (PCS) staff employed at the Zoo as of FY 2018-19.	
6.2	SFZS must pay salary and fringe benefits for PCS staff employed by the Zoo.	Complete: There are no Permanent Civil Service (PCS) staff employed at the Zoo as of FY 2018-19.	
6.3	The City shall charge water rates equal to what is paid by the Recreation and Park Department and utility services equal to what is paid by any City Department for comparable services.	Outdated: At the time of the 1993 Management Agreement, City departments paid a discounted utility rate to the San Francisco Public Utilities Commission. This discount was phased out between 2019 and 2025.	1. Financial Condition, Transparency, and Contingency Planning 3. Management Agreement and City Oversight
Use of Premises			
7.2	The Zoo shall be open 365 days per year, at least seven hours per day, except in the case of public disaster or major emergency.	Satisfactory: Operating hours for the San Francisco Zoo since at least 2019 reflect that the Zoo is open year-round for at least seven hours per day.	

Agreement Term/Section	Summary	BLA Assessment	Audit Report Section(s)
Permits, Licensing, and Accreditation			
9.1	SFZS must maintain accreditation and good standing with the AZA and USDA. Failure to maintain these credentials will constitute a breach of the agreement.	Satisfactory: SFZS has maintained good standing with the AZA and USDA since the execution of the 1993 agreement.	
9.2	All licenses and credentials held at the time of the agreement's initial execution must be legally transferred to SFZS from the City and must be maintained accordingly, if still relevant. If it is required or is more cost efficient for the City to retain licensure of any such permits and credentials, the City will maintain ownership.	Satisfactory: SFZS holds all permits and licenses with various federal, state, and regional entities in its operation of the Zoo.	
Capital Improvements and Alterations			
10.1	SFZS must submit preliminary plans for all alterations and capital improvements to the Recreation and Park Commission. Upon completion, SFZS must provide copies to the Commission of the final as-built plans and specifications.	Non-Compliant: Our review of Recreation and Park Commission meeting minutes and attachments between 2019 and 2025 found one instance where SFZS did not submit plans of campus projects ahead of breaking ground: the interactive "Under the Canopy" art installation. Planning materials were presented to the Commission for the Madagascar tortoise amphitheater and snow leopard expansion. However, there are no records of schematics being delivered to either the Commission or Recreation and Park Department staff at project completion for any capitalized expenditure between 2019 and 2025.	3. Management Agreement and City Oversight

Appendix B: Summary and Assessment of the Lease & Management Agreement

Agreement Term/Section	Summary	BLA Assessment	Audit Report Section(s)
10.1	For all alterations and capital improvements exceeding \$50,000, SFZS must seek approval from the Recreation and Park Commission via resolution.	Non-Compliant: Our review of Recreation and Park Commission meeting minutes and resolutions found only one instance of approval by resolution for a capital improvement in the amount of \$1.4 million towards Phase II of the Madagascar Project. A review of compiled Commission resolutions between 2000 and 2024 indicates the next most recent approval by resolution for capital spending at the Zoo was in 2013.	3. Management Agreement and City Oversight
10.2	SFZS is prohibited from making any capital improvements and alterations without the express authorization of a Recreation and Park Commission resolution or [Recreation and Park] Department approval, or not in conformance with the City's Master Plan.	Non-Compliant: SFZS has not had an active Master Plan approved by the Recreation and Park Commission since at least 2017. Only \$1.4 million of the \$9 million capital expenditures recorded between 2019 and 2025 were approved by the Commission via resolution.	2. Planning and Vision 3. Management Agreement and City Oversight
Utilities and Services			
11.2	City agrees to maintain, repair, and replace the lines and equipment serving the following utilities: Gas, Electricity, Domestic Water, Well Water, Reclaimed Water, Telephone, Heat Light & Power, Fuel, and Sewer Service.	Satisfactory: Utility services listed in the agreement are furnished and maintained by the San Francisco Public Utilities Commission and PG&E.	

Agreement Term/Section	Summary	BLA Assessment	Audit Report Section(s)
11.3	SFZS must pay utility costs to City at the rate customarily charged to other City departments.	Insufficient: At the time of the 1993 Management Agreement, City departments paid a discounted utility rate to the San Francisco Public Utilities Commission. This discount was phased out between 2019 and 2025. Over the same period, the Zoo's annual utility costs paid to the City increased by 75 percent, from \$1.09 million to \$1.91 million.	1. Financial Condition, Transparency, and Contingency Planning 3. Management Agreement and City Oversight
Zoo Animals			
12.2	SFZS must care for all zoo animals in accordance with all federal, state, and local laws and regulations, and in accordance with AZA policies and guidelines.	Satisfactory: The animals at the San Francisco Zoo appear to be well cared for in alignment with AZA standards and best practices for animal welfare.	10. Animal Care and Welfare Evaluation
12.3	The City shall appropriate the full amount directed by the City Charter to the Animal Purchase and Exchange Fund for the purpose of purchasing animals. Unless approved by Resolution, all cash proceeds from the sale of Zoo Animals must be immediately deposited into the Animal Purchase and Exchange Fund.	Outdated: The AZA no longer permits compensation for animal exchanges between institutions, though agreements for paid transfers between facilities may take place. The Animal Purchase and Exchange Fund, as authorized by Administrative Code Section 10.100-247, no longer exists within the Recreation and Park Department budget.	
12.4	SFZS must provide all veterinary care to the Golden Gate Park bison herd and consultation regarding capital improvements to the bison exhibit.	Satisfactory: SFZS's Chief Veterinarian administers veterinary care to the Golden Gate Park bison.	

Appendix B: Summary and Assessment of the Lease & Management Agreement

Agreement Term/Section	Summary	BLA Assessment	Audit Report Section(s)
12.5	SFZS must provide veterinary care services requested by the Recreation and Park Department for animals at the Randall Museum and other park facilities.	Satisfactory: SFZS's Chief Veterinarian administers veterinary care to animals at the Randall Museum.	
12.6	SFZS must provide veterinary care for the bison herd at the San Bruno Jail until care is transferred to the Sheriff's Department or until the herd is sold in accordance with Zoo policy.	Outdated: The bison herd at the San Bruno Jail was transferred to a wildlife refuge in Washington State in 2007.	
Maintenance			
13.1	SFZS must maintain a clean, safe, sanitary, and sightly premises as necessary to maintain accreditation. SFZS must hire personnel or service contracts to conduct repair and maintenance work efficiently to maintain an attractive appearance.	Non-Compliant: Our audit team identified multiple instances of visible disrepair to facilities, signage, and general groundskeeping throughout our site visits in 2025. SFZS's lack of a comprehensive facility condition assessment or detailed maintenance plan contributes to increased safety risks and further deterioration of the campus.	4. Maintenance and Facilities Condition 11. Organizational Impact and Guest Experience
Staffing and Employees			
14.3	The Zoo Director and Chief Veterinarian shall be appointed and removed in accordance with Charter Section 3.551.	Outdated: Section 3.551 no longer exists in the San Francisco Charter and was not superseded by a replacement provision.	
14.3	In the event Charter Section 3.551 is amended after the Effective Date of this agreement, this section shall be construed to be consistent with such Section as amended.	Outdated: Section 3.551 no longer exists in the San Francisco Charter and was not superseded by a replacement provision.	

Appendix B: Summary and Assessment of the Lease & Management Agreement

Agreement Term/Section	Summary	BLA Assessment	Audit Report Section(s)
Fiscal Matters			
15.1	SFZS will establish a Founders Fund to provide from private sources with a minimum of \$10 million within the first five years of this agreement.	Completed: SFZS achieved its obligation to generate \$10 million in funds by 1998.	
15.2	SFZS shall reasonably attempt to fundraise \$25 million to finance the construction of capital improvements in accordance with the terms of this Agreement.	Completed: SFZS achieved its obligation to generate \$25 million in funds for capital improvements identified in the original City-approved Master Plan.	
15.3	SFZS must generate a minimum of \$7 million annually in combined earned and contributed revenue, excluding the management fee to pay for Zoo operating expenses and capital improvements.	Insufficient: While SFZS met this requirement each year between FY 2018-19 and FY 2024-25, the \$7 million figure has not been adjusted since 1993 and is no longer a meaningful objective for SFZS in achieving financial stability.	1. <i>Financial Condition, Transparency, and Contingency Planning</i> 3. <i>Management Agreement and City Oversight</i>
15.4	City shall use its efforts to place before the voters during the initial term of the agreement a measure to issue General Obligation Bonds totaling \$25 million to finance capital improvements for the Zoo.	Completed: The City issued \$25 million in General Obligation bonds which funded infrastructure improvement projects outlined in Phase I of the 1997 Master Plan.	
15.6	The Recreation and Park Commission must approve all changes to Zoo admission fees by resolution at least 90 days prior to the proposed rate change. Admission fee changes must be made in consideration of comparable zoos and City institutions.	Satisfactory: SFZS received approval via Recreation and Park Commission resolution for each of the two admission fee changes between 2019 and 2025.	

Agreement Term/Section	Summary	BLA Assessment	Audit Report Section(s)
15.9	Prior to each fiscal year, SFZS must prepare and submit (1) an annual budget inclusive of proposed revenues, operating expenses, and capital expenses; and (2) a summary of operations and services provided at the Zoo. The Recreation and Park Commission shall review proposed budgets for feasibility with proposed operations.	Non-Compliant: SFZS did not submit a budget for its capital expenses to the Recreation and Park Commission between FY 2018-19 and FY 2024-25. SFZS does not prepare a capital budget or written plans or timelines for its major capital projects. Further, Commission minutes between 2019 and 2025 indicate that its budget reviews were not detailed enough to make meaningful determinations of SFZS's financial condition or budget feasibility.	1. <i>Financial Condition, Transparency, and Contingency Planning</i> 2. <i>Planning and Vision</i> 3. <i>Management Agreement and City Oversight</i>
15.10	SFZS must hire an independent CPA to produce an Audited Financial Statement each year. This CPA must be authorized by the San Francisco Controller. SFZS must deliver a copy of the Audited Financial Statements to the Recreation and Park Commission within 30 days of audit completion.	Non-Compliant: SFZS did not submit any of its Audited Financial Statements to the Recreation and Park Commission during the audit period. However, copies of the statements were posted to SFZS's website.	
15.11	SFZS must establish and maintain their financial bookkeeping in alignment with good accounting practices.	Non-Compliant: Transaction sampling of SFZS financial documentation and our review of SFZS financial policies and procedures found deficiencies in internal controls related to expense reimbursements, travel expenditures, procurement, and contract management and record-keeping.	5. <i>Contracting and Procurement</i> 9. <i>Fiscal Management and Internal Controls</i>

Agreement Term/Section	Summary	BLA Assessment	Audit Report Section(s)
Public Access and Open Government Provisions			
16.1	SFZS must operate the Zoo with the goal of providing the widest possible access of the Zoo to the general public at an affordable cost. SFSZ must provide free admission on certain days, must provide free admission to the Zoo for school groups, and must pursue other options for ease of access and special services for children, seniors, the disabled, and disadvantaged groups. These policies may be revised from time to time in accordance with [Recreation and Park] Commission policies applicable to other facilities managed by the [Recreation and Park] Department.	Non-Compliant: SFZS limited its accessibility of its free days without the coordination of the Recreation and Park Commission. Our review of Commission meeting minutes and attachments between 2019 and 2025 did not find any instances of SFZS notifying the Commission of the Zoo's withdrawal from Museums 4 All in 2024.	3. Management Agreement and City Oversight
16.2	SFZS shall provide public access to information concerning the operation of the Zoo to the same extent that such information would have been available to the public pursuant to local ordinances if the [Recreation and Park] Department had continued to operate the Zoo in the same manner as it did prior to the date of this Agreement.	Non-Compliant: Between FY 2019-20 and FY 2024-25, the Sunshine Ordinance Task Force determined that SFZS violated its obligation to respond to public records requests in a timely manner in two separate instances. SFZS also refused to comply with this audit under the former SFZS Chief Executive Officer.	3. Management Agreement and City Oversight

Appendix B: Summary and Assessment of the Lease & Management Agreement

Agreement Term/Section	Summary	BLA Assessment	Audit Report Section(s)
16.2	Minutes shall be taken at SFZS Board of Directors meetings and shall be considered public documents.	Non-Compliant: SFZS was not able to produce meeting minutes during our fieldwork phase for all Board of Directors and subcommittee meetings that took place between 2019 and 2025. Meeting minutes were never taken for at least one subcommittee.	6. Board of Directors Oversight
16.2	SFZS agrees that the status of all animals exhibited or otherwise housed or cared for at the Zoo shall be deemed public information and subject to public inspection under the Public Records Act.	Non-Compliant: SFZS refused to provide requested materials regarding the health of a deceased zoo animal to a member of the public in 2019 and 2025. The Sunshine Ordinance Task Force issued a finding of non-compliance against SFZS and the former SFZS Chief Executive Officer for this inaction.	3. Management Agreement and City Oversight
16.3	SFZS and the City shall hold a Joint Zoo Committee. The Committee must hold regular public meetings at least 11 times per calendar year to discuss and hear public testimony regarding major policies affecting the Zoo. The Joint Zoo Committee shall be an advisory committee without legislative authority specifically granted by this Agreement.	Satisfactory: The Joint Zoo Committee's membership and meeting frequency is in compliance with the Agreement. However, we recommend dissolving the Joint Zoo Committee to reduce redundancy with Recreation and Park Commission meetings.	3. Management Agreement and City Oversight
16.4	SFZS must ensure two positions on its Board of Directors are held by non-City employees and non-SFZS employees.	Satisfactory.	

Agreement Term/Section	Summary	BLA Assessment	Audit Report Section(s)
Compliance			
28.1	SFZS must comply with all laws and local government regulations relating to the operation of the Zoo. SFZS shall secure all permits and licenses required for the operation of the Zoo and copies shall be provided promptly to the Recreation and Park Department.	Non-Compliant: Recreation and Park Department staff reported they do not review permitting materials for the Zoo.	
28.3	SFZS must not engage in prohibited conflicts of interest outlined by section 8.105 of the San Francisco charter and Sections 87100 of the California Government Code.	Outdated: Section 8.105 no longer exists in the San Francisco Charter.	9. Fiscal Management and Internal Controls
28.4	SFZS must comply with the Americans with Disabilities Act and any federal, state or local disability rights legislation.	Satisfactory: Our audit team did not observe or find evidence of ADA violations occurring between 2019 and 2025.	
28.5	SFZS shall comply with all provisions of Chapters 12B and 12C of the San Francisco Administrative Code, as amended, relating to non-discriminatory employment and practices.	Of Concern: The City's Equal Benefits program, formerly located in Administrative Code Chapter 12B and 12C, is now located in Articles 131 and 132 of the Labor and Employment Code. We did not investigate SFZS's compliance with Chapter 131 and 132 of the Labor and Employment Code as part of our audit fieldwork. However, some SFZS employees reported what they said were their experiences and observations of discrimination and harassment to us in audit focus groups and an employee survey.	8. Workplace Culture, Organizational Structure, and New Leadership

Appendix C: Main Collection Animal Census, 2015 to 2025

Animal Inventory

The San Francisco Zoological Society (SFZS) provided our audit team with animal census records showing the number of Main Collection animals onsite at the San Francisco Zoo and Gardens (Zoo) over the 10-year period between December 1, 2015 and December 1, 2025. The animal census data includes species in the Zoo's Main Collection and excludes conservation species, animals housed in the Insect Zoo, and animals on loan that are not physically located at the Zoo.

Exhibit C.1 below shows the population of charismatic animal species on December 1, 2015 and December 1, 2025. Charismatic species are animals with symbolic value or widespread appeal that are generally regarded as beautiful, impressive, or endangered. In many respects, these animals are the animals visitors expect to see at a zoo and likely affect visitor attendance patterns. Exhibit C.1 includes the charismatic species identified in a 2018 study published by the Public Library of Science (PLOS).¹ Between December 1, 2015 and December 1, 2025, the total population of charismatic species at the San Francisco Zoo decreased by 26 percent, from 42 in 2015 to 31 in 2025.

Exhibit C.2, which follows Exhibit C.1, shows the total number of animals in the Zoo's Main Collection. The total population of animals decreased from 732 in 2015 to 677 in 2025, or by 7.5 percent.

¹ Albert, C., Luque, G. M., & Courchamp, F. (2018). The twenty most charismatic species. *PloS one*, 13(7), e0199149. <https://doi.org/10.1371/journal.pone.0199149>

Exhibit C.1: Charismatic Species Populations at the San Francisco Zoo, 2015 to 2025

Common Name	2015 Population	2025 Population
Black rhinoceros	2	1
Brown bear	2	2
Chimpanzee	3	3
Giraffe	6	5
Greater one-horned rhinoceros	1	1
Grey wolf	0	4
Hippopotamus	1	0
Koala	3	1
Lion	4	2
North American black bear	0	2
Plains zebra	3	3
Polar bear	1	0
Red panda	3	1
Snow leopard	3	2
Tiger	4	0
Western gorilla	6	4
Total	42	31

Source: San Francisco Zoo animal inventory summary reports, December 1, 2015 to December 1, 2025.

Exhibit C.2: Main Collection Animal Populations at the San Francisco Zoo, 2015 and 2025

Common Name	2015 Population	2025 Population
African open-billed stork	1	0
African pancake tortoise	0	1
Aldabra giant tortoise	0	2
Alpaca	2	2
American alligator	1	0
American red-bellied turtle	2	1
American white pelican	5	2
American kestrel/sparrowhawk	1	0
Andean condor	0	2
Andean tinamou	1	0
Aquatic caecilian	1	0
Axolotl	0	5
Baird's tapir	0	1
Bald eagle	4	0
Bali myna	0	7
Bearded dragon	1	2
Black crowned-crane	2	2
Black howler	3	0

Common Name	2015 Population	2025 Population
Black parrot	3	0
Black rhinoceros	2	1
Black swan	1	0
Black-and-white ruffed lemur	5	6
Black-bellied whistling duck	1	0
Black-necked swan	2	0
Black-tailed prairie dog	32	22
Blue spiny lizard	4	0
Blue-bellied roller	4	0
Blue-eyed black lemur	1	0
Blue-fronted amazon	1	1
Blue-headed macaw	3	3
Blue-legged mantella	0	8
Blue-throated macaw	0	2
Blue-throated piping-guan	2	0
Blue-tongued skink	2	2
Blue-winged teal	1	1
Boa constrictor	1	1
Bobcat	1	0
Bongo	3	3
Boreal toad	2	0
Bornean orangutan	0	2
Box turtle	0	4
Brown bear	2	2
Brown pelican	3	0
Brown-nosed coati	2	0
Burrowing owl	1	0
Caiman lizard	1	1
California kingsnake	3	2
California newt	2	0
California Red-legged frog	0	10
California sea lion	2	0
California tiger salamander	6	3
Capybara	1	0
Carp, minnows & barbs	9	4
Chacoan horned frog	1	0
Chacoan peccary	9	3
Chestnut-fronted macaw	1	0
Chilean flamingo	43	41
Chimpanzee	3	3
Chinese crocodile lizard	0	1
Chuckwalla	5	1
Common barn owl	1	0

Common Name	2015 Population	2025 Population
Common crow	1	0
Common ostrich	4	2
Common peafowl	25	23
Common slider	4	3
Common wallaroo	3	4
Coquerel's sifaka	0	2
Coscoroba swan	2	0
Crested oropendola	5	4
Crowned lemur	2	1
Cuban amazon	2	0
Curl-crested aracari	4	1
Dabb spiny-tailed lizard	2	2
Desert horned lizard	1	0
Desert tortoise	2	2
Domestic Bactrian camel (breed unspecified)	0	1
Domestic cow/ox (breed unspecified)	1	0
Domestic goat (breed unspecified)	16	15
Domestic guinea pig (breed unspecified)	8	0
Domestic sheep/mouflon (breed unspecified)	12	4
Donkey	4	3
Dumeril's ground boa	1	1
Dyeing poison frog	6	8
Eastern black-and-white colobus	2	0
Eastern box turtle	4	3
Eastern grey kangaroo	1	0
Eclectus parrot	0	4
Emerald tree boa	1	2
Emu	1	1
Eurasian eagle owl	1	2
European glass lizard	2	1
European polecat	6	0
European rabbit	6	0
Fishing cat	2	0
Florida red-bellied turtle	1	1
Fosa	0	2
Four-toed hedgehog	4	0
Francois' langur	7	4
Fulvous whistling duck	3	0
Garden tree boa	2	1
Giant African millipede	0	5
Giant anteater	2	1

Common Name	2015 Population	2025 Population
Giant cockroach	0	92
Giraffe	6	5
Golden conure	0	2
Golden eagle	1	1
Golfodulcean poison dart frog	1	2
Gopher/pine snake	2	1
Great curassow	1	0
Great horned owl	1	1
Great Indian hornbill	1	0
Greater kudu	3	0
Greater Madagascar hedgehog tenrec	1	0
Greater one-horned rhinoceros	1	1
Greater rhea	2	0
Green anaconda	1	0
Green and black poison frog	17	5
Green crested basilisk	9	0
Green iguana	1	1
Green jay	3	2
Green-winged macaw	3	2
Grey crowned-crane	2	1
Grey short-tailed opossum	1	0
Grey wolf	0	4
Guanaco	2	0
Guianan squirrel monkey	14	0
Hadada ibis	5	0
Hamerkop	2	1
Harris' hawk/bay-winged hawk	1	0
Hedgehog	0	1
Helmeted guineafowl	2	0
Henkel's leaf-tailed gecko	0	1
Himalayan monal	2	0
Hippopotamus	1	0
Hooded merganser	2	0
Horse (domestic)	2	4
House mouse	12	0
Hyacinth macaw	0	3
Keel-billed toucan	1	0
Kinkajou	1	3
Kirk's dik-dik	1	0
Koala	3	1
Komodo dragon/Ora	1	1
Lady Ross' turaco	2	0
Laughing kookaburra	2	0

Common Name	2015 Population	2025 Population
Leopard tortoise	1	1
Lesser Madagascar hedgehog tenrec	0	2
Linne's two-toed sloth	2	2
Lion	4	2
Long-tailed chinchilla	7	3
Long-tailed glossy starling	3	2
Macaw	1	0
Madagascar ground boa	1	1
Madagascar hissing cockroach	0	76
Madagascar ibis	0	2
Madagascar spider tortoise	2	2
Madagascar teal	0	2
Madrean mountain kingsnake	1	0
Magellanic penguin	54	52
Mallard	1	0
Mandrill	4	6
Marabou stork	1	0
Marbled teal	4	3
Meerkat	6	2
Mission golden-eyed tree frog	1	5
Motagua Spiny-tailed Iguana	5	4
Nine-banded armadillo	0	1
North American black bear	0	2
North American porcupine	1	0
North American river otter	2	0
Northern bald ibis	10	6
Northern saw-whet owl	1	0
Ocelot	0	1
Orb-web weaver	0	1
Oriental fire-bellied toad	1	0
Pacific pond turtle	1	4
Panamanian golden frog	8	10
Patas monkey	3	0
Peach-faced lovebird	3	0
Pied tamarin	4	0
Pink-backed pelican	0	3
Plains zebra	3	3
Polar bear	1	0
Prehensile-tailed skink	0	1
Prehensile-tailed porcupine	1	0
Radiated tortoise	1	3
Red brown lemur	2	1

Common Name	2015 Population	2025 Population
Red junglefowl	11	1
Red kangaroo	8	0
Red panda	3	1
Red ruffed lemur	5	3
Red-bellied lemur	2	1
Red-eyed tree frog	4	4
Red-footed tortoise	0	2
Red-fronted macaw	0	2
Red-lored amazon	0	4
Red-necked wallaby	4	0
Red-rumped agouti	2	0
Ringed turtle dove	1	0
Ring-tailed lemur	5	5
Roseate spoonbill	1	0
Royal/ball python	3	3
Rubber boa	2	2
Ruddy duck	6	4
Sacred ibis	0	6
Satyr tragopan	2	1
Scarlet ibis	6	0
Short-horned lizard	1	0
Siamang	2	0
Smoky jungle frog	6	5
Snow leopard	3	2
South American green snake	2	0
Southern cassowary	1	2
Southern pacific pond turtle	0	3
Southern pudu	2	1
Southern three-banded armadillo	1	1
Spectacled owl	1	3
Striped skunk	0	1
Sulphur-crested cockatoo	1	0
Surinam toad	1	0
Swainson's hawk	1	0
Temminck's tragopan	2	1
Texas tortoise	1	1
Tiger	4	0
Tiger salamander	1	0
Toco toucan	0	1
Tonkin bug-eyed frog	1	0
Turkey vulture	2	0
Vinaceous amazon	4	0

Appendix C: Main Collection Animal Census, 2015 to 2025

Common Name	2015 Population	2025 Population
Virginia opossum	3	2
Waxy tree frog	1	0
Western gorilla	6	4
Western grey plantain-eater	2	0
Western Santa Cruz giant tortoise	0	2
Western screech owl	1	0
Western tiger salamander	1	0
White ibis	4	0
White-cheeked turaco	1	0
White-faced whistling duck	3	0
Wild boar	1	2
Wild turkey	7	0
Wolverine	2	2
Wrinkled hornbill	2	0
Yellow-backed duiker	3	0
Yellow-headed amazon	0	2
Yellow-naped amazon	0	2
Yellow-rumped cacique	0	3
Yosemite toad	0	3
Total	732	677

Source: San Francisco Zoo animal inventory summary reports , December 1, 2015 to December 1, 2025.

Appendix D: Focus Groups and Survey Methodology

During our 2025 audit fieldwork, we conducted focus groups and a staff survey to hear San Francisco Zoological Society (SFZS) employees' experiences and insights and to provide them with an opportunity to speak directly with our audit team. The focus groups helped shape the survey questions, and both activities were open to all staff and entirely voluntary. Results from the focus groups and the survey are reported only in aggregate, with no individual staff members identified.

Focus groups

We conducted five focus groups on October 28 and 29, 2025, with a total of 27 participants. The focus groups included two groups with animal keepers, one with curators and veterinarians, one general group, and one with managers and leadership positions. As previously mentioned, participation in the focus groups was voluntary. All staff received an Interest Form to indicate their willingness to participate and their availability. The audit team organized the groups based on responses and attempted to schedule the groups so that the highest number of interested employees could participate. We intentionally avoided placing direct reports in the same group as their supervisors to encourage open, meaningful conversation.

Survey

The survey was conducted after the focus groups and remained open for 10 days, from November 7 to November 17, 2025. The survey questions were revised based on input from the focus groups to ensure they addressed key areas of concern for staff. It included both multiple-choice and open-ended questions, and 102 employees (44 percent of SFZS total staff) participated. While it reflects the experiences and perspectives of *many* employees, it is not necessarily a reflection of all staff concerns as not all staff participated in the survey.

The survey specifically asked respondents to share personal experiences and direct, firsthand observations, not hearsay. Topics covered included workplace culture and communication under both the previous and the current leadership; retaliation; discrimination, harassment, and favoritism; and satisfaction with reporting mechanisms, processes, and the resolution of safety concerns. Finally, the survey included open-ended questions about SFZS's current strengths and challenges.

Appendix E: Written Response from the San Francisco Zoological Society

The written response from the San Francisco Zoological Society is included on the following pages.



April 28, 2026

Dan Goncher
Budget and Legislative Analyst
San Francisco Board of Supervisors

Dear Mr. Dan Goncher,

On behalf of the San Francisco Zoological Society, I would like to express our sincere appreciation for the time, care, and professionalism demonstrated by your staff in conducting the recent audit. We are grateful for the thorough and constructive nature of your work, and we agree with the recommendations outlined in your report.

We view this audit as an important opportunity. Through the implementation of your recommendations, we are confident that the Zoo will be well on its way to becoming a stronger, more resilient institution as we approach our centennial in just a few short years.

At the same time, we want to candidly acknowledge the challenging financial conditions the Zoo is currently navigating. These realities underscore the importance of a deep and sustained civic commitment to this beloved institution. We look forward implementing the recommendations in your report that we believe will support our path towards our long-term revitalization, reinvention and continuation of advancing our mission as an education and conservation organization that San Franciscans and the broader Bay Area deserve.

Over the past nine months, the leadership of the San Francisco Zoo has already initiated meaningful improvements aligned with many of the audit's findings. These include a structural reorganization that prioritizes the visitor experience, a renewed focus on financial stabilization, and a focused commitment to achieving AZA accreditation. We have also increased investment in marketing, promotions, special events, social media, and new programming, all of which are showing early signs of success through increased attendance, improved public perception and increased revenues. Additionally, and perhaps most importantly, we have invested in our relationship with our staff, improving transparency, communication and culture. This work is ongoing and will need continued investment and nurturing.

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We have also expanded our earned media strategy resulting in dozens of positive news stories about the important work our talented team does in conservation and animal care, a selection of which can be seen here, [Press - San Francisco Zoo & Gardens](#). We have also introduced new revenue-generating activations, including a robotic dinosaur experience launching this summer and a seasonal light experience planned for the fall. These efforts are designed to broaden our audience, drive revenue and attendance, increase membership, enhance guest engagement, and diversify revenue streams.

We are pleased to report that we have launched the process for the development of a comprehensive strategic, business, and master plan; initiated improvements to board governance; begun a facilities and conditions assessment process; and started a reevaluation and revamp of our competitive bidding processes. We have also brought on new team members to support our donor engagement, grant writing and corporate sponsorship to increase our contributed revenue strategies.

We are committed to continued transparency, accountability, and progress and we look forward to working collaboratively with the City and all stakeholders to ensure the long-term success of the San Francisco Zoo. We are so proud of the San Francisco Zoo as an education and conservation institution that has served San Franciscans for many generations. We know that through collaboration with our city partners, donors, board members and stakeholders, we will continue to be an invaluable resource for the public for the next 100 years.

Thank you again for your thoughtful work and partnership. Our formal response to your specific recommendations is imbedded below in this letter.

A handwritten signature in blue ink that reads "Cassandra Costello". The signature is fluid and cursive, with the first name "Cassandra" being more prominent than the last name "Costello".

Sincerely,
Cassandra Costello
Chief Executive Officer
San Francisco Zoological Society

Rec. No.	BLA Recommendation	SFZS Response
1.1	The SFZS Chief Executive Officer should: By December 31, 2026, develop and submit to the Board of Directors and the Recreation and Park Commission plans to address SFZS's structural deficit, including: a. Targeted reductions to non-essential expenditures by December 31, 2026. These reductions could include the elimination of vacant positions, temporary delays in employee hiring and promotions, structural reorganization strategies to increase department efficiencies, or the discontinuation of non-essential contracted services. The reductions should specifically evaluate contracted services in the General and Administration Department and identify where cost savings could be achieved by competitive solicitation for some services. b. Steps to increase Zoo attendance and associated revenue by December 31, 2026. The plan should include specific, realistic attendance and revenue milestones, a timeline, and strategies to achieve revenue goals such as ticket and parking price increases, fee-based guest experiences, and targeted advertising. The plan should also identify specific needs, strategies, and costs for marketing, graphics, facilities maintenance, exhibit enhancements, technology, and other areas to support the plan's attendance and revenue goals. c. Steps to increase its fundraising and development revenue by December 31, 2026. The plan should include specific, realistic fundraising and development milestones, a timeline, and strategies to achieve revenue goals such as targeted donor and corporate sponsor outreach, fundraising events, and other development strategies. The plan should also identify specific needs, strategies, and costs for donor relations, marketing, graphics, and other areas to support the plan's fundraising and development goals.	Agree. The SFZS has already taken many steps outlined in these recommendations including: -elimination of vacant positions -strategic structural reorganization that has increased communication, efficiencies and focus limited resources on our top priorities -delays in hiring, promotions and bonuses -pause on discretionary projects and non-essential contracted services -aggressive plans and promotions to increase zoo attendance -increased parking and membership prices -introduction of new fee-based guest experiences this summer and fall -investment in targeted advertising campaigns We have also recently invested in our Development Department with two new FTEs focused on corporate sponsorship and grant writing.
1.4	The SFZS Chief of Finance should: Annually submit a detailed operating budget to the General Manager of the Recreation and Park Department for review and approval prior to submission to the Recreation and Park Commission. The operating budget should include prior-year actual expenditures and attendance figures in its budget presentation materials provided to the Recreation and Park Commission.	Agree
1.5	The SFZS Chief of Finance should: Develop a financial contingency plan that fully meets AZA requirements by June 1, 2026. Going forward, the financial contingency plan should be updated every year and included in SFZS's budget presentation materials to the General Manager of the Recreation and Park Department and the Recreation and Park Commission.	Agree

Rec. No.	BLA Recommendation	SFZS Response
2.1	The SFZS Chief Executive Officer should: 2.1 By July 1, 2027, develop and submit to the General Manager of the Recreation and Park Department both a strategic plan and campus master plan that are consistent with the parameters established by the Association of Zoos and Aquariums. Ensure that curators and animal keepers have the opportunity to provide input on future new exhibit and exhibit retrofit planning in the strategic plan and campus master plan. Regularly report at least quarterly to the Board of Directors, or a committee of the Board, on progress toward goals established in the strategic plan and campus master plan.	Agree. We are in the process of selecting a firm to work with us on a strategic/business and master plan. The kickoff of this process will be with our board on May 16th. The process will include feedback from many stakeholder groups including our staff, board and city leadership. The final strategic and business plan is scheduled to be complete by the end of 2026 with the master plan by July of 2027. We are also working on the release of a RFP for a facilities assessment of the Zoo, which will help inform the master planning process. The results of the facilities report will likely be delivered in the fall of 2026.
2.2	The SFZS Chief Executive Officer should: 2.2 By July 1, 2027 and concurrently with the development of the new strategic plan, revise the institutional collection plan in collaboration with curators and animal keepers to include specific details and rationales for planned future animal acquisitions and dispositions, as well as resources needed (such as exhibit modifications) to support these plans.	Agree. The development of a Collections Plan will follow the strategic planning process to ensure alignment with strategic direction and priority.
2.3	The SFZS Chief of Finance should: 2.3 Annually submit a one- or two-year capital budget as well as an operating budget to the General Manager of the Recreation and Park Department, or their designee, for review and approval. The capital budget should include detailed information on funding sources and uses, as well as timelines for project completion.	Agree
4.1	The SFZS Director of Buildings and Capital Investments should: 4.1 Develop updated guidelines for the use of Facility Dude no later than December 1, 2026, including instructions on how to submit work orders, assign priority levels, and close work orders. These guidelines should include clearly defined responsibilities for submitting and closing work orders and establish a protocol for handling work orders that need to be reprioritized or postponed.	Agree
4.2	The SFZS Director of Buildings and Capital Investments should: 4.2 Establish formal targets for (a) the number of open work orders, and (b) the number of days to close work orders by priority level by December 1, 2026.	Agree

Rec. No.	BLA Recommendation	SFZS Response
4.3	The SFZS Director of Buildings and Capital Investments should: 4.3 Establish a method to track the number of open work orders each month, along with the contributing factors behind any increases or decreases, no later than December 1, 2026. This tracking method should set targets for acceptable and critical thresholds and allow maintenance staff to monitor monthly trends in work order volume. This tracking method should also track the orders received over the radio and the larger maintenance projects to provide a complete picture of maintenance workload.	Agree
4.4	The SFZS Chief Executive Officer and Director of Buildings and Capital Investments should: 4.4 Conduct, or engage a qualified firm to conduct, a comprehensive facilities condition assessment, including an evaluation of the structural condition, safety, and aesthetics of the Zoo buildings and exhibits, no later than December 31, 2026. Consult with the General Manager of the Recreation and Park Department and the Director of Public Works for assistance in properly assessing City-owned property and buildings.	Agree. We are currently working on process and a Request for Proposals for a facilities condition assessment.
4.5	The SFZS Chief Executive Officer and Director of Buildings and Capital Investments should: 4.5 Develop detailed written capital and maintenance plans based on the facilities condition assessment no later than March 31, 2027, including a schedule of improvements, anticipated costs, a timetable for completion, and a strategy for funding maintenance needs.	Agree
4.6	The SFZS Chief Executive Officer and Chief of Finance should: 4.6 Increase funding for repairs and maintenance in the FY 2026-27 budget. Funding amounts should be based on the results of the facility condition assessment and the established capital and maintenance plans once they have been completed.	Agree. However, the facility condition assessment will not be completed in time to budget for FY 26/27 accurately. Additionally, the repairs and maintenance needs are expected to well exceed the SFZS's ability to cover without a substantial increase in operating revenue.
4.7	The SFZS Chief Executive Officer and Chief of Finance should: 4.7 Budget for additional staff for maintenance and horticulture in the upcoming FY 2026-27 budget and consider hiring personnel who can also handle exhibit design and modifications. These roles do not need to be exclusively dedicated to exhibit modifications, and could instead be responsible for both maintenance and exhibit design.	Agree. However, absent additional operating funds, we will not be in a position to hire these additional staff in FY 26/27.
4.8	The SFZS Chief Executive Officer should: 4.8 Review and submit to the Board of Directors a historical summary of open work orders and workorder timeliness, including the factors contributing to increases or decreases in open work orders, radio-dispatched orders, and larger projects, on a monthly basis starting no later than October 1, 2026 to provide enhanced oversight of facilities and maintenance.	Agree

Rec. No.	BLA Recommendation	SFZS Response
5.1	The SFZS Chief of Finance should: 5.1 Establish a system to centrally store and manage contract documentation that allows for easy reference and document retrieval no later than October 1, 2026.	Agree
5.2	The SFZS Chief of Finance should: 5.2 Ensure that SFZS financial management systems have the basic functionality of producing simple reports that list contractor names, including at least the contract term period and total contract amount, or develop an alternative system for maintaining this information no later than October 1, 2026.	Agree. Our current system is not capable of producing these reports. We would need to identify resources to invest in a new financial system.
5.3	The SFZS Chief of Finance should: 5.3 Develop policies and procedures for contracting and procurement, which should be codified in a manual and approved by the Board of Directors, no later than October 1, 2026. Train all relevant finance and administration staff on the contracting and procurement procedures no later than December 1, 2026. These policies should establish thresholds and procedures for competitive solicitations and clear practices for evaluating bids and documenting the basis for contractor selection. Records of all contracts and solicitations should be maintained for a reasonable period of time, but no fewer than five years, which should be specified within the contracting and procurement manual.	Agree
7.1	The SFZS Chief Executive Officer, Executive Vice President of Animal Wellness, and Director of Human Resources should: 7.1 Conduct a safety risk assessment according to AZA's guidelines by December 31, 2026, and establish a process for regular risk assessments and safety evaluations going forward.	Agree. Also, it should be noted that the SFZS currently has regular safety committee meetings lead by our EVP of Operations, Director of Safety and Security and inter-departmental participation.
7.2	The SFZS Chief Executive Officer, Executive Vice President of Animal Wellness, and Director of Human Resources should: 7.2 By July 1, 2026, update the SFZS Policy and Procedure Manual and Injury and Illness Prevention Plan Handbook to include: a. A policy to document and report incidents that do not result in injury but present a safety concern. b. A process for tracking and reporting all types of major safety incidents and their remediation plans. The policy should specify which parties are responsible for investigating and documenting all types of incidents, guidelines for developing remediation plans (for example, timelines and responsible parties), and establishing oversight mechanisms (for example, the Safety Committee, the Safety and Security Team, or Human Resources) for ensuring that the remedial actions are implemented.	Agree. Also, it should be noted that the SFZS currently has the SAIRs, (Supervisor's Accident Investigation Reports), reports and processes in place that require accidents and incidents to be recorded and turned into the Human Resources Department and the Director of Safety and Security of the Zoo for review and evaluation.

Rec. No.	BLA Recommendation	SFZS Response
7.3	The SFZS Chief Executive Officer, Executive Vice President of Animal Wellness, and Director of Human Resources should: 7.3 By July 1, 2026, modify all internal incident reporting forms to require employees filling out the form to indicate whether the incident is a major safety incident, whether remediation or corrective action is required, the individual responsible for developing and executing corrective actions, and the timeline for the corrective action.	Agree
7.4	The SFZS Director of Human Resources should: 7.4 Beginning on July 1, 2026, conduct regular (annual or biannual) anonymous staff surveys to assess satisfaction with both the mechanisms for reporting safety concerns and the resolution of those concerns. Survey results should be reported to the SFZS Board of Directors. This survey may be combined with the staff survey recommended in Section 8 of this report.	Agree.
7.5	The SFZS Director of Human Resources should: 7.5 By July 1, 2027, evaluate whether improvements in the maintenance work order system and workplace culture have enhanced the process and resolution of safety concerns and improved employee satisfaction with these processes, or if further changes to the reporting mechanisms are necessary. Evaluation results and additional remediation steps, if necessary, should be reported to the SFZS Board of Directors.	Agree
7.6	The SFZS Vice President of Technology should: 7.6 By July 1, 2026, establish a recurring training schedule for staff monitoring fire detectors using the Nest app. Additionally, review and update the list of staff members with app access to reflect personnel changes (e.g., staff departures and new hires). The training should include a walkthrough of the app to ensure all relevant staff have appropriate access and understand its functionality.	Agree
8.1	The SFZS Chief Executive Officer should: 8.1 Beginning July 1, 2026, hold quarterly all-staff meetings to promote transparent, consistent, and open communication between leadership and staff. Use these meetings to share major updates, such as plans for new exhibits, animal acquisitions, and the status of ongoing projects. Also, provide basic information about reporting channels and the hotline (e.g., the number of sustained, ongoing, and closed reports).	Agree. These all staff meetings started in September of 2025 and have been occurring on a quarterly, or more, basis since.
8.2	The SFZS Chief Executive Officer should: 8.2 By December 31, 2026, develop job descriptions for all positions that lack them and conduct a comprehensive review to determine if others need to be updated.	Agree

Rec. No.	BLA Recommendation	SFZS Response
8.3	The SFZS Chief Executive Officer should: 8.3 By December 31, 2026, conduct a formal staffing and classification assessment of senior management and operational divisions. The review should compare staff qualifications and experience to current job descriptions, confirm that reporting lines provide appropriate oversight and accountability, and realign roles as needed to ensure competent supervision of all operational functions and services.	Agree
8.4	The SFZS Director of Human Resources should: 8.4 By July 31, 2026, establish a formal accountability mechanism to ensure that all reported workplace concerns are appropriately addressed and resolved. Establish formal timelines and procedures for investigating and documenting cases related to retaliation, discrimination, and harassment. These timelines and procedural steps should be documented and incorporated into the SFZS Policies and Procedures Manual.	Agree. SFZS has investigation procedures in place, included in our Policy and Procedures. We endeavor to be responsive to all complaints while protecting the privacy of those involved.
8.5	The SFZS Director of Human Resources should: 8.5 Beginning on July 1, 2026, conduct regular (annual or biannual) anonymous staff surveys to assess satisfaction with supervisors, workplace culture, reporting mechanisms, and concern resolution. Report the survey results to the SFZS Board of Directors. This staff survey may be combined with the staff survey recommended in Section 7 of this report.	Agree. We are currently working with a third-party vendor to develop and manage our workplace survey, consistent with this timeline.
8.6	The SFZS Director of Human Resources should: 8.6 By December 31, 2026, revise and update the Employee Handbook to ensure it reflects current standards and best practices. The updated handbook should include criteria for promotion or advancement to and between management roles, so that all staff can be aware of promotional requirements.	Agree. We are in the final review of our new handbook, which will include this information.
8.7	The SFZS Director of Human Resources should: 8.7 By December 31, 2026, provide first annual training and development opportunities to enhance the managerial and leadership skills of middle managers.	Agree
8.8	The SFZS Chief Executive Officer and the Director of Human Resources should: 8.8 By July 31, 2026, review the 2022 Strategic Communication Plan, revise it as needed to make it current and comprehensive, obtain approval from the Board of Directors, and implement the updated plan. Ensure the revised plan includes measurable metrics and outcomes that can be assessed periodically and evaluate whether efforts to improve communication have resulted in meaningful improvement in employee sentiment.	Agree

Rec. No.	BLA Recommendation	SFZS Response
	The SFZS Chief of Finance should: 9.1 By December 31, 2026, conduct a comprehensive review of all SFZS fiscal policies, procedures, and internal controls, using the resources and sample policies developed by the Controller's Office, and submit proposed revisions and updates to the Board of Directors for approval. The review should identify outdated policies, necessary new policies, and specifically include policies on: budget development and budget control, donor-restricted funds, purchases for donor and employee relations, contracting and procurement, and conflicts of interest. Review and update all financial policies and procedures at minimum every two years, or when executive leadership turnover occurs.	Agree
9.2	The SFZS Chief of Finance should: 9.2 Upon expiration of SFZS's current contract with its audit firm, or if the contract is on a year-to-year basis no later than December 31, 2026, engage in a competitive solicitation process for the selection of an audit firm for a new five-year agreement. SFZS's current auditors may be included in the solicitation if their performance is satisfactory as determined by the Chief of Finance and Board of Directors.	Agree
10.1	The SFZS Chief Executive Officer should: 10.1 Consistent with the recommendation in Section 2 of this report, revise the institutional collection plan, in collaboration with Animal Division leadership, curators, and keepers, to include specific details and rationales for planned future animal acquisitions, as well as resources needed (such as exhibit modifications) to support these plans. Ensure that the following issues are addressed in the collection plan: a. A plan for housing and/or exhibit modifications for the mandrill population should in-fighting occur between the two juvenile males. b. A plan for moving the orangutans to a more appropriate exhibit.	Agree. Plans for our mandrills and orangutans are already in place and will be reflected in our collection plan.
10.2	The SFZS Chief Executive Officer should: 10.2 Assess staffing needs for animal wellness and enrichment given recent turnover and backfill vacant positions as appropriate.	Agree
10.3	The SFZS Chief Executive Officer should: 10.3 Work with animal wellness/enrichment, animal behavior, and animal care staff to ensure there is sufficient communication and collaboration between these divisions, including the establishment of a follow-up structure for goals set by animal wellness staff.	Agree. The new strategic structural reorganization will be able to achieve the goals in this recommendation.

Rec. No.	BLA Recommendation	SFZS Response
11.1	The SFZS Chief Executive Officer should: 11.1 By December 31, 2026, develop and implement a three- to five-year remediation plan in consultation with appropriate senior leadership that plans for, and prioritizes, the restoration of public-facing functions that affect attendance, revenue stability, and public trust. The plan should clearly distinguish short-term remediation activities from longer-term strategic planning needs and should identify timelines and responsible parties for implementation. This effort should center on the following objectives: a. Repair and replace zoo signage that is either in physical disrepair or contains inaccurate information. b. Restore educational programs. c. Develop an operational annual marketing plan and public relations protocols. d. Restructure staff scientist capacity to follow a written institutional scientific research plan.	Agree. Much of this work is already well on its way.

Appendix F: Accomplishments of the San Francisco Zoological Society

A discussion of the accomplishments of the San Francisco Zoological Society is included on the following pages.

March 13, 2026

ATTN: Budget and Legislative Analyst

Dear Budget and Legislative Analyst Team,

On behalf of the San Francisco Zoological Society (SFZS), we appreciate the time, diligence, and professionalism your office has dedicated to conducting the performance and management audit of the San Francisco Zoo & Gardens pursuant to Motion M24-125. We are grateful for the opportunity to participate in the audit process, including the entrance conference in January 2025, multiple interviews, document reviews, and site visits throughout 2025.

While the audit appropriately focuses on governance and operational opportunities for improvement, we believe it is equally important to recognize the significant progress and accomplishments achieved by SFZS during and after the audit period. The past eight months have been a period of meaningful transition, renewed investment, and operational strengthening focused on animal welfare, visitor experience, workforce development, financial sustainability, and community engagement.

We respectfully submit the following summary of key accomplishments for inclusion in the report.

Leadership Transition and Organizational Stability

During the audit period, SFZS successfully navigated a major leadership transition. Following the retirement of the Chief Executive Officer in August 2025, the organization maintained operational continuity through interim leadership from the Chief Operations and Chief Finance offices. During this period, daily operations, animal care, financial management, and visitor services continued without interruption.

In February 2026, SFZS successfully completed a national search and appointed a new permanent Chief Executive Officer, positioning the organization for long-term strategic leadership.

The Board of Directors remained actively engaged throughout this transition, strengthening governance practices, onboarding new board members, and maintaining oversight through board committees focused on finance, education, conservation, animal welfare, capital planning, and strategic initiatives.

Animal Care, Veterinary Services, and Accreditation Preparation

Animal welfare remains the central mission of the Zoo. SFZS continues to invest significantly in its Animal Division, the organization's largest operational department.

Key accomplishments include continued compliance with standards established by the Association of Zoos and Aquariums (AZA), participation in cooperative Species Survival Plan

programs, and expanded veterinary and preventative health programs supporting the Zoo's diverse animal population.

The organization is currently preparing for its next AZA accreditation cycle. SFZS is diligently working toward submission of its AZA accreditation application in September 2026. An AZA inspection is expected to occur between Q4 2026 and Q1 2027. To prepare, SFZS has established an internal cross-departmental working group that meets weekly to coordinate readiness efforts and ensure that operational, animal welfare, and facility standards continue to meet or exceed AZA requirements.

The Zoo also continues to advance conservation education for the public, including efforts to highlight regional conservation programs protecting species such as the San Francisco garter snake and the California red-legged frog.

Facilities Improvements and Campus Enhancements

The Zoo's campus includes facilities developed over nearly a century. Recognizing the importance of maintaining a safe and welcoming environment for animals, visitors, and staff, SFZS has continually invested in maintenance, custodial services, and grounds improvements.

The Zoo has also begun replacing outdated signage across the campus while permanently removing redundant or outdated signage in order to improve wayfinding and reduce visual clutter for visitors.

In addition, new transportation and accessibility improvements are underway, including the introduction of a new tram service designed to help visitors—especially families with young children, seniors, and individuals with mobility challenges—more easily navigate the Zoo's large campus. Not only will this new feature provide a refreshed way to see the zoo, but it will also drive revenue.

Workforce Development, Staff Culture, and Labor Collaboration

SFZS recognizes that its workforce is essential to delivering excellent animal care and visitor experiences. During the audit period, the organization also made significant investments in internal culture and staff engagement. Beginning in September 2025, the Zoo launched quarterly all-staff meetings to improve transparency, strengthen communication, and ensure that employees across departments remain informed about organizational priorities.

In addition, SFZS established a staff-led "Culture Crew," a cross-departmental group responsible for organizing staff engagement events and fostering stronger connections across teams.

The organization also strengthened its working relationship with organized labor, including ongoing collaboration with Teamsters Local 856. Zoo management continues to support zookeeper staff by partnering with them on professional development and supporting events organized by the local chapter of the American Association of Zookeepers (AAZK), including both onsite and offsite activities.

To further support staff development, SFZS invested in professional mediation and leadership training programs to help managers strengthen communication, address workplace conflicts constructively, and improve organizational collaboration.

Staff communications have also been revamped through updated internal communication channels designed to increase transparency and information sharing.

Education, Youth Development, and Workforce Pathways

Education and youth development remain central to the Zoo's mission. The Zoo continues to provide educational opportunities for thousands of young people each year through a range of programs.

This year marks the 50th anniversary of the Zoo's Nature Trail Program, which provides workforce development opportunities for youth ages 12–14 by introducing them to environmental education and leadership.

Additional youth programming includes the Junior Zoologist program for teens, bilingual camp offerings, the Little Learners program for preschool-aged children, and the popular Summer Zoo Camp, which attracts participants from across the region. To support the Summer Zoo Camp program, the Zoo also hosts a Leadership Fellows initiative for high school students entering grades 10–12 in the fall. Leadership Fellows work alongside the Zoo's professional instructors throughout the summer, gaining valuable hands-on experience in environmental education, leadership, and youth mentorship while developing early job and workforce skills..

The Zoo also manages a robust Docent Program that includes more than 100 dedicated volunteer docents. These knowledgeable volunteers play an important role in supporting the Zoo's mission by engaging guests in conservation education, presenting biofacts that connect visitors with wildlife, and assisting with beautification projects across the Zoo's campus.

These programs not only connect young people with wildlife and conservation but also help cultivate the next generation of environmental stewards and science professionals.

Equity, Access, and Community Engagement

The Zoo remains committed to ensuring equitable access to nature, wildlife education, and conservation programs.

During the audit period, SFZS reestablished several access initiatives designed to better serve the public. These include the continuance of the Discover and Go program and the return of the Museums for All program, which provides reduced-cost admission for low-income families. The Zoo also made improvements to the monthly free admission days, by programming them consistently on the first Wednesday of each month. The structured scheduling of these free days helps maximize participation while allowing Zoo staff to plan operational resources more effectively.

Other community-focused initiatives include the return of Member Mornings and the Senior Strolls program, both of which provide additional opportunities for the public to engage with the Zoo. The Zoo also continues to offer programs such as the Teddy Bear Clinic, offering our veterinary team to provide check ups to guests' stuffed animals. Additional popular monthly events continue to attract the public of all ages such as "Boo at the Zoo" at Halloween, "Eggventure" along the Nature Trail at the Exploration Zone, and Earthfest to celebrate Earth Day with a pop up village of conservation partners and activities teaching about sustainability and animal conservation. The Zoo will also host its first Neurodiversity Week celebration providing educational resources as well as modifications to the zoo experience to support our neurodiverse guests.

The Zoo also launched a "Kids Free" promotion for the month of January, which contributed to record-breaking attendance in January and helped introduce thousands of new families to the Zoo.

SFZS staff have also expanded community outreach efforts by participating in neighborhood festivals and public events across San Francisco to educate residents about Zoo programs, wildlife conservation, and educational opportunities. Lastly, the Zoo offers free field trips to SFUSD students and has also launched outreach efforts to schools outside of the City and County of San Francisco to invite them to take fieldtrips to the Zoo at a discounted price.

Visitor Experience and Attendance Growth

The Zoo has invested in a number of initiatives designed to improve the visitor experience and strengthen attendance and revenue.

A new mobile app was launched last fall to enhance the guest experience and create additional opportunities for digital engagement and revenue generation. The Zoo is also preparing to launch a fully redesigned website this spring which will allow the Zoo to better connect to audiences, drive additional revenue and highlight the great work that the Zoo is doing.

In parallel, SFZS has expanded its marketing and communications efforts, including increased social media engagement, media outreach, and earned media coverage. Recent positive media stories have highlighted new programs and Zoo initiatives.

The Zoo also hosted an "Influencer Day," which brought dozens of regional influencers to the campus and generated millions of social media impressions promoting the Zoo to new audiences.

A new marketing campaign is scheduled to launch this spring to further expand audience reach.

Looking ahead, several new visitor activations are planned, including a robotic dinosaur exhibit opening this summer, the launch of a new tram system, and a new evening experience planned for this fall that will illuminate the Zoo campus and attract new audiences during evening hours.

To support these initiatives, SFZS has established an internal cross-departmental Events Task Force to ensure that all departments coordinate effectively in planning and executing new programming designed to drive attendance and revenue.

Financial Stewardship and Revenue Development

The SFZS is facing a significant financial challenge with six years of declining attendance and increased expenses.

The organization has recently implemented targeted revenue initiatives, including adjustments to membership and parking rates, expanded membership benefits, and the launch of new visitor programming designed to attract new audiences.

The SFZS also launched a major fundraising capital campaign to support the potential future arrival of giant pandas and strengthen conservation partnerships. To support this effort and other SFZS fundraising needs, SFZS hired a fundraising consultant as well as a grant writer and a corporate sponsorship manager to expand philanthropic and institutional funding opportunities.

Additionally, the organization is expanding its charity walk and run events with a goal of doubling these revenue generating activities in the coming years.

At the same time, the Zoo has paused discretionary spending and is prioritizing only investments that directly support animal health and welfare, operational stability and safety, and revenue-generating initiatives.

Safety and Security

For safety operations, 24-hour Security is onsite to assist guests, employees, and after-hours functions. The Zoo also maintains an Incident Command Team consisting of eight trained staff members who are prepared to take command during emergency situations. These efforts are further supported through the Zoo's close working relationships with the San Francisco Police Department (SFPD) and the Northern California Regional Intelligence Center (NCRIC).

In preparation for emergency response, staff are invited to participate in open-house planning sessions where they can share ideas and feedback on how the Zoo can best train for potential incidents, including medical emergencies, fires, animal escapes, earthquakes, venomous animal incidents, and active shooter situations. In addition to Zoo-wide drills, staff receive both online and hands-on training to ensure readiness.

The Zoo also partners with the American Red Cross and serves as an Authorized Training Provider with two onsite instructors offering certification in Adult and Pediatric First Aid, CPR, and AED use. While emergency response personnel are required to complete this training, all staff members are welcomed and encouraged to participate.

All of these safety initiatives are regularly reviewed in the Zoo's monthly Safety Committee meetings, where representatives from departments across the organization meet to review

incidents, evaluate drills, and raise safety concerns so that improvements can be addressed in a collaborative and proactive manner.

Economic Impact and Community Value

The Zoo plays an important role as an economic driver for San Francisco, particularly for the City's west side neighborhoods. The Zoo attracts hundreds of thousands of visitors each year who support nearby small businesses, restaurants, and local tourism activity.

By increasing attendance, expanding programming, and investing in visitor experience improvements, SFZS continues to strengthen the Zoo's role as both a cultural institution and an economic asset for the City.

Strategic Planning and the Zoo's Future

Looking ahead, SFZS is preparing to launch a Request for Proposals later this month to retain a consultant to support development of a comprehensive strategic plan, business plan, and long-term master planning process for the Zoo.

This planning effort will help establish a long-term vision for the Zoo that aligns conservation priorities, financial sustainability, visitor experience, and facility improvements.

Conclusion

The San Francisco Zoo and Gardens remains an essential cultural, educational, and conservation institution for the City of San Francisco. The accomplishments described above reflect the dedication of hundreds of employees, partnership with our labor union, volunteers, and community supporters who work every day to care for animals, educate the public, and advance wildlife conservation.

We appreciate the opportunity to contribute this information to the audit report and look forward to continued collaboration with the City and County of San Francisco, the Recreation and Park Commission, and community stakeholders as we strengthen and grow this important institution.

Sincerely,

A handwritten signature in dark ink, appearing to read "Cassandra Costello". The signature is fluid and cursive, with the first name being more prominent.

Cassandra Costello
Chief Executive Officer and Executive Director
San Francisco Zoological Society

Appendix G: Written Response from the Recreation and Park Department

The written response from the Recreation and Park Department is included on the following pages.



Daniel Lurie, Mayor

Kat Anderson, Commission President
Sarah Madland, Interim General Manager

April 28, 2026

Dan Goncher
Budget and Legislative Analyst's Office
1390 Market Street, Suite 1150
San Francisco, CA 94102

RE: Audit of the San Francisco Zoological Society

Dear Mr. Goncher,

The Recreation and Park Department appreciates the opportunity to provide a formal response to the recommendations in the Budget and Legislative Analyst audit of the San Francisco Zoological Society.

We sincerely thank your team for their effort in putting together this report.

Sincerely,

Signed by:

Sarah Madland

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Sarah Madland
Interim General Manager
San Francisco Recreation and Parks Department

Cc: Antonio Guerra, Director of Administration and Finance
Yael Golan, Deputy Director of Planning



The General Manager of the Recreation and Park Department should:

- 1.6 Annually review SFZS's proposed operating budget for reasonableness and attend the Recreation and Park Commission meeting when it is discussed to be available for questions.

The General Manager of Recreation and Park agrees.

It is appropriate that the Department and Commission review and provide comment on the Zoo's operating budget. Implementation of this recommendation would result in issue spotting financial challenges more quickly than in the current agreement. Additionally, it provides more visibility into the budget and revenue sources.

- 2.4 Review the strategic plan, campus master plan, and annual capital budget prepared by SFZS for reasonableness and attend the Recreation and Park Commission meetings when these items are discussed to be available for questions and discussion.

The General Manager of Recreation and Park agrees.

Recreation and Park agrees with the report that "strengthening (the Zoo's) planning process and documents will improve accountability and help SFZS prioritize and focus on the Zoo's highest needs and projects that can most benefit the organization, in alignment with SFZS's mission statement. Having these plans in place will also benefit SFZS's ability to fundraise by clearly articulating SFZS's strategic direction and fundraising needs. Finally, having an updated strategic and campus master plan will satisfy AZA requirements for accreditation." The Department believes it is appropriate for the Commission to review and comment on these documents.

Recommendation 2.3 asks the SFZS Chief of Finance to "Annually submit a one- or two-year capital budget as well as an operating budget to the General Manager of the Recreation and Park Department, or their designee, for review and approval." Recreation and Park agrees with the intention of this recommendation but suggests that a review would be sufficient.

- 3.1 Initiate negotiations for a new lease and management agreement with the San Francisco Zoo by December 31, 2026 and report to the Recreation and Park Commission regarding the status of negotiation process by March 1, 2027. The provisions of the new agreement should include enforcement mechanisms, updated roles and responsibilities of each party, and financial obligations that are adjusted for changing financial needs and economic conditions. The agreement should require active review by all parties before agreement renewal and should be approved by the Board of Supervisors at least once every 10 years.

The General Manager of Recreation and Park partially agrees.

RPD agrees any agreement needs stronger enforcement mechanisms and updated roles and responsibilities. RPD is already working to address some of these recommendations through the draft Loan Agreement between the City and SFZS, by requiring SFZS to meet more robust

BLA Zoo Audit

Recreation and Park Department Response

performance benchmarks and reporting requirements and requiring City approval of certain SFZS plans that did not previously require City approval.

RPD disagrees that a new lease and management agreement is immediately necessary as these new provisions can be implemented quickly through this agreement. The proposed loan with the zoo includes stronger reporting and enforcement mechanisms. The Department notes that as part of the draft terms of the loan, “the Zoo must address any concerns or make relevant changes based on findings from the upcoming BLA audit report. These should be met in the timeline outlined in the audit or based on other timelines as agreed upon between the City and the Zoo.”

RPD also disagrees that the management fee should be adjusted for changing financial needs and economic conditions. Instead, we believe it is necessary to evaluate a variety of financial models for the zoo. The transfer of functions to the SFZS was enacted in large part because the SFZS has greater flexibility and ability to increase its revenue, and control costs.

Prior to proposing increasing the management fee, a comprehensive analysis of the Zoo’s expenses and revenue potential should be undertaken and all opportunities for the zoo to earn revenue to cover their operating costs must be exhausted. Further, the discussion of using limited General Fund dollars to support the zoo needs to include an understanding of the trade-offs and be conducted by the City’s policy makers in conjunction with the Recreation and Parks Department.

As noted in the benchmarking appendix, the amount of financial support as a proportion of operating expenditures provided to Zoos by American cities ranges from a minimal percentage above 0% to above 50%. Within California, at the time of the report San Francisco provided a higher percentage of financial support compared to Oakland and San Diego.

3.2 Dissolve the Joint Zoo Committee upon the execution of a new lease and management agreement between the City and SFZS and establish a more direct working relationship between the Recreation and Park Commission and SFZS.

The General Manager of Recreation and Park agrees.

As noted in the report “the Joint Zoo Committee is redundant and provides limited value to Zoo governance. It is a holdover from the pre-1993 management structure and is one of three separate City bodies that receive public comment on Zoo matters.” The Department agrees that a more direct working relationship would benefit both parties.

3.3 Implement an internal contract monitoring procedure for SFZS that is aligned with the Citywide Nonprofit Monitoring and Capacity Building Program and Fiscal Monitoring Program, including fiscal monitoring, standardized document review, and written procedures for documenting findings and corrective actions.

The General Manager of Recreation and Park agrees.

BLA Zoo Audit

Recreation and Park Department Response

Recreation and Park does not grant funds so the Zoo has never been part of the Citywide Nonprofit Monitoring and Capacity Building Program. The Department agrees with the intention of this approach and intends to discuss next steps with the Controller's Office on how to institute these changes as part of a management agreement.

- 4.9 By December 31, 2026, develop and present to the Board of Supervisors and the Recreation and Park Commission a capital project timeline and cost estimate to carry out the repairs to the Mothers Building as recommended in the 2015 Mothers Building conditions assessment, including: (a) document and stabilize murals with an operable HVAC system to regulate temperature and humidity; (b) waterproof the west wall; (c) perform seismic upgrades; (d) repair or replace damaged or missing concrete elements, and (e) upgrade the mechanical, electrical, and plumbing systems. The capital project timeline and cost estimate should be based on the current condition of the Mothers Building and address any further deterioration that has occurred since the 2015 conditions assessment.

The General Manager of Recreation and Park partially agrees.

The Department agree that the Mothers Building needs restoring and that it is an important building. The Department disagrees that it is currently a high enough priority given the issues with public access and the significant potential cost of restoration. Unlike the majority of buildings in RPD's portfolio, this building is not accessible to the public. It is an a closed off area of the zoo.

As noted in the report, the 2015 Mothers Building condition assessment estimated a cost of more than \$5 million for long-term upgrades and restoration which would be \$7 million adjusted for inflation. A more recent 2024 study found that rehabilitation of the Mothers Building would be roughly \$12 million. Due to the Department's overall lack of funding to address higher use facilities, this project would be cost prohibitive

- 4.10 Work with the Office of Resilience and Capital Planning to include restoration of the Mothers Building in the City's 2028-2039 Capital Plan.

The General Manager of Recreation and Park agrees.

The Department supports listing the Mothers Building as an emerging project in the Capital Plan. The Department notes that there are many projects within its capital plan that are currently unfunded emerging projects.

- 6.1 As a condition of negotiating and executing a new Lease and Management agreement, require the SFZS Board of Directors to revise its internal Board policies by December 31, 2026, to reflect the Zoo's current governance structure and practices and adhere the San Francisco Controller's standards for contracted nonprofit board policy manuals. When making these revisions, the Board of Directors should:

a. Ensure revised policies establish a centralized system for recording and retaining meeting minutes for Board and committee meetings. The Board should further consider establishing a

BLA Zoo Audit

Recreation and Park Department Response

mechanism to share approved minutes for all committees with the Recreation and Park Department.

b. Establish annual performance reviews for all SFZS officers appointed by the Board.

c. Formalize committee structures with SFZS staff liaisons who have assigned performance measures and documentation sharing responsibilities from their respective departments at the Zoo.

d. Establish a policy to review and update the Board policy manual at least every two years.

The General Manager of Recreation and Park partially agrees.

The Department agrees that the Zoological Society should conform with the Controller's Office non-profit best practice guidelines. As part of a loan, the Department will require the Zoo to implement contract monitoring best practices, including any that involve record keeping, performance reviews, committee structures, and policy manuals.

The Department notes that while a loan term will require the Zoo to adopt these best practices, compliance with these best practices is ultimately up to the Zoological Society.

9.3 Include the requirement for an annual cost allocation plan in any new or amended lease and management agreement between SFZS and the City, in consultation with the Controller's Office.

The General Manager of Recreation and Park agrees

The Recreation and Park Commission should:

3.4 Develop written internal guidance based on the new lease and management agreement that explicitly defines Commissioners' oversight responsibilities and requires regular reporting and discussion of SFZS's core financial, operational, developmental, and accreditation materials at Commission meetings.

The General Manager of Recreation and Park agrees and will share this recommendation with the Commission.

Appendix H: Written Response from the Office of Resilience and Capital Planning

The written response from the Office of Resilience and Capital Planning is included on the following pages.

City & County of San Francisco
Daniel Lurie, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Brian Strong, Chief Resilience Officer
Office of Resilience & Capital Planning

April 30, 2026

Dan Goncher and Linden Bairey
Budget Legislative Analyst's Office
San Francisco Board of Supervisors

Dear Mr. Goncher and Mr. Bairey,

Please find my formal response from the Office of Resilience and Capital Planning (ORCP) to recommendation 1.3 of the Budget and Legislative Analyst's Office Performance Audit of the San Francisco Zoo.

ORCP is comfortable with the recommendation to evaluate the use of debt financing for City-owned zoo buildings and grounds in consultation with the Director of the Office of Public Finance by December 1, 2027. I do want to note that this evaluation will likely require looking at capital projects and revenue sources in relation to the debt.

Thank you very much for the opportunity to respond to this recommendation and to make in-line comments during the drafting stage.

Sincerely,

A handwritten signature in blue ink that reads "Brian Strong".

Brian Strong
Chief Resilience Officer and Director
Office of Resilience and Capital Planning
City and County of San Francisco

Recreation and Park Department

San Francisco Zoological Society Loan Agreement, De-appropriation and Appropriation

Budget and Finance Committee, May 6, 2026



Inspire, Connect, Play!

Background: RPD–SFZS Operating Model

- City (RPD) owns SF Zoo (grounds, facilities, animals)
- Operations managed by the San Francisco Zoological Society (SFZS) under the 1993 Lease & Management Agreement
- RPD pays SFZS \$4M annual management fee
- SFZS manages Zoo operations
- Recreation and Park

Commission reviews and approves certain Zoo matters (admission fees, budget, animal transactions)



Financial Challenges & Immediate Need

- Declining attendance since covid led to operational deficits
- SFZS faces operating-budget pressure requiring immediate cash support
- SFZS anticipates significant attendance and revenue increases in 2027 with the arrival of Giant Pandas



Loan Terms & Conditions

Loan Agreement:

- Up to \$8.5M total
- 4 payments in 2026-2027 totaling \$6.5M
- \$2M reserve

De-appropriation and Appropriation

- \$2.5M to facilitate first loan payment
- De-appropriation from Open Space Acquisition Fund and appropriation to the Park, Recreation and Open Space Fund



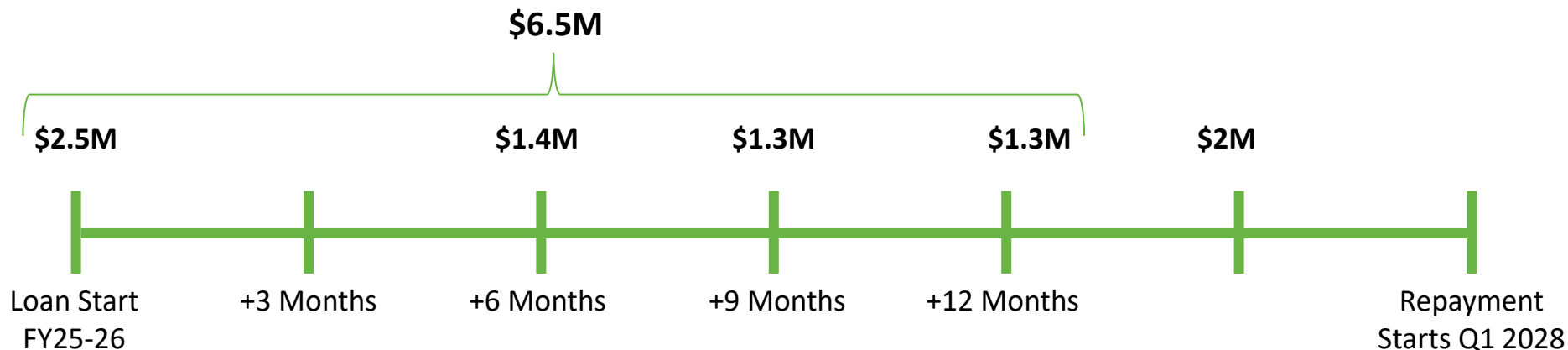
Loan Terms & Conditions

Loan disbursements: tied to specific conditions and milestones, including:

- Financial sustainability plan & aligned 5-year strategic plan
- Immediate expense reduction by minimum 10%
- No new financial liabilities/animals (Giant Panda exception)
- SFZS Board changes
- Quarterly reporting (attendance, cost reductions, membership, fundraising, long-term solvency progress, Giant Panda progress)

Repayment:

Starting in Q1 of 2028 and over 10 years, via management fee reductions



Requested Board Actions

- Approve Resolution:
Authorize RPD to enter into \$8.5M loan agreement with SFZS
- Approve Ordinance:
Allow budget action required for near-term cash infusion





THANK YOU

**SAN FRANCISCO
RECREATION
& PARKS**



SF Zoo Presentation for BOS Budget & Finance Committee

May 6, 2026

San Francisco Zoological Society

Connect, Care, Conserve

History of San Francisco Zoo & Gardens

- Established in 1929, the San Francisco Zoo & Gardens is a 100-acre park.
- SF Zoo is home to nearly 1,500 exotic, endangered and rescued animals representing more than 225 species, and seven distinct gardens full of native and unusual plants.
- SFZS is comprised of 30 Board Members and 50+ Emeritus Board Members. There are approximately 180 full-time employees and ~100 docents.



Who We Are

- We are an education and conservation organization serving the San Francisco and beyond.
- Our mission is to connect all people with wildlife, inspire caring for nature and advance conservation action.
- We are proud to serve our community and we have a talented team of experts who care for our animals, visitors, gardens and habitats each day.



Access Programs

- **San Francisco Resident Free Admission** - the First Wednesday of the Month
- The **Museums for all Program** allows guest to purchase up to 4 tickets for only \$5 each just by showing their SNAP EBT card and matching ID. Since this January, 12,166 adults and 4,800 children have come to the Zoo under the program.
- The **Discover & Go program** allows guests to check out free Zoo passes from their local library. Since August of 2025 2,578 adults and 1,373 children have enjoyed the program.
- **SFUSD Schools** also get free field trips during the School Year. And Rec & Park is also given free access for their group and summer programs.
- **Non-SFUSD Schools** receive a discount for field trip admission.
- **Discounted** admission fees for SF residents and seniors.
- **Membership** 14,200 members, 46% SF households



2026 Discount Promotions

- **January – Kids Free All Month**
 - Resulted in highest January attendance on record (~63,000)
 - Admission revenue exceeded prior year by 62.5%
- **February Presidents Day Promotion and Free Student Admission**
 - Students allowed free entry during teacher's strike
- **March – Student BOGO Month**
 - Attendance exceeded prior year by 31%
- **May – Mother's Day Weekend Promotion**
 - All Admission only \$5
- **June – Kids Free on Weekdays**
 - Expecting weekend attendance levels during weekdays



Volunteer & Education Programs



Youth Jobs & Volunteers

Jobs:

The Zoo has partnered with:

- JCYC (Japanese Community Youth Council)
 - SFYouthworks
 - Enterprise for Youth
- In collaboration with these organizations the Zoo has hosted over 30 paid interns over the past three years.

Volunteers:

- Every year the Zoo averages about **60 – 70 teen volunteers** for our Leadership Fellows program.
- The Zoo is celebrating our 50th anniversary of the Nature Trail Volunteer program, which works with youth ages 12-14 to provide education to the public about a particular animal or conservation initiative.
- The Zoo also hosts volunteers and interns in other areas of the Zoo including Children's Zoo, Insect Zoo, Conservation and Wellness and the Animal Rescue and Conservation Center.



Education Programs

- Summer Camp Enrollment
 - Over 1000 registrants
 - \$500,000 in earned revenue
 - 56 scholarships awarded
- Little Learners Early Childhood Program
 - Resurrected from pre-COVID era
 - 300+ registrants
- Wild Nights Sleepover Program
 - Pilot program launched in April with 50 attendees
 - Full reboot planned for Aug 2026



Educational Programs

- Relaunched Winter & Fall Zoo Camps
- Bilingual Camps (Chinese & Spanish)
- Over 100 Docents & Adult Volunteers
- Community Outreach: tabling at street fairs, festivals, cultural celebrations, schools
- Conservation Lectures



Recent Special Events, Upcoming Exhibits and Promotions



Highlighted 2026 Special Events

- **February – Member Appreciation Month**
 - Special Public Programming (Keeper Chats)
 - Extended Morning Hours
 - Lunar New Year Celebration
- **March – Neurodiversity Celebration Week**
 - Early “Quiet Hours”
 - Rides set to “Quiet Mode”
 - Free resource kits and visit guides
 - Elevated “Sensory Alert” exhibit signage
- **April**
 - “Eggventure” Easter Community Egg Hunt & Education
 - Earth Day collaboration with 14 community organizations
 - Sustainability education and community training
- **May – Asian American & Pacific Islander Month**
 - K-POP Day – Celebrating cultural impacts through food, dance, and wildlife education (May 23)
- **June – Pride Month**
 - Zoo’s 97th Birthday Celebration – June 13 & 14
 - Pride Celebration – June 21
 - Pride Parade



Upcoming Special Exhibits

- “Dinos Rule!” Animatronic Exhibit (June 29 – September 12)
 - Attendance Projection: +52,978
- Winter Light Festival- “Zoolightful” (October 23 – January 3)
 - Attendance Projection: +124,000



Citywide Promotions

- Street Pole Banners
 - In permitting process
 - May 2026 launch (est.)



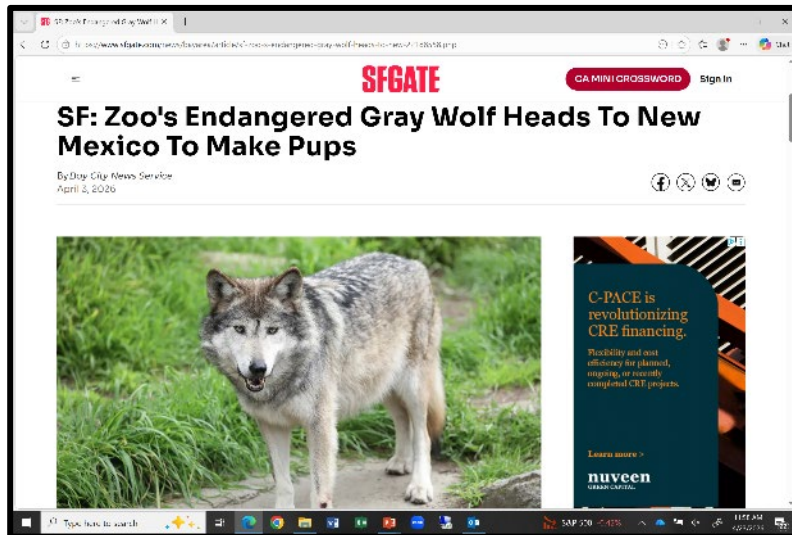
- MUNI PSA campaign
 - 1000 interior bus cards
 - 15 Princess Banners
 - May 2026 launch (est.)



Public Relations

Recent Press Coverage

- Neurodiversity Access Programs
- Mexican Gray Wolf Repopulation Efforts
- KRON4 “Exploring Animals” Monthly Segment



Social Media Presence

Incremental Growth of Followers and Engagement YOY

- 277.2% increase in interactions on Facebook (see graph below)
- Follower increase of 71,014 accounts across all platforms
- Two posts in 2026 have gone viral with over 1 million views each



SF Zoo Mobile App Update

- Language Translations: 60+ languages
- Wayfinding without Paper Maps
- Data Collected:
 - Heat Mapping provides details on visitor flow, areas of highest interest, and public programming popularity
 - Visitor satisfaction data – 92% positive
 - Visitor demographic data
 - Native Language
 - Country and City of Residency



Board Governance and Financials

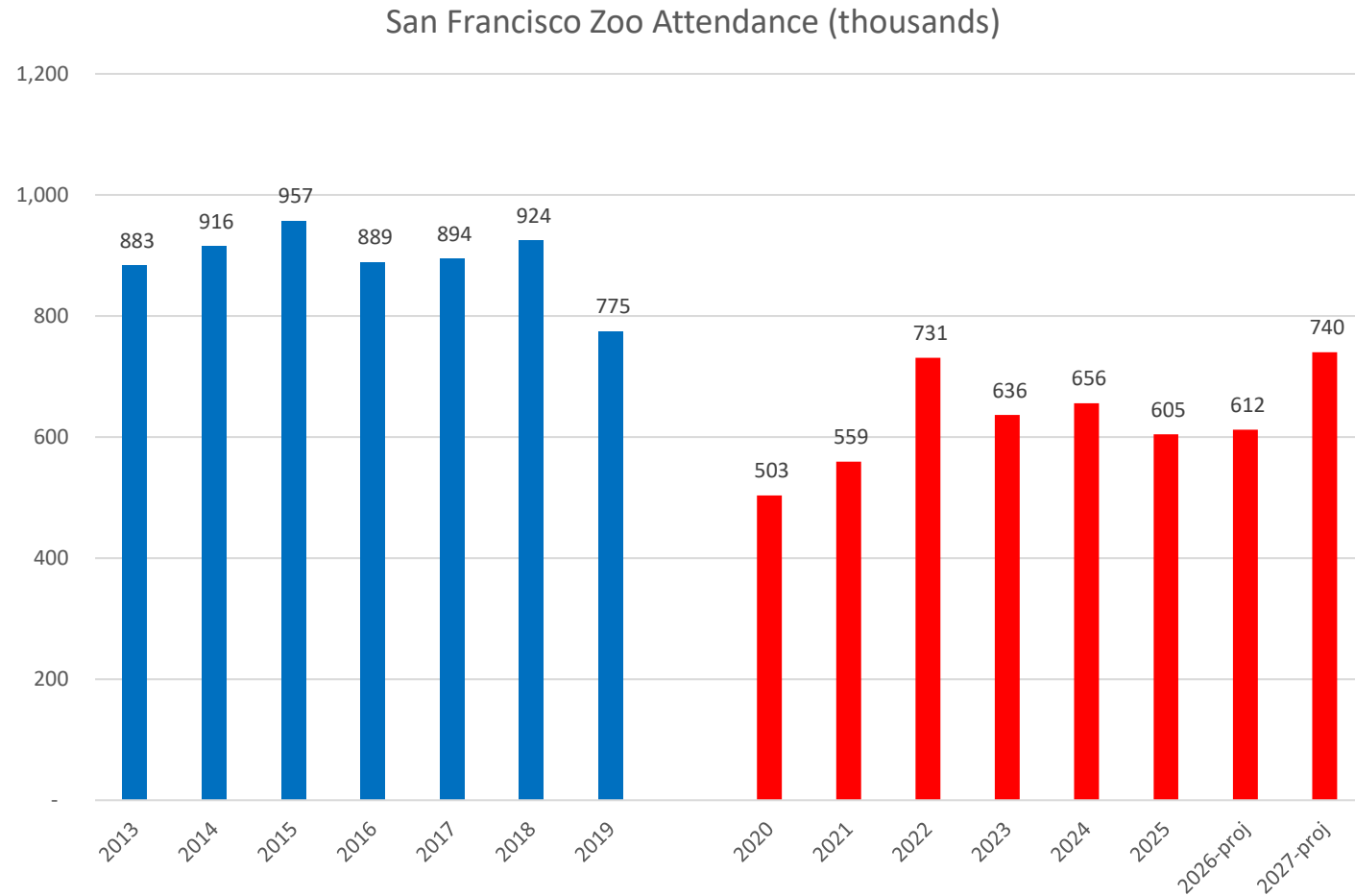


SFZS Board

- Continued growth of board membership and increased fundraising responsibility
- SFZS Board Retreat planned for 5/16-focus on strategic and business planning + governance



Historic, Current and Projected Attendance

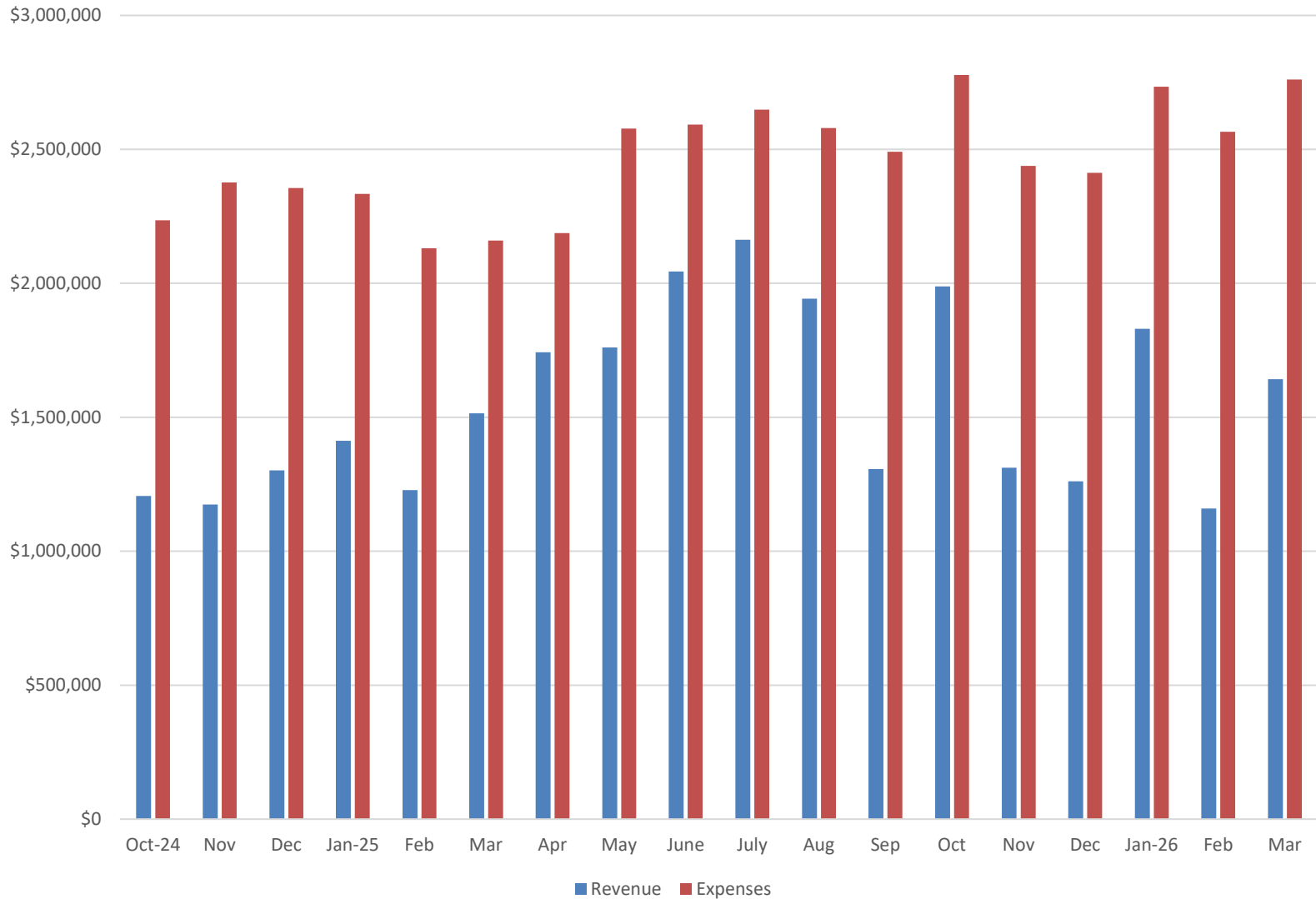


Significant Cost Increases FY 20/21 to FY 25/26

	<u>5-Year Increase</u>	
• Utilities	83%	\$960K
• Health Benefits	34%	\$920K
• Supplies	97%	\$340K
• Security	38%	\$270K
• Animal Food	40%	\$230K
• Insurance	47%	\$160K
• Workers Compensation	82%	\$150K
• <u>TOTAL SIGNIFICANT COST INCREASES</u>		<u>\$3.03M</u>

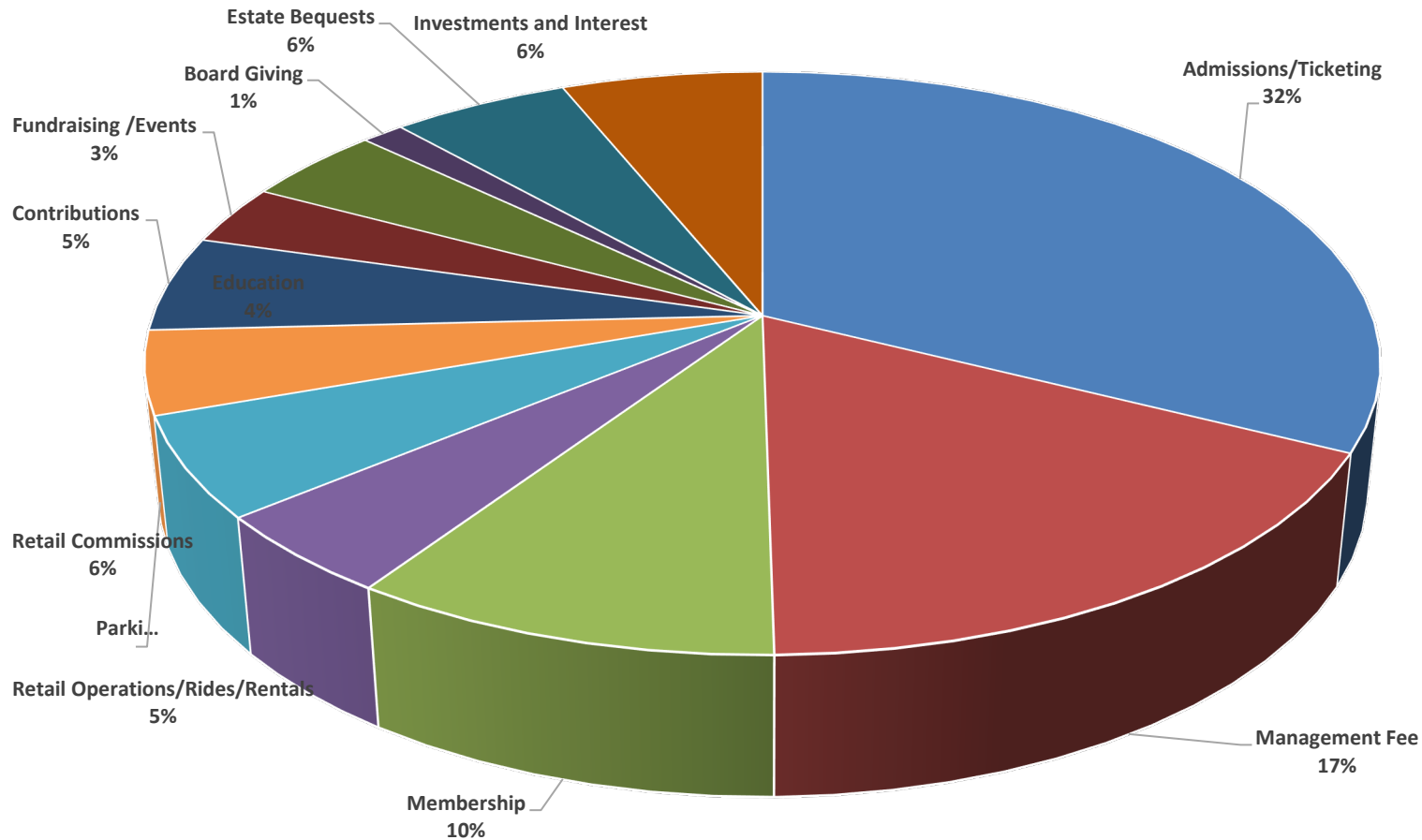
*Note: These \$3.03M increases are **15%** of ALL expenses in FY20/21*

Zoo Revenues and Expenses October-24 to March-26
Excluding Investments, Bequests, and In-Kind



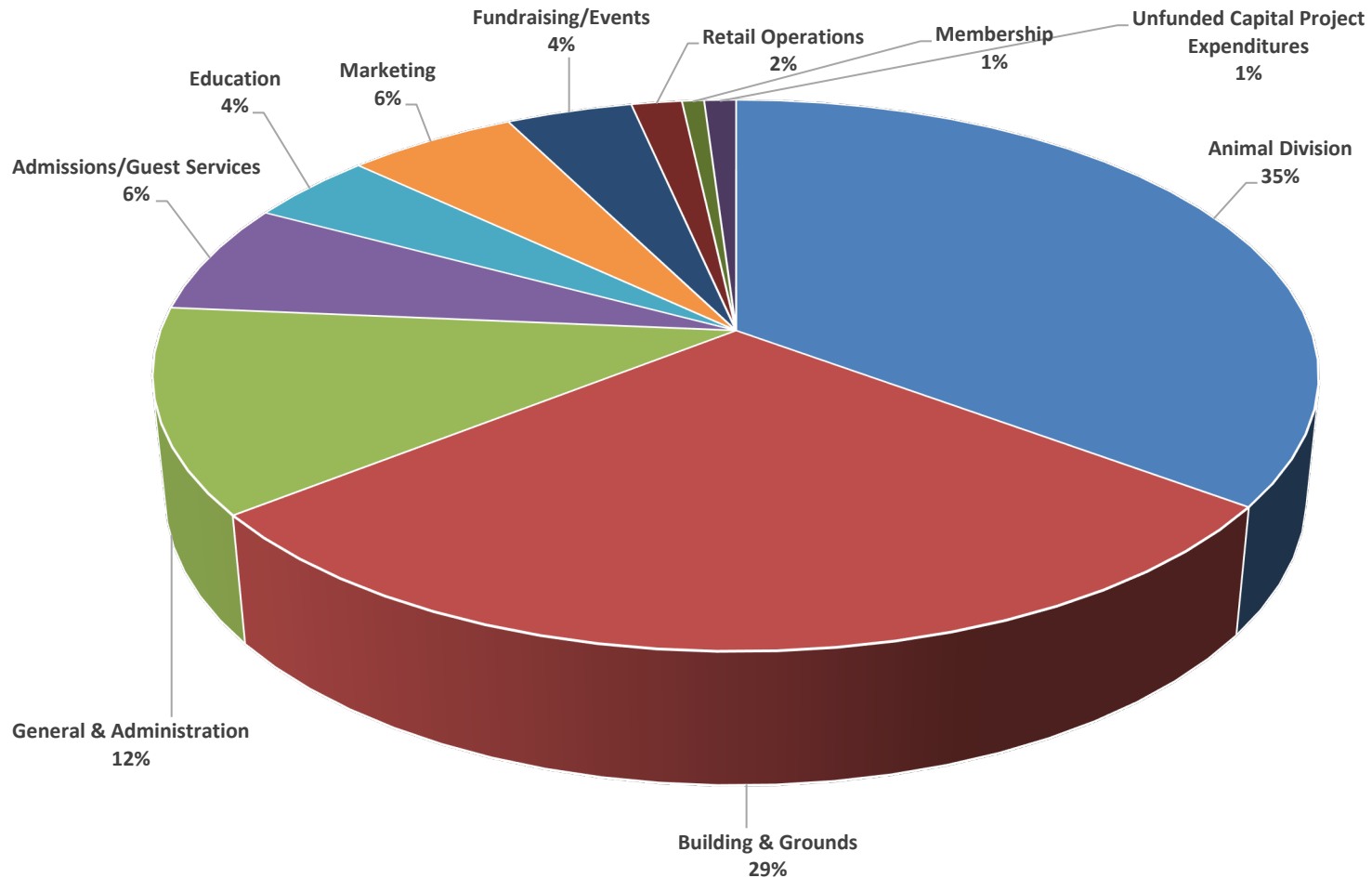
SAN FRANCISCO ZOO

PROJECTED REVENUES FISCAL YEAR 2025-2026 - \$23.1M



SAN FRANCISCO ZOO

PROJECTED EXPENSES FISCAL YEAR 2025-2026 - \$31.5M



Proposed Loan from the City to the San Francisco Zoological Society



Proposed Loan will allow SF Zoo to Continue Operations

- Continue operations without major damaging disruption
- Fundraising and sponsorships for future exhibits and events
- Capital Campaign
- Business, strategic and master plan work to set the stage for the future of SF Zoo and inspire investment
- Facilities Conditions Assessment
- AZA Accreditation, detailed application submission, inspection, and required maintenance work



What is AZA Accreditation?

- Association of Zoos & Aquariums' accreditation is the gold standard for animal care, awarded only to top-tier institutions meeting rigorous performance-based standards for animal welfare, veterinary care, conservation and education.
- AZA accreditation is vitally important as it enables zoos to work cooperatively with other professionally-accredited AZA institutions, such as participating in Species Survival Plans (breeding programs), AZA SAFE (Saving Animals From Extinction), field conservation and scientific research.
- AZA renews accreditation every 5 years via an extensive written submission and a vigorous three-day on-site visit with expert AZA inspectors.
- SF Zoo has been continuously accredited since program started in 1979.
- Only 254 of the more than 9,000 USDA licensed animal facilities are accredited by AZA.



Thank you! Questions?



Zoo Loan Terms

SUMMARY

To ensure the City and County of San Francisco's ("the City") loan to the San Francisco Zoological Society ("the Zoo") supports the Zoo's long-term strategic and financial sustainability, the City requires the Zoo to meet specific conditions.

The Zoo must:

- Engage a specialized zoo strategic and financial planning consultant.
- Produce a financial sustainability plan to become a long-term financially solvent organization.
- Make immediate, meaningful reductions to expenses to a minimum of 10%
- Not take on new liabilities or animals, except for Giant Pandas, or except in cases of newly acquired animals that do not require capital habitat investments or additional staffing resources, unless a dedicated outside funding source has been secured by the zoo, until the Zoo is determined financially sustainable by the City Controller.
- Produce a 5-year strategic plan that aligns with the financial sustainability plan and includes priorities, objectives, and tactics. The plan should also identify metrics that will show progress towards these priorities.
- Participate in a long-term visioning process with City staff and other partners to determine the zoo's long term strategic direction
- Develop a Board with capacity to meaningfully support SFZS, doubling its annual contribution goal year to year, until reaching a contribution goal of 10% of SFZS's annual operating budget, and ensure SFZS finance committee is adequately staffed
- On a quarterly basis, report on basic outputs, such as attendance, expense reductions and efficiencies, new members, and funds raised, as well as on progress towards long-term financial solvency plan and progress on Panda project. On a quarterly basis, reports should be shared with City Controller and presented before the Join Zoo Committee. All reports and materials provided by the SFZS must meet standards for quality and thoroughness as determined by City Controller.
- Add a board member with extensive financial management experience, including deep knowledge of finances, financial controls, and financial planning. This individual should have experience in financial analysis, risk management, and financial strategy. The City will review the qualifications of the board member to ensure the experience is sufficiently met.
- Successfully achieve Association of Zoo and Aquarium (AZA) accreditation
- Address concerns identified in the upcoming Budget and Legislative Analyst (BLA) audit
- Consistently meet with and communicate with City partners as requested

The City will evaluate the Zoo's progress towards these conditions through the following milestones, which will be tied to the release of loan funds:

Milestone	Expected actions	Date	Fund Release
1	- Provide current plans for increasing attendance and fundraising, decreasing expenses/increasing efficiencies - Repayment plan for the loan	Prior to loan start	
2	Participate in long-term visioning process	Loan Start	\$2.5M
2	- Hire consultant - Provide first quarter data	Loan start + 3 months	
3	- Provide updated Financial Sustainability Plan and draft Strategic Plan - Provide second quarter data	Loan start + 6 months	\$1.4M
4	Provide third quarter data	Loan start + 9 months	\$1.3M
5	- Provide final financial sustainability and strategic plans - Provide fourth quarter data	Loan start + 12 months	\$1.3M
6	Achieve AZA Accreditation	By March 2027	
7	Address concerns in the upcoming Budget and Legislative Analyst Audit	As determined by the audit or in conversation with the City	

If the Zoo fails to meet any of these milestones, the City will view this as failing to meet loan terms and may end the loan and/or end the Zoo's lease agreement.

BACKGROUND

The Zoo is facing major financial challenges. In FY25 alone, it has losses of \$7 million on a ~\$30 million operating budget. To help address this, it requested a \$9.5 million loan from the City.

The Zoo is considering a variety of methods to improve its attendance and help resolve its financial challenges, including procuring Giant Pandas, opening improved Big Cat exhibits, and launching new promotive programs. However, the Zoo does not have a clear strategy or guiding principles in its programmatic and financial decisions.

The City is willing to provide a \$6.5M loan to help address the Zoo's projected operational deficit for the period between Q2 of Calendar Year 2026 (CY26) through Q2 of CY27. Starting Q3 of CY27, the Zoo is projecting an operational surplus due to the anticipated arrival of Giant Pandas. The City will hold in reserve an additional \$2M available for loan to the Zoo post AZA accreditation, should the SFZS be making sufficient progress towards financial sustainability, yet still not meeting initial projections for revenue.

The City wants to ensure its loan supports the Zoo's long-term success and that the City is able to be repaid. To this end, the City is establishing specific conditions that the Zoo must meet.

REPAYMENT

The City will provide the loan for a period of 10 years. The interest rate will be determined based on the funding source used for the loan, to make sure City's costs associated with the loan are reimbursed. If the funding source is the City's General Fund, the City pooled investment rate (currently 3.7%) will be the loan interest. If debt financing is used to fund the Zoo's loan, loan rate will match the City's debt issuance and financing costs (estimated 6.5%). The City will have sole discretion in determining which funding source will be used. Starting in Q1 of CY28, the City will incrementally decrease its monthly management fee payments to the SFZS to cover loan remaining.

IF CONDITIONS ARE NOT MET

If the Zoological Society does not meet the milestones described in this document, the City will have the ability to terminate the loan, regardless of the length of time remaining in the loan term. The City will also have the ability to terminate the Zoological Society's lease on the Zoo property. The lease is a five-year agreement with the current 5-year period ending in 2028.

LONG-TERM PLANNING CONDITIONS

In order to solve the long-term challenges of the Zoo, the City will require it to address (1) its financial unsustainability and (2) its unclear future plan. **To ensure the Financial Sustainability Plan and Strategic Plan are developed with the best available resources, the Zoo will procure an experienced consultant that specializes in working with zoos, especially those facing financial challenges.**

Issue 1: The Zoo is financially unsustainable

Issue Description and Background:

The Zoo is facing severe financial instability. In FY 25, it had a loss of \$7 million. Based on current conditions, the Zoo cannot run operations beyond Summer 2026 in a financially stable manner.

Desired results:

The Zoo will develop and implement a plan for long-term financial stability. The plan should include a repayment strategy for the City's one-time \$6.5 million loan. It should develop an annual budget that balances annual expenses with revenues, taking into account three scenarios regarding Giant Pandas: 1) Pandas arriving as planned and visitation increasing as expected; 2) Pandas are delayed or do not arrive; 3) Pandas arrive but do not provide the expected visitation increase.

Required item:

The City requires a Financial Sustainability Plan which contains the following elements:

- Means to address cash flow, including any programmatic or staffing changes
- Budget reporting and invoicing

- Fundraising plan

Milestones:

- Within six months of the loan start date, the Zoo must submit the **first draft of the Financial Sustainability Plan to the Controller's Office and RPD.**
- By one year after the loan start date, the Zoo must submit the **final draft of the Financial Sustainability Plan and bring it before the Joint Zoo Committee for approval.** The City may request additional edits if the plan does not sufficiently address the elements outlined above.

Issue 2: The Zoo lacks a strategic plan and a long-term vision

Issue Description and Background:

The Zoo has been operating without a recent strategic plan and without a long-term vision. As it faces financial challenges, it has considered a variety of pathways for the future yet has not determined a single direction. This can result in a disorganized and inefficient approach as the Zoo tries to solve its problems through a wide spread of unrelated efforts.

Desired results:

The Zoo will develop a Strategic Plan for the next five years. The plan should include programmatic decisions that align with the financial sustainability plan. This includes any major additions, removals, or renovations of exhibits. The Zoo will also participate in a separate, long-term visioning process with City staff and other partners, to determine the Zoo's long-term vision, which will also guide the 5-year strategic plan.

Required item:

The City requires a 5-year Strategic Plan which contains the following elements:

- Vision and priorities for the 5-year cycle starting in 2026
- Objectives and tactics to achieve these priorities
- Metrics that will demonstrate the Zoo's success in meeting these priorities

The City also requires Zoo's participation in a joint long-term visioning process, to be led by City and third-party partner(s), starting shortly after loan approval.

Milestones:

- Within six months of the loan start date, the Zoo must submit the **first draft of the Strategic Plan to the Controller's Office and RPD**
- By one year after the loan start date, the Zoo must submit the **final draft of the Strategic Plan and bring it before the Joint Zoo Committee for approval.** The City may request additional edits if the plan does not address the elements outlined above.
- Shortly after loan approval, the City will initiate, and Zoo will participate in, a 6-9 months-long visioning process to determine the Zoo's long-term strategic direction.

ADDITIONAL CONDITIONS

In addition to the long-term planning conditions, the City also will require the Zoo to demonstrate its current efforts to maintain and improve the Zoo.

Provide current materials. Prior to the City providing the loan, the Zoo will provide its current plans for increasing attendance and fundraising and decreasing expenses over the year, including specific targets. This should include information on performance over the prior 8 quarters.

Report on a quarterly basis. At the end of each quarter, the Zoo will report to the City (Controller's Office and RPD) the following statistics over that quarter:

- Attendance
- New members
- Funds raised (received and pledged)
- New donors
- Financial records
- Expenses
- Progress on Pandas capital project and other preparation work

If the Zoo does not meet its targets for fundraising or increasing attendance for any given quarter, it must provide a narrative explaining why the targets were not met and the adjusted plan for the future quarters.

To demonstrate the value of the Zoo's fundraising and attendance plans, it will also share:

- Cost of new attendee recruitment efforts per new attendee
- Cost of new member recruitment efforts per new member
- Cost of fundraising efforts per dollar raised

Successfully achieve Association of Zoo and Aquarium accreditation. The Zoo would undergo the accreditation review regardless of the City's loan. However, if the Zoo fails the AZA's accreditation process, this would be considered as failure of the Zoo to meet its loan terms.

Address concerns raised in the upcoming Budget & Legislative Analyst (BLA) audit. The Zoo must address any concerns or make relevant changes based on findings from the upcoming BLA audit report. These should be met in the timeline outlined in the audit or based on other timelines as agreed upon between the City and the Zoo.

Meet regularly with the City. Zoo leadership staff will meet with the City as requested. Zoo staff will prepare and provide any requested materials in advance of the meetings.

COPY

SAN FRANCISCO ZOO

LEASE AND

MANAGEMENT AGREEMENT

By and Between

The City and County of San Francisco

and

The San Francisco Zoological Society

Dated: July 1, 1993

A07A/092393

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SAN FRANCISCO ZOO

LEASE AND MANAGEMENT AGREEMENT

This San Francisco Zoo Lease and Management Agreement (the "Agreement") is made and entered into as of July 1, 1993, by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (the "City"), acting through its Recreation and Park Commission (the "Commission"), and the SAN FRANCISCO ZOOLOGICAL SOCIETY, a California non-profit corporation ("SFZS").

RECITALS

A. City currently owns, and operates jointly with SFZS, public zoological gardens located in the City of San Francisco and commonly known as the San Francisco Zoo (the "Zoo"). The Zoo is located on certain land owned by City and described in greater detail in Exhibit "A-1" attached hereto.

B. SFZS is a non-profit public benefit corporation organized in 1954 for charitable, scientific and educational purposes for the study and promotion of zoology and wildlife conservation and for the education and recreation of the public. SFZS currently provides a limited range of services for the City's Recreation and Park Department (the "Department") at the Zoo, including the operation of the Children's Zoo, the Insect Zoo, the Zoo's Education Department, the Zoo's food and concession services, the gift shop, Zoo membership, the development office and the Avian Conservation Program.

C. As set forth in its Resolution No. 16420 passed on July 16, 1992, the Commission has determined that it would be in the best interest of City to enter into an agreement with SFZS to lease the Zoo premises to SFZS and provide for the management by SFZS of the entire Zoo operation under the terms and conditions set forth herein.

D. The Department believes that, by shifting increases in Zoo operating costs to SFZS, City funds that would otherwise be required for the operation of the Zoo would be available for other City programs. In addition, the Department believes that management of the Zoo by SFZS would increase private contributions in support of the Zoo, such as the Founders Fund described in this Agreement, that would not otherwise be available so long as the Zoo remained under the management of the City. The Department and SFZS believe that this agreement will provide the greatest opportunity for success of the San Francisco Zoo in fulfilling its mission in education, recreation and conservation of wildlife, providing benefit to the citizens of

San Francisco, and developing the San Francisco Zoo as an important civic asset and attraction.

E. The Board of Supervisors of the City and County of San Francisco, on 7 September, 1993, adopted Ordinance No. 278-93 approving the form and substance of this Agreement, which ordinance was approved by the Mayor on 8 Sept., 1993.

F. The goals of the affiliation between City and SFZS as memorialized by this Agreement are to provide for the highest possible welfare of the animals located at the Zoo through the highest quality animal care and the timely renovation and rebuilding of the Zoo facilities, and to provide for public access to the Zoo and for services to serve the public who visit the Zoo, all in accordance with the "Mission and Goals for the San Francisco Zoological Gardens", as adopted by the Commission on July 18, 1991, in its Resolution No. 16165.

G. City desires to lease the land, improvements and personal property described below to SFZS, and to employ SFZS to provide management and supervisory services in the operation of the Zoo, and SFZS desires to accept such lease and provide such services, under the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual promises and undertakings hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

1.1 "AAZPA" shall mean the American Association of Zoological Parks and Aquariums.

1.2 "Animal Purchase and Exchange Fund" shall mean City's Animal Purchase and Exchange Fund established pursuant to Section 10.187 of City's Administrative Code.

1.3 "Board of Directors" shall mean the Board of Directors of the San Francisco Zoological Society.

1.4 "Board of Supervisors" shall mean the Board of Supervisors of the City and County of San Francisco, State of California.

1.5 "Business Day" shall mean any day on which banks in the State of California are open for business, excluding Saturdays.

1.6 "Charter" shall mean the Charter of the City and County of San Francisco, as it may be amended from time to time.

1.7 "City" shall mean the City and County of San Francisco, State of California, and all of its boards, commissions, departments, agencies and other subdivisions, including the Commission and the Department.

1.8 "Civil Service Employees" shall mean those permanent, full-time City employees subject to and governed by the civil service and other related provisions of the Charter, including those provisions found in Sections 8.300 et seq. of the Charter.

1.9 "Commission" shall mean City's Recreation and Park Commission.

1.10 "Controller" shall mean City's Controller.

1.11 "Department" shall mean City's Department of Recreation and Parks.

1.12 "Fiscal Year" shall mean a 12-month period beginning on July 1 of each calendar year and ending on June 30 of the following calendar year.

1.13 "General Manager" shall mean the General Manager of the Department.

1.14 "Gross Revenue" shall mean all revenues, from whatever source, received by SFZS or City from or in respect of the operation of the Zoo and from any income-generating activity carried on therein, including but not limited to the following: (i) all revenues received from admission fees, concessions and fees and charges for all other services provided to the public at the zoo; (ii) membership fees received by SFZS from its members, limited to the amount of the fee required for all categories of membership in SFZS up to and including the "basic" family membership; (iii) all revenue from pay telephones, vending machines and the selling price of all merchandise sold in, on, about or from the Zoo in the ordinary course of business; provided, however, that, with respect to pay telephone revenue and sales of merchandise by vending machines, only the amount of the commission paid to SFZS on account of such sales shall be included; and (iv) all other charges of any character made by SFZS for the rendering of any service or work of any kind

conducted in, on, about or from the Zoo. Except for "basic" membership fees, as set forth in subsection (ii) above, "Gross Revenue" shall not include contributions, donations, pledges or other gifts made by third parties to SFZS that are not derived directly from the services provided by SFZS at the Zoo.

1.15 "Joint Zoo Committee" shall mean the committee described in Section 16.3 below.

1.16 "Operating Expenses" shall mean all operating and maintenance expenses incurred in the operation of the Zoo, including without limitation the following: (a) salaries, payroll taxes and other payroll expenses; (b) charges for utility services; (c) expenses for repair and maintenance of equipment and furnishings; (d) expenses for Routine Maintenance and Repair and for cleaning of the Zoo, including but not limited to expenses related to the vandalism or other damage to gates, equipment, supplies or the Zoo facility; (e) the cost of supplies and equipment; (f) license and permit fees; (g) the cost of insurance attributable to insuring the Property and insuring SFZS against liability relating to the management and operation of the Zoo; (h) the cost of Worker's Compensation Insurance for employees of SFZS; (i) deductible amounts required under any insurance policies; (j) amounts paid by SFZS in settlement of claims against SFZS that are not paid by insurance carriers; and (k) sales taxes and all other taxes resulting from operation of the Zoo.

1.17 "Personal Property" shall mean the personal property described in Section 3.3 below.

1.18 "Pre-Existing Condition" shall mean any condition of disrepair, structural weakness, latent defect or other fault of any part of the Property, or any non-compliance of any part of the Property with any applicable local, state or federal law, that existed on or before July 1, 1993; provided, however, that a Pre-Existing Condition shall not include (a) the aggravation of any such condition by the action of SFZS or its officers, employees or agents, whether negligent or non-negligent, or (b) any condition of disrepair, structural weakness, latent defect or other fault of any part of any building or other structure that was constructed and continuously managed by SFZS prior to the Effective Date of this Agreement.

1.19 "Premises" shall mean the real property and improvements described in Section 3 below.

1.20 "Property" shall mean the Premises and the Personal Property, collectively.

1.21 "Routine Maintenance and Repairs" shall mean all ordinary maintenance and repair of the Zoo facilities and equipment, and replacement of supplies that are normally performed on a day-to-day, periodic, or routine basis in order to keep such facilities and equipment in a good, clean, efficient and safe condition. "Routine Maintenance and Repairs" shall include such minor improvements to the buildings, structures, equipment and facilities of the Zoo as are necessary in the reasonable discretion of SFZS to improve animal care and management.

1.22 "Zoo" shall mean the zoological gardens and related facilities operated on the Premises, which is the subject of this Agreement.

2. Term of Agreement.

2.1 Term. The term of this Agreement (the "Term") shall be for a period commencing at 12:01 a.m. on the Effective Date (the "Commencement Date"), and expiring at 11:59 p.m., June 30, 1998 (the "Termination Date"), unless sooner terminated as provided herein.

2.2 Automatic Extension of Term; Right to Terminate. The Term of this Agreement shall be automatically extended for successive periods of five (5) years beyond the Termination Date unless either party terminates the Agreement by giving written notice to the other party by November 30 of the final Fiscal Year of the then current 5-year Term of such party's election to terminate. Termination shall be effective immediately upon expiration of the Fiscal Year in which such notice was given. In no event shall the Term of this Agreement as so extended exceed ninety-nine (99) years. Each reference in this Agreement to "Term" shall mean and refer to the five-year Term then in effect, and each reference to "Termination Date" shall mean and refer to the final day of such term.

3. Premises and Personal Property; As Is Condition.

3.1 Leased Premises. Subject to the terms, covenants and conditions set forth in this Agreement, City leases to SFZS and SFZS leases from City approximately sixty-five (65) acres of land and improvements shown on Exhibit "A-1" attached hereto on which the Zoo is currently operated ("Current Zoo Premises"). The Current Zoo Premises and any of the additional premises added pursuant to Section 3.2 below shall be referred to collectively herein as the "Premises".

3.2 Additional Premises. The following property shall be added to the leased premises, and to the definition of "Premises" as used in this Agreement, under the conditions set

forth below, it being the intention of the parties that the Zoo shall ultimately occupy all such property as the Premises:

(a) Fleishhacker Pool Site. At such time as Commission determines that the approximately fifteen (15) acres of land and improvements from the western perimeter of the Current Zoo Premises to the Great Highway and described in more detail in Exhibit "A-2" attached hereto (the "Fleishhacker Pool Site"), should be annexed to the Zoo and used for Zoo purposes, and upon the written agreement of SFZS to accept such land as part of the Premises, the Fleishhacker Pool Site shall be leased to SFZS as part of the leased premises (and added to the definition of "Premises" under this Agreement). City hereby grants to SFZS, until such time as the Fleishhacker Pool Site is added to the Zoo premises pursuant to this Section, a license to use the Fleishhacker Pool Site for vehicle access and parking over those portions of the site that are used by SFZS for such purposes as of the date of this Agreement; provided that any Indemnification of SFZS to City under this Agreement relating to the Premises shall be construed so as to include an Indemnification for Losses relating to those activities and uses carried on by SFZS on the Fleishhacker Pool Site pursuant to such license.

(b) Oceanside Water Pollution Control Plant. At such time as the Oceanside Water Pollution Control Plant currently being constructed on the real property described in Exhibit "A-3" attached hereto (the "Oceanside Premises") is completed in accordance with the "Approved Mitigations, Conditions of Approval and Accepted Joint Use Measures" set forth in the Commission's Resolution No. 15306, adopted March 16, 1989, as determined by the Commission, and upon the written agreement of SFZS to lease such land as part of the Premises on the terms and conditions contained herein, the Oceanside Premises shall be leased to SFZS as part of the leased premises (and added to the definition of "Premises" under this Agreement as of such date).

At such time as the Oceanside Premises are added to the Premises, SFZS agrees to comply with such reasonable restrictions on the use of the Oceanside Premises as may be required by the Commission's Resolution No. 15306 to protect and maintain the underground improvements incorporated into the Oceanside Water Pollution Control Plant.

(c) National Guard Property. At such time as that certain real property currently used by the California National Guard as an armory and described in Exhibit "A-4" attached hereto (the "National Guard Premises"), or any other real property immediately contiguous thereto, becomes available to City for recreational purposes, as determined by the Commission, and upon the written agreement of SFZS to lease such

land as part of the Premises, such National Guard Premises shall be leased to SFZS as part of the leased Premises on the terms and conditions contained herein (and added to the definition of "Premises" under this Agreement as of such date).

The Commission shall use its best efforts to consult with SFZS regarding the progress of and the Commission's intentions regarding the addition of the additional premises described above to the Premises. Notwithstanding any other provision in this Agreement to the contrary, the additional premises set forth above shall not be added to the Premises, nor shall SFZS initiate any improvement to such additional premises, until such time as City has made a determination of the environmental impact of any such improvement, and SFZS has accepted such determination.

3.3 Personal Property. Subject to the terms, covenants and conditions set forth in this Agreement, City leases to SFZS and SFZS leases from City the personal property, vehicles and equipment described in Exhibit "B" attached hereto (the "Personal Property"), and all other personal property owned by City currently located at the Zoo and necessary to the operation and maintenance of the Zoo. City hereby authorizes employees of SFZS to operate any vehicles and other equipment owned by City and leased to SFZS pursuant to and in furtherance of this Agreement, provided that such operation shall be specifically covered by the insurance policies required to be maintained by SFZS under this Agreement. SFZS shall maintain all such Personal Property in good condition and repair, subject to Pre-Existing Conditions, and shall replace with items of similar quality any of the Personal Property that becomes inoperable or unusable and is necessary for the operation of the Zoo in SFZS' reasonable discretion. SFZS shall have the right during the Term of this Agreement to change, replace or remove any logos or other identification markings (other than serial numbers) on any such Personal Property; provided, however, that, as to City-owned passenger vehicles, identification of City ownership approved by the General Manager as to form and location shall be included on such vehicles.

4. Rent. During the Term beginning on the Commencement Date, SFZS shall pay to City annual rent equal to \$1.00 (the "Rent").

5. Management Fee.

5.1 Payment of Management Fee.

5.1.1 Subject to Section 5.1.2 below, as compensation for all of SFZS' services in managing the operation of the Zoo pursuant to this Agreement, and for payment by SFZS of

all Operating Expenses, City shall pay SFZS an annual management fee (the "Management Fee") equal to FOUR MILLION DOLLARS (\$4,000,000.00). The Management Fee shall be paid to SFZS in twelve equal monthly installments on or before the fifteenth (15th) day of each month.

5.1.2 City intends to fund the payment of the Management Fee in each Fiscal Year from a general fund appropriation, which shall be separate and apart from the budget of the Department. The payment of the Management Fee in any Fiscal Year (including any adjustments thereto pursuant to Section 5.2 below) shall also be governed by and subject to the budget and fiscal provisions of the Charter.

5.1.3 As provided in Section 30.15 below, in the first Fiscal Year of the Term of this Agreement, the Management Fee shall be paid by City to SFZS on a prorated basis. In addition, Gross Revenue generated by Zoo operations from July 1, 1993, to the Effective Date, from whatever source, including admission fees collected by the Department and concession revenues and membership fees collected by SFZS, shall be used by the Department and SFZS to fund Zoo Operating Expenses of the current Fiscal Year.

5.2 Adjustment to Management Fee Upon Extension of Term. Upon each extension of the Term of this Agreement as described above, the Management Fee set forth in Section 5.1 above shall be adjusted once to reflect any change in the cumulative amount of wages and benefits paid to all permanent Civil Service Employees then employed at the Zoo as described below; provided, however, that (a) in no event shall the Management Fee as adjusted in accordance with this Section be less in any Fiscal Year after such adjustment than the amount required to be reimbursed by SFZS to City pursuant to Section 6.2 below for such Fiscal Year for the payment of salary and fringe benefits for permanent Civil Service Employees employed at the Zoo, and (b) such adjusted Management Fee shall be subject to the provisions of Section 5.1 of this Agreement.

In making such adjustment to the Management Fee, aggregate, non-overtime wages and benefits paid to permanent Civil Service Employees shall be compared, as of June 30, for the two Fiscal Years most recently ended prior to preparation of the applicable City budget, to determine a percentage change in such wages and benefits (the "Percentage Change in Wages and Benefits"). (By way of example, the adjustment to the Management Fee payable during the first renewal Term would be based upon comparing such wages and benefits, as applicable, in effect as of the end of the third and fourth Fiscal Years of the initial Term hereunder.) Only those Civil Service Employees employed at the Zoo on both such dates shall be considered for purposes of the

foregoing calculation, and appropriate adjustment shall be made in such calculation to the extent that a wage freeze or "catch up" wage increase following a freeze would otherwise distort the calculation. The Management Fee shall then be adjusted upward or downward, as the case may be, by an amount determined by taking only that portion of the Management Fee that equals the amount expended by SFZS in the most recently completed Fiscal Year to reimburse City for the wages and benefits of Civil Service Employees in accordance with Section 6.2 below, and multiplying that portion of the Management Fee by the Percentage Change in Wages and Benefits.

6. Payment to City for Services Rendered.

6.1 Generally. As described below and elsewhere in this Agreement, SFZS shall pay to City the cost of all services provided by City to SFZS under this Agreement and otherwise as requested by SFZS. The payment of all costs for services as set forth below shall be made by SFZS to City within thirty (30) days of receipt by SFZS of a written invoice, and other reasonably required documentation, for such services. SFZS and the Commission shall develop a process to coordinate and document the provision of services by City to SFZS at the Zoo and the payment by SFZS of the costs therefor pursuant to this Section.

6.2 Personnel Costs. SFZS shall pay to City the salary and fringe benefits (including overtime pay when authorized or approved in writing by SFZS, excluding workers' compensation premiums or claims, which shall continue to be paid by City), at the rate for each Civil Service Employee job classification, for all City personnel performing services directly for the Zoo, and requested in advance by SFZS in writing (except in the case of emergency services, which may be authorized orally subject to subsequent written authorization).

6.3 Utilities. Unless such services are to be provided without charge pursuant to separate agreements between SFZS and City, SFZS shall pay to City the cost of all utility services provided to the Zoo in accordance with Section 11 below; provided, however, that (a) if and to the extent that the Department is not charged for water or other utilities used by the Department, there shall be no charge to SFZS for the provision of water or other utilities to the Zoo, and (b) the rate paid by SFZS for such utility services shall not exceed the rate charged to the Department or other City departments for comparable services.

6.4 Miscellaneous Services. SFZS shall pay to City a mutually agreed charge for any other services from time to time requested by SFZS, including without limitation those services listed in Exhibit "C" attached hereto.

7. Use of Premises.

7.1 Permitted Use. SFZS shall use and continuously occupy the Property during the Term solely for the operation of a public zoological gardens and related and incidental purposes in accordance with this Agreement, and for no other purpose.

7.2 Days and Hours of Operation. Except in the case of public disaster or other major emergency, or as otherwise permitted by resolution of the Commission, the Zoo shall remain open 365 days per year, at least seven (7) hours per day, the specific opening and closing times to be set by SFZS.

7.3 No Illegal Uses or Nuisances. SFZS shall not use or occupy any of the Premises, and shall use its reasonable efforts not to permit the use or occupancy thereof, in any unlawful manner or for any illegal purpose, and shall exercise reasonable efforts not to permit to be carried on any activity that would constitute an actionable nuisance under the laws of the State of California. SFZS shall take all reasonable precautions to eliminate any nuisances or hazards relating to its activities on or about the Premises, except as to Pre-Existing Conditions.

8. Management and Supervisory Responsibilities. SFZS is hereby given general authority to manage and supervise the day-to-day operation of the Zoo as an independent contractor and to perform the specific duties hereinafter set forth, subject to the terms and provisions of this Agreement.

9. Permits, Licensing and Accreditation.

9.1 Required Permits, Licenses and Accreditation. Throughout the Term (including any extensions thereof), SFZS shall cause both itself and the Zoo to be at all times (a) accredited in good standing with the AAZPA; and (b) licensed with the United States Department of Agriculture. Any failure on the part of SFZS to comply with this Section shall constitute a material breach of this Agreement.

9.2 Other Licenses and Permits. Attached hereto as Exhibit "D" is a list of all licenses and permits currently held by City in connection with the operation of the Zoo. Subject to any necessary approvals, City hereby agrees to transfer all such licenses and permits to SFZS, and SFZS and City

shall use their best efforts to either have those licenses and permits legally transferred to SFZS or to have them canceled upon SFZS's obtaining replacement permits or licenses in its name if transfer is not possible; provided, however, that certain licenses and permits shall remain in the possession of City and under City's name, and SFZS shall hereby be authorized as the agent of City to perform such services under such licenses and permits as are required in the operation of the Zoo to the extent permitted by applicable law, if (a) such licenses or permits are required to be held by a governmental entity and/or owner of the Premises, or (b) it is more cost effective for such licenses or permits to remain with City. Upon any termination of this Agreement for any reason, SFZS shall transfer all licenses and permits listed on Exhibit "D" back to City and SFZS shall use its best efforts to assist City with the documentation of any such transfer or reapplication for any such permit or license to be held in City's name after such termination.

10. Capital Improvements and Alterations.

10.1 Improvements and Alterations, Generally.

Subject to Section 10.2 below and the requirements of the Charter, SFZS may make such capital improvements and alterations to the Premises and the Zoo facilities as SFZS shall determine in its reasonable discretion are necessary to operate the Zoo, all in accordance with the "Zoo 2000 Master Plan" as approved by the Commission and SFZS (subject to subsequent modification and amendment); provided, however, that, other than Routine Maintenance and Repairs or any capital expenditure of \$50,000 or less, SFZS shall not make any expenditure of funds for a capital improvement or alteration to the Premises or Zoo facilities without passage by the Commission of a Resolution specifically approving such expenditure.

Prior to making any alterations or capital improvements to the Premises pursuant to this Section, SFZS shall submit preliminary plans for such alterations or improvements to the Commission for its review and, to the extent required under the preceding paragraph, approval. Upon completion of any such project, SFZS shall provide copies of the final as-built plans and specifications to the Department. Any alterations or capital improvements made by SFZS to or on the Premises shall comply with any and all applicable local, state and federal laws, rules and regulations, and SFZS shall obtain any required permits for such alterations and capital improvements, at its expense.

Notwithstanding any other provision in this Agreement to the contrary, SFZS shall not make any alteration or improvement to the Premises that may require the approval of the California Office of Statewide Health Planning and Development (OSHPD), or which may involve "asbestos-related work" as defined

in Section 25914.1 of the California Health and Safety Code, without the prior written approval of the Commission. Any capital improvements or alterations involving "asbestos-related work" as defined above shall be performed in accordance with the applicable provisions of state law, and SFZS shall post all warning notices required for asbestos-related work required under Section 25916 of the California Health and Safety Code.

10.2 Prohibited Capital Improvements and Alterations. SFZS shall not under any condition, without the express authorization of the Commission after passage of a Resolution, (a) make any capital improvement or alteration to the Property or the Zoo facilities not in conformance with the City's Master Plan, (b) make any capital improvement or alteration to the Property or the Zoo facilities that is subject to the approval of a City department, commission or agency, when such approval has not been obtained, or (c) demolish or substantially alter any building on the Premises that has been designated as a local, state or federal historic landmark.

10.3 Title to Improvements. Except as otherwise provided in this Agreement, all appurtenances, fixtures, improvements, equipment, additions and other property attached to or installed in the Premises during the Term shall be and remain the property of City and shall not be removed by SFZS.

10.4 SFZS's Personal Property. All furniture, furnishings and articles of movable personal property installed in the Premises by or for the account of SFZS, without expense to City, and which can be removed without structural or other material damage to the Building (all of which are herein called "SFZS' Property") shall be and remain the property of SFZS and may be removed by it subject to the provisions of Section 24. At least ten (10) days prior to delinquency, SFZS shall pay all taxes levied or assessed upon SFZS's Property and shall deliver satisfactory evidence of such payment to City.

11. Utilities and Services.

11.1 Utilities and Services. City hereby agrees to furnish, or cause to be furnished, to the Premises the utilities and services (the "Furnished Utilities") specified in Exhibit "E" attached hereto; provided that SFZS shall pay the cost of such utilities as provided in Section 6 above. Except as provided above, SFZS shall furnish, at its cost, any other utilities or services necessary or appropriate for the operation of the Zoo in accordance with this Agreement.

11.2 Maintenance of Utilities. City hereby agrees to maintain, repair and replace as necessary the lines and equipment serving the Furnished Utilities only up to the point at

which such utilities are metered on the Premises (the "Metering Points"). Except for such work as is anticipated to be completed in accordance with Section 11.4 below or may be required of the San Francisco Clean Water Program in furtherance of the operation of the Oceanside Water Pollution Control Plant or to install or maintain an alternate source of water supply to the Zoo in accordance with Section 11.5 below, SFZS shall have the responsibility and obligation to maintain, repair and replace as necessary the lines and equipment serving the Furnished Utilities after the Metering Points for such utilities. The Department shall cooperate with SFZS in processing any applicable manufacturer's or contractor's warranty claims for any damage or required maintenance or repair to any utility serving the Premises.

11.3 Cost of Furnished Utilities. Subject to the provisions of Sections 6.3 and 11.5.2, City hereby agrees that any charges levied shall be paid by SFZS for the Furnished Utilities at the rate customarily charged by City to other facilities owned by City and operated by the Department.

11.4 Completion of Infrastructure Repairs. City agrees to expend a portion of the proceeds of certain general obligation bonds authorized by the voters prior to the date of this Agreement, if and when such bonds are issued and funds therefrom appropriated by City, for certain subsurface and infrastructure work on the Premises, the scope and an approximate schedule of which is attached hereto as Exhibit "F". However, no guarantee is hereby made that any such bonds will be issued, or that any proceeds of such bonds will be appropriated and expended for any particular purpose. SFZS shall not be required to reimburse City for the cost of any subsurface or infrastructure work performed on the Premises the costs of which are paid by such bonds.

11.5 Water Supply.

11.5.1 Alternative Water Sources. SFZS acknowledges and agrees that the water supply to the Premises for certain limited purposes, such as irrigation, animal exhibit cleaning and animal drinking, may be provided through such alternative sources as reclaimed waste-water or well-water in such amounts and at such times as may be determined by City; provided, however, that any such alternative source of water shall be of adequate quantity and quality for the particular purpose, and shall comply with any applicable local, state or federal standards for the particular use, and with any requirements imposed by the AAZPA or United States Department of Agriculture with respect to water used in zoological gardens.

11.5.2 Water Wells. SFZS acknowledges and agrees that (a) any water wells currently or in the future in place on the Premises shall remain under the exclusive control and jurisdiction of City, (b) any such wells may be capped by City at any time in City's discretion, or the water from any such wells may be diverted from the Premises for use outside of the Premises at City's discretion, provided that SFZS shall continue to be provided water of comparable quantity and quality at no additional cost, and (c) that City may, at its discretion, sink additional water wells on the Premises, provided that SFZS shall be consulted prior to the sinking of such wells, and that the placement and operation of such wells shall not materially impair SFZS' ability to operate or manage the Zoo pursuant to the terms of this Agreement. The City shall maintain the water wells and related pump facilities at its expense.

11.6 Emergency Services. In the event of a natural disaster or other life-threatening public emergency, City shall use its reasonable efforts, consistent with City's police powers, to make such emergency repairs as shall be required on the Premises to avert or minimize harm or injury to persons, animals or property on the Premises, as determined by City in its reasonable discretion. The costs of any such services that are beyond the scope of services customarily provided by City to the public shall be reimbursed by SFZS to City based upon the cost of such services that City would normally charge to City Departments.

12. Zoo Animals.

12.1 Ownership of Animals. Except those animals under loan from other institutions or governmental entities, all animals currently and in the future exhibited, housed or otherwise kept or cared for on the Premises (collectively, the "Zoo Animals"), shall be and remain the sole property of City.

12.2 Care of Animals. SFZS shall care for all Zoo Animals; provided, however, that such animal care shall be provided in accordance with all federal, state and local laws and regulations, and in accordance with the policies and guidelines adopted by the AAZPA.

12.3 Sale and Purchase of Animals. Subject to the conditions set forth below, SFZS shall have the authority to sell or otherwise acquire or dispose of Zoo Animals in the course of SFZS' operation of the Zoo:

(a) The purchase, sale or other disposition of Zoo Animals shall be made in strict accordance with (i) all applicable federal, state or local laws, regulations and policies, (ii) the guidelines and policies of the AAZPA, and

(iii) the "Animal Acquisition and Disposition Policy" adopted by the Commission, as it may be supplemented in consultation with SFZS;

(b) Subject to the fiscal provisions of the Charter, City shall appropriate to SFZS each Fiscal Year the full amount held in the Animal Purchase and Exchange Fund, or such other funds that may be established for the purpose of animal purchases at the Zoo (including without limitation those funds referred to in Section 15.8), for expenditure by SFZS for the purchase of animals in accordance with this Section;

(c) SFZS may also purchase Zoo Animals using funds other than those identified in subsection (b) of this Section 12.3, provided that such animals shall become the property of City; and.

(d) Unless otherwise approved by Resolution of the Commission, all cash proceeds of any sale or other disposition of Zoo Animals shall be immediately deposited by SFZS upon their receipt into the Animal Purchase and Exchange Fund or other segregated fund established by SFZS; provided, however, that (i) expenditures from any such other fund must be specifically restricted to animal purchases and may not be used for any other operating or capital expense at the Zoo, and (ii) all amounts in such other fund shall be held in trust by SFZS for the benefit of City and shall be transferred to the Animal Purchase and Exchange Fund immediately upon the expiration or sooner termination of this Agreement.

12.4 Golden Gate Park Bison Exhibit. As part of its obligations under this Agreement, SFZS shall provide animal and veterinary care to the bison and consultation regarding capital improvements to the bison exhibit located within Golden Gate Park as the Department shall reasonably request from time-to-time. The Department expects that City will expend a portion of the proceeds of certain general obligation bonds authorized by the voters prior to the date of this Agreement, if and when such bonds are issued by City, for certain improvements to the bison exhibit at Golden Gate Park. However, no guarantee is hereby made that any such bonds will be issued, or that any proceeds of such bonds will be used for any particular purpose.

12.5 Other Park Facilities. SFZS shall provide veterinary care services as may be reasonably requested by the Department for animals at the Randall Museum and other park facilities.

12.6 San Bruno Jail Bison. SFZS shall provide animal and veterinary care for the bison herd located at the San Bruno Jail facilities in accordance with USDA requirements until such time as responsibility for such care shall be transferred from the Department to City's Sheriff's Department, or until the herd shall be sold in accordance with Zoo policy.

13. Maintenance.

13.1 Generally. SFZS shall maintain the Zoo in a clean, safe, sanitary and sightly condition, and as necessary to maintain all licenses and accreditations in accordance with Section 9 above; provided, however, that such obligation shall not, except as specifically set forth herein, require SFZS to repair or otherwise remedy a Pre-Existing Condition. SFZS shall employ sufficient personnel, or show evidence satisfactory to City of personal service contracts which provide such personnel, to perform the maintenance and repair work in a prompt and efficient manner in order to keep the Zoo premises at all times in an operating condition that is clean, safe and attractive.

13.2 Contractor Insurance. Each party hereto shall provide evidence acceptable to the other that any contractor engaged by a party to perform work on the Premises maintain insurance in amounts, on policies of coverage and offered by companies satisfactory to City and SFZS, including but not limited to Worker's Compensation Insurance (including Employers' Liability Insurance) and insurance against liability for injury to persons and property arising out of all such contractor's operations, and the use of owned, non-owned or hired automotive equipment in the pursuit of all such operations.

14. Staffing and Employees.

14.1 Generally. Except as provided below, and except for the employees of contractors under agreement with SFZS for the provision of services to the Zoo, all personnel engaged in the Zoo operation shall be employees of SFZS subject to its sole supervision, direction and control, and under no circumstances shall they be considered employees of the City. Except as otherwise provided herein, SFZS shall have the exclusive right to hire and discharge its employees and to fix rates of compensation. SFZS shall control and supervise the conduct, demeanor and appearance of its employees and shall train its employees to render a high degree of courteous and efficient service to the public. SFZS shall comply with all applicable federal, state and local laws, ordinances and regulations pertaining to all employees at the Zoo.

14.2 Civil Service Employees. SFZS acknowledges and agrees that the permanent Civil Service Employees employed at

the Zoo as of the date of this Agreement, as listed on Exhibit "G-1" attached hereto, may remain employees of City assigned to the Zoo, whose employment shall be governed by the terms and conditions of (a) the labor agreements included within the "Concepts for Expanded Partnership Lease Agreement" as approved by the Board of Supervisors and as such agreements are set forth in Exhibit "G-2" attached hereto, and (b) the applicable union contracts or memoranda of understanding, as applicable to such Civil Service Employees, listed in the schedule attached hereto as Exhibit "G-3" (Exhibits G-2 and G-3 collectively, and as the same may hereafter be amended or superseded, the "Civil Service Employee Agreements"). Any amendments to the terms of the Civil Service Employee Agreements shall not alter any of the other provisions of this Agreement. To the extent consistent with applicable law, SFZS shall be consulted in any negotiations regarding the employment conditions of Civil Service Employees, including any negotiations that might result in an amendment to any of the Civil Service Employee Agreements.

All Civil Service Employees assigned to the Zoo pursuant to this Section shall remain subject to the civil service provisions of the Charter (including without limitation Sections 8.300 et seq.) and the applicable rules of City's Civil Service Commission; provided, however, that (a) City hereby authorizes SFZS to supervise such Civil Service Employees in the performance of their jobs at the Zoo and to direct the work force, organize the services provided, determine the methods, means and personnel by which Zoo operations are to be conducted, establish and/or revise performance levels, standards or norms, prepare work schedules, measure employees' performance, recommend discipline for employees who perform at less than acceptable levels, and promulgate reasonable rules and regulations pertaining to Zoo employees; and (b) SFZS shall have the right to request the Department to petition City's Civil Service Commission to effect a change in job classification or title of Civil Service Employees in accordance with the Charter. Positions of current Civil Service Employees assigned to the Zoo that become vacant for any reason, including but not limited to resignation, termination, reassignment or retirement, shall not be filled by City employees subject to Civil Service provisions. With respect to the discipline of Civil Service Employees, the Department acknowledges that it shall continue to abide by its Uniform Disciplinary Procedure as adopted by the Department in September, 1986, and any amendments or modifications the Commission shall make thereto.

14.3 Zoo Director and Chief Veterinarian. The Zoo Director and Chief Veterinarian of the Zoo shall be appointed and removed in accordance with Charter Section 3.551; provided, however, that (a) the General Manager and the Commission shall

consult with SFZS in good faith regarding the appointment or removal of the Zoo Director and the Chief Veterinarian, (b) the Zoo Director and the Chief Veterinarian shall be employees of SFZS throughout the Term of this Agreement, and (c) SFZS shall have the right to terminate this Agreement upon written notice to City that SFZS does not approve of the termination or appointment of a Zoo Director or Chief Veterinarian (provided that before such termination by SFZS becomes effective, City, acting through the General Manager, shall have a reasonable period of time necessary to exercise due process to make a decision and obtain Commission approval regarding the removal or appointment, as the case may be, of a Zoo Director or Chief Veterinarian acceptable to SFZS). In the event Charter Section 3.551 is amended after the Effective Date of this Agreement, this Section shall be construed to be consistent with such Section as amended.

14.4 Payroll and Taxation. SFZS shall make or cause to be made all necessary payroll deductions for disability and unemployment insurance, social security, withholding taxes and other applicable taxes, and prepare, maintain and file or cause to be filed all necessary reports with respect to such taxes or deductions, and all other necessary statements and reports pertaining to labor employed by SFZS in or about the Zoo (other than the Civil Service Employees).

14.5 Independent Contractor; Payment of Taxes and Other Expenses. In the event City or a state or federal taxing authority, determines that SFZS or any of its employees (other than the Civil Service Employees) is an employee of the City for purposes of collection of any employment taxes, the amounts payable to SFZS under this Agreement shall be reduced by an amount (the "Tax Liability") equal to both the employee and employer portions of the amount due to such taxing authority pursuant to that determination (offsetting any credits for amounts already paid by SFZS that can be applied against such tax liability). The City shall then forward the Tax Liability to the relevant taxing authority. In the event a relevant taxing authority determines that a Tax Liability exists for past services performed by SFZS or its employees under this Agreement, upon notification of such determination by City, SFZS shall promptly remit such Tax Liability to the Controller. If such Tax Liability is not promptly remitted, the Controller shall cause the amount of such Tax Liability to be withheld from future payments due to SFZS under this Agreement (offsetting any amounts already paid by SFZS that can be applied as a credit against such Tax Liability). A determination of employment status pursuant to this Section shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, SFZS and its employees shall not be considered employees of the City. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that SFZS or

any of its employees is an employee of the City, then the Controller shall reduce the amount owed to SFZS under this Agreement pursuant to principles similar to those stated in the foregoing sentences of this Section so that the total expenses of the City under this Agreement shall not be greater than they would have been had the court, arbitrator, or administrative authority determined that SFZS and its employees were not employees of the City.

15. Fiscal Matters.

15.1 Founders' Fund. SFZS agrees to establish a "Founders' Fund" and to provide from private sources a minimum of \$10,000,000 within the first five (5) years of the Term of this Agreement to be deposited into such fund. All amounts deposited into the Founders' Fund shall be expended approximately as follows: \$5,000,000 shall be used to fund Zoo capital improvements; \$2,000,000 shall be used to fund Zoo Operating Expenses; and \$3,000,000 shall be used to increase the SFZS Endowment Fund. SFZS shall have the right to increase allocation of undesignated funds to capital improvements or Zoo Operating Expenses, and decrease allocation to the Endowment Fund, to meet the immediate needs of the Zoo. Should SFZS have raised less than \$10,000,000 for the Founders' Fund as of the Effective Date of this Agreement, SFZS shall agree to provide a minimum of \$8,150,000 in cash and pledges by such date, approximately \$5,000,000 of which shall be used for capital improvements, \$2,000,000 for Zoo Operating Expenses, and the balance for the Endowment Fund.

15.2 Capital Campaign. SFZS shall use its reasonable efforts to initiate and complete a fund-raising campaign in a minimum amount of \$25,000,000 to finance the construction of capital improvements at the Zoo in accordance with the terms of this Agreement.

15.3 SFZS Revenue; Payment of Expenses. SFZS shall collect a minimum of \$7,000,000 annually in revenue from Zoo operations and contributions to SFZS from other sources (excluding the Management Fee payable hereunder), all of which revenue shall be expended by SFZS on Operating Expenses, capital improvements at the Zoo and other Zoo purposes. All Operating Expenses shall be the obligation of SFZS and shall be paid by SFZS promptly when due. All revenue collected by SFZS at the Zoo, including without limitation fees and receipts from admission, concessions, souvenirs and other services offered by SFZS to the public at the Zoo, and all contributions collected by SFZS from any other source, shall be expended or invested by SFZS exclusively for Zoo purposes.

15.4 Bond Issuances. City shall use its reasonable efforts to place before the voters during the initial Term of this Agreement, in accordance with the Charter, a measure calling for the issuance of general obligation bonds or other acceptable method of public financing in an aggregate amount of at least \$25,000,000 to finance capital improvements at the Zoo, including a new front Zoo entrance, new animal exhibits and such other facilities as City and SFZS may reasonably agree; provided, however, that (a) nothing in this Agreement shall limit the authority of the Board of Supervisors to determine whether or not to place such a bond issuance measure before the electorate in any year, and (b) in the event such bonds are authorized by the voters, no guarantee is hereby made that any such bonds will be issued, or that any proceeds of such bonds will be used for any particular purpose. Except as explicitly set forth in this Agreement, in the event such a general obligation bond issuance measure is not placed on the ballot, or such a measure is not approved by the requisite majority of the voters, City shall not be required to contribute any funds to SFZS or the Zoo operations in excess of the Management Fee required under this Agreement.

15.5 Miscellaneous Fees and Prices. Except for fees for general admission to the Zoo, as set forth in Section 15.7 below, and subject to Joint Zoo Committee review as provided in Section 16.3 below, SFZS shall have the authority to set the amount of all prices and fees for services rendered or sales made to the public or otherwise at the Zoo, including without limitation food and drink concessions, tram or other vehicle rides, souvenirs, parking, special exhibits and other special events.

15.6 Admission Fees and Gate Receipts. The Commission shall have the right to approve the fees charged by SFZS for admission to the Zoo; provided, however, that (a) SFZS shall notify the Commission of a proposed change to the admission fees at least ninety (90) days prior to the proposed effective date of such change; and (b) the proposed fee change shall not become effective without an approving Resolution of the Commission, which approval shall not be unreasonably withheld. The Commission's decision to approve or disapprove of any proposed change to the admission fees at the Zoo shall be made in consideration of the following and other relevant factors: Admission fees at comparable zoos in other locations; admission fees at other City facilities open to the general public; the level of Operating Expenses at the Zoo; changes to the Consumer Price Index Urban Wage Earners and Clerical Workers (base years 1982-1984 = 100) for San Francisco-Oakland-San Jose area as published by the United States Department of Labor; and factors affecting labor costs at the Zoo, including without limitation agreements with labor unions and City's Civil Service rules and ordinances.

15.7 Solicitation of Private and Public Funding. SFZS shall (a) use its best efforts to (i) actively solicit private support for SFZS through membership fees and charitable contributions and (ii) actively solicit federal, state or local grants or other funds to support the operation and purposes of the Zoo; and (b) except as otherwise approved in writing by the Commission, apply all funds contributed to it as membership fees, charitable donations, public grants or loans, or any other sources, to the Operating Expenses, capital improvements at the Zoo and other Zoo purposes in accordance with this Agreement, and to the administrative and operating expenses of SFZS. City hereby agrees to use its reasonable efforts to assist SFZS in the solicitation of federal and state grants or other sources of public funding to support the operation of the Zoo.

15.8 Capital Improvement Funds. City hereby agrees that all City funds that have been, are currently, or are in the future explicitly and specifically dedicated to the maintenance or improvement of the Zoo, as determined by City in its reasonable discretion, including without limitation those funds established within the Department's budget known as the Zoo Gift Fund and the Augostoff L. Honore Fund, bond issues, bequests and other charitable gifts, shall be made available to SFZS for its use in maintaining and improving the Zoo facilities; provided, however, that (a) such funds shall be used by SFZS consistent with the designated purposes and conditions of such funds, as determined by City in its sole discretion, and (b) no guarantee is hereby made that the proceeds of any bonds will be used for any particular purpose. Without limiting the foregoing, City may advance such funds to SFZS with respect to infrastructure or Clean Water Program work as referred to in Sections 11.2 and 11.4 above to the extent elements of such work may be incorporated in other capital improvements being undertaken by SFZS.

15.9 Annual Budget and Report. Within thirty (30) days of the mutual execution of this Agreement, and on or before May 1 of each year throughout the Term of this Agreement, SFZS shall, at its sole expense, prepare and submit to the Commission for its review an annual report and budget (the "Budget") setting forth a summary of the operations of the Zoo and the services provided by SFZS at the Zoo, and the estimated Gross Revenues, Operating Expenses and capital expenses of the Zoo for the following Fiscal Year (or, in the case of the initial Budget, for the first such Fiscal Year of this Agreement). The Commission may, at its discretion, provide comments or suggestions to SFZS on a submitted budget. In addition, the Commission shall have the right to disapprove the Budget in the event the Commission determines that the Management Fee or other Gross Revenues are projected to be expended for purposes inconsistent with the requirements of this Agreement. If the

Commission disapproves a Budget pursuant to the preceding sentence and SFZS fails to resubmit a Budget acceptable to the Commission within sixty (60) days of such disapproval, such event shall constitute an "Event of Default" under Section 22.1 below.

15.10 Annual Accounting. Within thirty (30) days after the end of each Fiscal Year, SFZS shall arrange for an audit of its books and records by an independent, certified public accountant approved by the Controller, which audit shall be conducted at SFZS's sole cost and expense and shall cover the previous Fiscal Year. SFZS shall deliver to the Commission for its acceptance an original, signed copy of each such annual audit, by the earlier of (a) thirty (30) days after the completion of such audit or (b) 120 days after the end of the Fiscal Year covered by such audit.

15.11 Books and Records; Audits. SFZS shall establish and maintain at the Zoo books, records and systems of account relating to the Zoo's Gross Revenue, Operating Expenses and the Founders' Fund in accordance with good accounting practices. These books, records and systems of account shall be retained by SFZS during the Term and shall be available at all reasonable times, with or without notice, for inspection and audit by City or its agents. Such books, records and systems of account shall be retained by SFZS in accordance with generally accepted accounting practices, and, upon termination of this Agreement, all retained books, records and systems of account shall be delivered to the Controller.

16. Public Access and Open Government Provisions.

16.1 Generally. SFZS agrees to operate the Zoo with the goal of providing the widest possible access of the Zoo to the general public, at an affordable cost. In furtherance of that goal, SFZS agrees to retain the policy of providing free access to the Zoo on certain days, of providing free admission to the Zoo for school groups, and to pursue other options for ease of access to the Zoo and special services at the Zoo for children, seniors, the disabled and disadvantaged groups. These policies may be revised from time to time in accordance with Commission policies applicable to other City facilities managed by the Department.

16.2 Public Access to Records and Information. SFZS shall provide public access to information concerning the operation of the Zoo to the same extent that such information would have been available to the public pursuant to local ordinances if the Department had continued to operate the Zoo in the same manner as it did prior to the date of this Agreement. In addition, SFZS shall comply with all state and federal laws, rules and regulations that govern access by the public to records

and information, including without limitation the California Public Records Act (California Government Code Secs. 6250 et seq.). Without limiting the foregoing, SFZS further agrees that (a) minutes shall be taken at each meeting of its Board of Directors, and that the minutes of those meetings shall be considered public documents available for public inspection in accordance with the Public Records Act, and (b) all information concerning the status of all animals exhibited or otherwise housed or cared for at the Zoo shall be deemed public information subject to public inspection under the Public Records Act.

16.3 Joint Zoo Committee. City and SFZS hereby agree that the standing committee known as the "Joint Zoo Committee" shall be maintained throughout the Term of this Agreement, which committee shall consist of three (3) members of the Commission and three (3) members of the Board of Directors (chosen at the discretion of the Commission and the Board of Directors, respectively). The Joint Zoo Committee shall hold regular, public meetings at least eleven (11) times per calendar year to discuss and hear public testimony regarding major policies affecting the Zoo, including without limitation the setting of fees, new animal exhibits, animal acquisition and disposition policies, land use, and capital and operating budgets. The Joint Zoo Committee shall be an advisory committee and shall not have any legislative authority not specifically granted to it by this Agreement.

16.4 Designated Positions of Board of Directors. SFZS hereby agrees that two (2) positions on its Board of Directors shall be held by community representatives who shall at all times be held by residents of San Francisco who are neither employees nor officers of City nor of SFZS.

17. Insurance.

17.1 Required Insurance. Subject to approval by the City's Risk Manager of the insurers and policy forms, SFZS shall place and maintain throughout the Term of this Agreement and pay the cost thereof as part of the Operating Expenses, the following insurance policies:

(a) Comprehensive general liability insurance with limits not less than \$5,000,000 each occurrence, combined single limit for bodily injury and property damage, or in such greater amount and limits as City may reasonably require from time to time (subject to availability at commercially reasonable rates), including coverage for contractual liability (including coverage for the indemnity by SFZS contained in Section 21 below), fire damage legal liability (of not less than Two Hundred Fifty Thousand Dollars (\$250,000)), bodily injury and

broadform property damage. Any deductible under such policy shall not exceed \$10,000 for each occurrence.

(b) Comprehensive automobile liability insurance with limits not less than \$1,000,000 for each occurrence combined single limit for bodily injury and property damage, including coverage for owned, non-owned and hired automobiles, as applicable. Any deductible under such policy shall not exceed \$10,000 for each occurrence.

(c) Workers' Compensation Insurance, including Employers' Liability, with limits not less than \$1,000,000 for each accident, covering all employees employed by SFZS (excluding Civil Service Employees) in or about the Zoo to provide statutory benefits as required by the laws of the State of California. Said policy shall be endorsed to provide that the insurer waives all rights of subrogation against City.

(d) Errors and omissions coverage for SFZS officers and members of its Board of Directors, with a policy limit not less than \$1,000,000.

(e) Malpractice liability insurance covering the Chief Veterinarian, in the same general form and amount as that in effect on the Commencement Date.

(f) Commercial crime insurance, including Employee Dishonesty, Loss Inside/Outside and Depositors Forgery coverage, in the same general forms and amounts as that in effect on the Commencement Date.

17.2 Miscellaneous Insurance Matters.

17.2.1 Should any of the required insurance be provided under a claims-made form, SFZS shall maintain such coverage continuously throughout the Term hereof and, without lapse, for a period of three (3) years beyond the expiration or termination of this Agreement, to the effect that, should occurrences during the Term give rise to claims made after expiration or termination of this Agreement, such claims shall be covered by such claims-made policies.

17.2.2 Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit of less than \$10,000,000 or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general aggregate limit shall double the occurrence or claims limits specified above.

17.2.3 All insurance policies obtained pursuant to this Section shall be written or endorsed to provide:

(a) Name as additional insured the City and County of San Francisco, its officers, agents and employees, to the extent of losses as to which SFZS has Indemnified City under Section 21 below;

(b) That thirty (30) days written notice of cancellation, non-renewal or reduction in coverage or limits shall be given to the General Manager in the manner and at the addresses specified below; and

(c) That such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

17.2.4 SFZS shall deliver to City certificates of insurance in form and with insurers satisfactory to City, evidencing the coverages required hereunder, on or before the Commencement Date, together with complete copies of the policies promptly upon City's request, and SFZS shall provide City with certificates or policies thereafter at least thirty (30) days before the expiration dates of expiring policies. In the event SFZS shall fail to procure such insurance, or to deliver such policies or certificates, City may, at its option, procure the same for the account of SFZS, and the cost thereof shall be deducted from the Management Fee payable to SFZS by City; provided, however, that City shall not be entitled to procure such insurance for the account of SFZS unless City shall have given SFZS thirty (30) days' prior written notice of its intention to do so, and during such time SFZS shall not have procured such insurance for its own account in accordance with the terms of this Agreement.

17.2.5 SFZS and City shall periodically review the limits and types of insurance carried pursuant to this Section. If the general commercial practice in the City and County of San Francisco is to carry liability insurance in an amount or coverage materially greater than the amount or coverage then being carried by SFZS with respect to risks comparable to those associated with the Property, then the amounts or coverages carried by SFZS shall be increased to conform to such general commercial practice, so long as such increased coverage is available at commercially reasonable rates.

17.2.6 SFZS's compliance with the provisions of this Section shall in no way relieve or decrease SFZS's liability under any indemnity contained in any other provision of this Agreement.

17.2.7 SFZS shall comply with the provisions of any insurance policy covering SFZS or the City, and with any notices, recommendations or directions issued by any insurer under such insurance policies so as not to adversely affect the insurance coverage.

17.2.8 Notwithstanding anything to the contrary contained herein, to the extent permitted by their respective policies of insurance and to the extent of insurance proceeds received with respect to the loss, City and SFZS each hereby waive any right of recovery against the other party and against any other party maintaining a policy of insurance with respect to the Property or any portion thereof or the contents of any of the same, for any loss or damage maintained by such other party with respect to the Property or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party. If any policy of insurance relating to the Premises carried by SFZS does not permit the foregoing waiver or if the coverage under any such policy would be invalidated as a result of such waiver, SFZS shall, if possible, obtain from the insurer under such policy a waiver of all rights of subrogation the insurer might have against City or any other party maintaining a policy of insurance covering the same loss, in connection with any claim, loss or damage covered by such policy.

18. Representations and Warranties. SFZS hereby represents and warrants to City and covenants as follows:

18.1 Experience. SFZS is experienced in the operation and management of zoological gardens and hereby agrees to apply its best efforts and most efficient methods in the operations and management of the Zoo.

18.2 Formation. SFZS is a non-profit corporation duly incorporated, validly existing and in good standing under the laws of the State of California. SFZS shall at all times during the Term of this Agreement maintain its tax-exempt status under Sections 501(c)(3) of the Internal Revenue Code.

18.3 Authority. SFZS has full power and authority (corporate or otherwise) to enter into this Agreement and to consummate the transactions contemplated by it. This Agreement has been duly authorized by all necessary action on the part of SFZS and no other corporate or other action on the part of SFZS is necessary to authorize the execution and delivery of this Agreement.

18.4 Management and Organization. SFZS is and shall at all times during the Term of this Agreement be managed and organized to provide managerial capacity and skills, and a

broad representation of the San Francisco community, necessary in City's reasonable discretion to carry out the terms of this Agreement.

18.5 Conflicts and Consents. The execution and delivery by SFZS of this Agreement and the performance by SFZS of the transactions contemplated in it will not violate any federal, state or local law, rule or regulation, or conflict with or result in any breach or violation of, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or constitute an event or condition that would permit termination or acceleration of the maturity of, the Articles of Incorporation, bylaws or partnership agreement of SFZS (as applicable) or any indenture, mortgage, lease, agreement or other instrument or obligation to which SFZS is a party or by which it may be bound which would materially adversely affect the ability of SFZS to perform its obligations under this Agreement. No approval, authorization, consent or other order or action of, or filing or registration with, any person, entity or governmental authority is required for the execution and delivery by SFZS of this Agreement.

18.6 Conflict with Orders, etc. The execution and delivery by SFZS of this Agreement will not conflict with any order, judgment or decree of any court, government, government agency or instrumentality, whether entered pursuant to consent or otherwise, by which SFZS may be bound or affected.

18.7 Litigation. There is no litigation, action, arbitration, grievance, administrative proceeding, suit or claim filed and pending, nor is there any investigation by a governmental agency of SFZS or any of its affiliates that, if adversely decided, could have a material adverse impact on SFZS's ability to perform its obligations under this Agreement.

19. Force Majeure. As used herein, the term "Force Majeure" with respect to a delay in performance shall mean any delay that is attributable to (1) any strike, lockout or other labor or industrial disturbance (whether or not on the part of the employees of either party hereto), civil disturbance, future order claiming jurisdiction, act of the public enemy, war, riot, sabotage, blockade, embargo, inability to secure customary materials, supplies or labor through ordinary sources by reason of regulation or order of any government or regulatory body; (2) any changes in any applicable laws or the interpretation thereof; or (3) any lightning, earthquake, fire, storm, hurricane, tornado, flood, washout, explosion, or any other cause beyond the reasonable control of the party from whom performance is required, or any of its contractors or other representatives. Any prevention, delay or stoppage in a party's performance hereunder due to Force Majeure shall excuse the performance of

the party affected for a period of time equal to any such prevention, delay or stoppage; provided, however, that during the period of any such delay or stoppage, the party whose performance hereunder is excused shall take all reasonable steps necessary to minimize the length of such delay or stoppage.

20. Limitation on City's Liability. City shall not be responsible for or liable to SFZS, and SFZS hereby waives all claims against City and its agents and releases City and its agents from, all claims for any injury, loss or damage to any person or property in or about the Property by or from any cause whatsoever (other than the negligence or willful misconduct of City and its agents, or any Civil Service Employee, or as otherwise provided in Section 21.1 below) including, without limitation, theft; burst, stopped or leaking water, gas, sewer or steam pipes; or gas, fire, oil or electricity in, on or about the Property.

21. Indemnities.

21.1 Definitions. For purposes of this Section, "Indemnify" shall mean, whenever this Section requires an entity (the "Indemnitor") to Indemnify any other entity or person (the "Indemnitee"), the Indemnitor shall be obligated to defend, indemnify and protect the Indemnitee, its officers, employees, agents, stockholders, constituent partners, and members of its boards and commissions harmless from and against any and all Losses (as defined below) arising directly or indirectly, in whole or in part, out of the act, omission, event, occurrence or condition with respect to which the Indemnitor is required to Indemnify such Indemnitee, whether such act, omission, event, occurrence or condition is caused by the Indemnitor or its agents or employees; provided that no Indemnitor shall be obligated to Indemnify any Indemnitee against any Loss from the negligence or intentional wrongful acts or omissions of such Indemnitee, or such Indemnitee's agents, employees or contractors. If a Loss is attributable partially to the negligent or intentionally wrongful acts or omissions of the Indemnitee (or its agents, employees or contractors), such Indemnitee shall be entitled to Indemnification for that part of the Loss not attributable to such Indemnitee's (or its agents, employees or contractors) negligent or intentionally wrongful acts or omissions.

Also for purposes of this Section, "Losses" shall mean any and all claims, demands, losses, damages, liens, liabilities, injuries, deaths, penalties, fines, lawsuits and other proceedings, judgments and awards rendered therein, and costs and expenses, including, but not limited to, reasonable attorneys' fees. "Losses" shall not include those claims, demands, losses, damages, liens, liabilities, penalties, fines, lawsuits and other proceedings brought, made, initiated, levied, filed or asserted

directly against the Indemnitor by an Indemnitee (excluding such Indemnitee's employees, officers, directors, principals or agents).

21.2 City's Indemnity. City shall Indemnify SFZS and its respective directors, officers, agents and employees (individually or collectively for purposes of this paragraph, an "Indemnitee") against any and all Losses arising out of (a) a Pre-Existing Condition, (b) the negligent or wrongful acts or omissions of any Civil Service Employees (including without limitation discriminatory or harassing behavior or acts of any such employees), or (c) except as expressly limited in this Agreement, any default by City in the observance or performance of any of the terms, covenants or conditions of this Agreement prior to termination hereof by SFZS. In the event any action or proceeding is brought against an Indemnitee by reason of a claim arising out of any loss, claim, injury or damage suffered on or about the Zoo for which City has Indemnified the Indemnitees, and upon written notice from such Indemnitee, City shall at its sole expense answer and otherwise defend such action or proceeding using counsel approved in writing by the Indemnitee. The Indemnitees shall have the right, exercised in their sole discretion, but without being required to do so, to defend, adjust, settle or compromise any claim, obligation, debt, demand, suit or judgment against the Indemnitee in connection with the Zoo. City shall fully cooperate with any investigation conducted by SFZS pursuant to any claim by an SFZS employee regarding the actions or behavior of a Civil Service Employee. The provisions of this paragraph shall survive the termination of this Agreement with respect to any Loss occurring prior to or upon termination.

21.3 SFZS' Indemnity. SFZS shall Indemnify City and its respective officers, agents and employees (individually or collectively for purposes of this paragraph, an "Indemnitee") against any and all Losses arising out of: (a) any injury to or death of any person or damage to or destruction of any property occurring in, on or about the Zoo premises or any part thereof for which SFZS is legally responsible, (b) the negligent or wrongful acts or omissions of any SFZS employees (including without limitation discriminatory or harassing behavior or acts of any such employees), or (c) any default by SFZS in the observance or performance of any of the terms, covenants or conditions of this Agreement prior to termination hereof by City. In the event any action or proceeding is brought against an Indemnitee by reason of a claim arising out of any loss, claim, injury or damage suffered on or about the Zoo for which SFZS has Indemnified the Indemnitees, and upon written notice from such Indemnitee, SFZS shall at its sole expense answer and otherwise defend such action or proceeding using counsel approved in writing by the Indemnitee. If both SFZS and its general liability insurer refuse to defend and Indemnify the Indemnitees

hereunder or under any applicable policy of insurance, then the Indemnitees shall have the right, exercised in their sole discretion, but without being required to do so, to defend, adjust, settle or compromise any claim, obligation, debt, demand, suit or judgment against the Indemnitee in connection with the Zoo. SFZS shall fully cooperate with any investigation conducted by City pursuant to any claim by a Civil Service Employee regarding the actions or behavior of an SFZS employee. The provisions of this paragraph shall survive the termination of this Agreement with respect to any Loss occurring prior to or upon termination.

22. Default; Termination of Agreement; Remedies.

22.1 Termination by City. City shall have the right to terminate this Agreement immediately following an Event of Default. The following shall constitute "Events of Default" under this Agreement:

(a) Failure of SFZS to perform or comply with any covenant or condition made under this Agreement (including Section 28 below), or failure of any material representation or warranty made by SFZS in this Agreement to continue to be true and correct, provided SFZS shall have a period of sixty (60) days from the date of written notice from City within which to cure such default, or, if such default is not capable of cure within such 60-day period, SFZS shall have a reasonable period to complete such cure if SFZS promptly undertakes action to cure such default within such 60-day period and thereafter diligently prosecutes the same to completion;

(b) Abandonment or assignment by SFZS, without the prior written consent of City; and

(c) The appointment of a receiver to take possession of all or substantially all of the assets of SFZS, or an assignment by SFZS for the benefit of creditors, or any action taken or suffered by SFZS under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted, if any such receiver, assignment or action is not released, discharged, dismissed or vacated within sixty (60) days.

22.2 Termination By SFZS. In the event City fails to pay any portion of the Management Fee when due, or to perform any obligation required to be performed by City hereunder, and such failure is not cured within sixty (60) days after written notice of such failure has been delivered to City by SFZS, SFZS shall have the right to terminate this Agreement.

The foregoing is in addition to any other right to terminate explicitly given to SFZS elsewhere in this Agreement.

In addition, SFZS shall have the right to terminate this Agreement under the following circumstances:

(a) SFZS shall have the right to terminate this Agreement if any Civil Service Employee Agreement materially conflicts with the ability of SFZS, as determined in its reasonable discretion, to meet its obligations under any provision of this Agreement; and

(b) In the event the Commission fails to approve a change to the admission fee as proposed by SFZS within the 90-day period set forth in Section 15.6, SFZS shall have the option to terminate this Agreement; provided, however, that (i) SFZS shall give the Commission prior written notice of SFZS' desire to terminate the Agreement, which notice shall be accompanied by a detailed statement, including appropriate references to attached financial statements, from the Board of Directors explaining the reasons why SFZS, without the proposed increase to the Zoo's admission fees, is financially impaired in its ability to perform its obligations under this Agreement, and (ii) SFZS' requested termination of this Agreement shall become effective only if the Commission fails to approve the proposed admission fee change within thirty (30) days after the Commission's receipt of such notice.

22.3 Failure to Perform. In addition to the right to terminate under Section 22.2, upon the occurrence of an Event of Default by SFZS, City shall have the right to cause such work or service to be performed and City shall deduct the cost thereof from the Management Fee due to SFZS; provided, however, that (a) in the event the failure of performance creates an imminent risk of harm or damage to person or property, as determined by City in its sole discretion, City may cause such work or service to be performed following notice to SFZS but prior to the expiration of the cure period provided in Section 22.2(a); (b) if City's estimate of the cost of the work or service to be performed exceeds \$50,000, as determined by City in its sole discretion, then SFZS shall have the right to terminate this Agreement within thirty (30) days after written notice is given by City of its intent to perform such work or service on SFZS' behalf; and (c) City shall not have the right to perform any work or service on SFZS' behalf under this Section that is being performed to correct a Pre-Existing Condition.

23. Surrender of Premises; Transition. Upon the Termination Date or other termination of this Agreement, SFZS shall (a) promptly remit to City all Gross Revenues arising from admission fees or representing payments of the Management Fee, in

either case not expended but held by SFZS, and (b) peaceably quit and surrender to City the Premises and Property together with all permanent improvements approved by City, in good order and condition, normal wear and tear and damage caused by casualty or condemnation excepted. In determining the proper remittance to City under the foregoing clause (a), SFZS agrees to segregate admission fees and payments of the Management Fee in an account or accounts separate from other funds held by SFZS. The Premises shall be surrendered free and clear of all liens and encumbrances other than presently existing liens and encumbrances and any other encumbrances created or approved in writing by City. SFZS shall, immediately before the Termination Date or other termination of this Agreement, remove all of SFZS's Property as provided in this Agreement, and repair any damage resulting from the removal. SFZS's obligations under this Section shall survive the Termination Date or other termination of this Agreement. Any items of SFZS's Property which shall remain in the Premises after the Termination Date of this Agreement may, at the option of City, be deemed abandoned and in such case may be disposed of by City in accordance with Section 1980 et seq. of the California Civil Code or in any other manner allowed by law.

Upon the termination of this Agreement for any reason, SFZS and City shall cooperate to the fullest reasonable extent in effecting an orderly and efficient transfer of the Property and the operation of the Zoo from SFZS to City. Such cooperation shall include without limitation the entry into such agreement, the execution of such documents and the convening of such meetings as may be reasonable required to effect such transfer.

Concurrently with the surrender of the Premises as provided above, SFZS agrees, if requested by City, to execute, acknowledge and deliver to City a quitclaim deed to the Premises and any other instrument reasonably requested by City to evidence or otherwise effect the termination of SFZS's leasehold estate hereunder and to effect such transfer or vesting of title to improvements or equipment which are to remain part of the Premises as provided herein.

24. Hazardous Materials.

24.1 Definitions. As used herein, the following terms shall have the meanings set forth below:

24.1.1 "Environmental Laws" shall mean any federal, state, local or administrative law, rule, regulation, order or requirement relating to industrial hygiene, environmental conditions or Hazardous Materials, whether now in effect or hereafter adopted.

24.1.2 "Hazardous Material" shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health, welfare or safety or to the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Sections 9601 et seq.) or pursuant to Section 25316 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; and petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids.

24.1.3 "Release" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under or about any other part of the Property.

24.2 No Hazardous Materials. SFZS covenants and agrees that neither SFZS nor any of its agents or Invitees shall cause or permit any Hazardous Material to be brought upon, kept, used, stored, generated or disposed of in, on or about the Property, or transported to or from the Property, provided that SFZS may use such substances in such limited amounts as are customarily used in the operation and maintenance of a zoological gardens so long as such use is in compliance with all applicable Environmental Laws. Each party hereto shall immediately notify the other party if and when such party learns or has reason to believe there has been any Release of Hazardous Material on or about the Premises or any other part of the Property.

24.3 SFZS's Environmental Indemnity. If SFZS breaches any of its obligations contained in this Article, or, if any act, omission or negligence of SFZS or any of its agents results in any contamination of the Premises or any other part of the Property or in the Release of Hazardous Material from, on, in, on or beneath the Premises or any other part of the Property, then SFZS shall Indemnify City from and against all Losses (including, without limitation, the loss or restriction of the use of the Premises or the Property and sums paid in settlement of claims; attorneys' fees, consultants' fees and experts' fees and costs) arising during or after the Term of this Agreement and relating to such Release; provided, however, that the Indemnity contained in this Section shall not apply to any Losses directly related to a Pre-Existing Condition. The foregoing Indemnity includes, without limitation, costs incurred in connection with

the investigation of site conditions and all activities required to locate, assess, evaluate, remediate, cleanup, remove, contain, treat, stabilize, monitor or otherwise control any Hazardous Material, and to restore the Property to its prior condition. Without limiting the foregoing, if SFZS or any of its agents causes or permits the Release of any Hazardous Materials on, about, in or beneath the Premises or any other part of the Property, SFZS shall, immediately, at no expense to City, take any and all necessary actions to abate and remediate the Release in accordance with all Environmental Laws. SFZS shall afford City a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, or other compromise or proceeding involving Hazardous Material.

24.4 City's Environmental Indemnity. If any act, omission or negligence of City or any of its agents (other than SFZS) results or has resulted in any contamination of the Premises or any other part of the Property or in the Release of Hazardous Material from, on, in, on or beneath the Premises or any other part of the Property, then City shall Indemnify SFZS from and against all Losses (including, without limitation, the loss or restriction of the use of the Premises or the Property and sums paid in settlement of claims, attorneys' fees, consultants' fees and experts' fees and costs) arising during or after the Term of this Agreement and relating to such Release; provided, however, that the foregoing Indemnity shall not include Indemnification for any Losses resulting from SFZS' aggravation of any Pre-Existing Condition through SFZS' actions, or the actions of its agents, officers or employees, whether negligent or non-negligent. The foregoing Indemnity includes, without limitation, costs incurred in connection with the investigation of site conditions and all activities required to locate, assess, evaluate, remediate, cleanup, remove, contain, treat, stabilize, monitor or otherwise control any Hazardous Material, and to restore the Property to its prior condition. City shall afford SFZS a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, or other compromise or proceeding involving Hazardous Material.

25. Damage or Destruction. In the event the Zoo is wholly or partially destroyed or damaged by fire or other casualty, City shall have the option to repair such damage at its cost and expense at its sole discretion. In the event City chooses to and does in a timely fashion repair such damage, this Agreement shall continue in full force and effect. In the event City determines, in its sole and absolute discretion, that it is unfeasible or uneconomical to repair or rebuild the Zoo, this Agreement shall, at the option of either City or SFZS, be

terminated upon thirty (30) days prior written notice given at any time after the occurrence of such damage.

26. Assignments; Subcontracting. SFZS has been chosen by City to manage the Zoo in reliance upon SFZS' stated and unique expertise, skill and experience in operating zoological gardens. SFZS shall not assign, transfer, mortgage or encumber its interest in this Agreement or any other right, privilege or license conferred by this Agreement, either in whole or in part, without obtaining City's prior written consent. Any assignment or encumbrance without such consent shall be voidable and, at City's election, shall constitute a material default under this Agreement. A sale or transfer of the stock, assets or other equitable interests of SFZS that has the effect of a material change in SFZS' ownership, as determined by City in its sole discretion, shall constitute a transfer of this Agreement requiring City's prior written approval pursuant to this Section. Without limiting the obligations of SFZS under this Agreement, SFZS shall have the right and the authority to enter into contracting arrangements with any other person or entity (including without limitation the Department or other City agency) for the provision of any service required to be performed by SFZS under this Agreement.

27. Notices. All notices required to be given hereunder shall be in writing and either served personally or sent by certified mail to the appropriate address listed below, or at such other address as shall be provided by written notice. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section. For convenience of the parties, copies of notices may also be given by telefacsimile; however, neither party may give official or binding notice by facsimile.

SFZS:

San Francisco Zoological Society
Sloat Boulevard at the Pacific Ocean
San Francisco, California 94132-1098
Attn.: Zoo Director

Department:

San Francisco Recreation and Park Department
McLaren Lodge
Corner, Fell & Stanyan
San Francisco, California

Controller:

City and County of San Francisco
Office of the Controller
City Hall, Room 109
San Francisco, California 94102

28. Compliance with Laws.

28.1 Generally. SFZS shall comply and conform with all laws and all governmental regulations, rules and orders that may from time to time be put into effect relating to, controlling or limiting the use and operation of the Zoo. SFZS shall secure, or cooperate with City in its securing, all permits and licenses specifically required for the operation of the Zoo (copies of which shall be promptly provided to the Department), and shall comply with all applicable laws and regulations relating to labor employed in and relating to the operation of the Zoo.

28.2 Pre-Existing Conditions. Notwithstanding any other provision of this Agreement to the contrary, SFZS shall incur no liability for, or assume any obligation to correct, any Pre-Existing Condition; provided, however, that SFZS shall use its reasonable efforts to (a) identify all such Pre-Existing Conditions and notify City immediately of their existence, (b) take all reasonable action necessary to minimize any risk of injury or liability that may be occasioned by such a Pre-Existing Condition, and (c) to the extent funds are or become available, as referred to in the following sentence, take all reasonable action necessary to correct any such Pre-Existing Condition; provided further, however, that the foregoing shall not condition or limit City's Indemnity under Section 21.2 above. City hereby agrees to use its reasonable efforts to assist SFZS in obtaining such grants or other funds as may be available to assist in the financing of any work performed to bring any building, structure or service within the Premises into compliance with any local, state or federal law or regulation, including without limitation the Americans With Disabilities Act of 1990. Nothing in this Section shall eliminate any obligation of SFZS to ensure that all new construction, remodeling or rehabilitation work performed by SFZS at the Zoo is completed in compliance with all applicable local, state and federal laws and regulations.

28.3 Conflicts of Interest Prohibited. SFZS represents that it is familiar with the provisions of Section 8.105 of the San Francisco Charter and Sections 87100 et seq. of the California Government Code relating to prohibited conflicts of interest, certifies that it knows of no facts which constitute a violation of said sections and agrees that it will

give notice to City if any such facts shall hereafter become known to it.

28.4 Americans with Disabilities Act. SFZS acknowledges that the Americans with Disabilities Act (the "ADA") requires that programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Subject to the provisions of Section 28.2 above, SFZS further acknowledges its obligation to comply with the ADA and any other federal, state or local disability rights legislation. SFZS warrants that it will fulfill that obligation, and that it will not discriminate against disabled persons in the provision of services, benefits or activities pursuant to this Agreement.

28.5 Non-Discrimination Ordinances. SFZS shall comply with all provisions of Chapters 12B and 12C of the San Francisco Administrative Code, as amended from time to time, relating to equal opportunity in employment and business practices. Such provisions are incorporated herein and by reference made a part of this Agreement as though fully set forth herein. Pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of \$50.00 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be deducted from payments due to SFZS under this Agreement.

28.6 Other Local Contracting Ordinances. Except to the extent compliance would be inconsistent with the requirements imposed upon non-profit corporations under Section 501(c)(3) of the Internal Revenue Code or with prudent and reasonable Zoo management practices, SFZS shall comply with the following local contracting ordinances:

(a) South Africa Divestment Ordinance. The provisions of Article XIX of Chapter 10 of the San Francisco Administrative Code, and any amendments thereto, relating to prohibition of contracts with businesses having certain relations with South Africa, are incorporated herein and by reference made a part of this Agreement as though fully set forth herein. SFZS represents and warrants that (a) it is not the government of South Africa, a person or business entity organized under the laws of South Africa or a person or entity doing business in South Africa, and (b) it does not have a prohibited ownership interest as defined in Section 10.211(k) of Chapter 10, Article XIX of the San Francisco Administrative Code. In the event SFZS takes any action, or fails to take any action, that results in the terms of this Agreement failing to be in compliance with any of the provisions of said Article XIX, SFZS shall be liable to the City for liquidated damages for each violation in an amount equal to the greater of (a) SFZS's net profit on this contract,

(b) ten percent (10%) of the total contract amount, or (c) \$1,000.00. Any such liquidated damages assessed against SFZS shall be payable to City upon demand and may be set off against any moneys due to SFZS from City.

(b) MacBride Principles. The City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

(c) Tropical Hardwood Ban. The City and County of San Francisco urges contractors not to import, purchase, obtain or use for any purpose, any tropical hardwood or tropical hardwood product.

29. Taxes, Assessments, Licenses, Permit Fees and Liens. SFZS agrees to pay taxes of any kind, including possessory interest taxes (unless exempt under California law), that may be lawfully assessed on the leasehold interest hereby created and to pay all other taxes, excises, licenses, permit charges and assessments based on SFZS's use of the Premises that may be imposed upon SFZS by law, all of which shall be paid when the same become due and payable and before delinquency. SFZS agrees not to allow or suffer a lien for any such taxes to be imposed upon the Premises or upon any equipment or property located thereon without promptly discharging the same, provided that SFZS, if so desiring, may have reasonable opportunity to contest the validity of the same. San Francisco Administrative Code Sections 23.6-1 and 23.6-2 require that the City and County of San Francisco report certain information relating to this Agreement, and any renewals thereof, to the County Assessor within sixty (60) days after any such transaction; and that SFZS report certain information relating to any assignment of or sublease under this lease to the County Assessor within 60 days after such assignment or sublease transaction. SFZS agrees to provide such information as may be requested by the City to enable the City to comply with this requirement.

30. Miscellaneous.

30.1 Litigation Expenses. If either party hereto, including without limitation City and its officers and agents, brings an action or proceeding (including, without limitation, any cross-complaint, counterclaim, or third-party claim) against another party by reason of a default under this Agreement, or otherwise arising out of this Agreement, the prevailing party in such action or proceeding shall be entitled to its costs and expenses of suit, including but not limited to

reasonable attorneys' fees, which shall be payable whether or not such action is prosecuted to judgment. "Prevailing party" within the meaning of this Section shall include, without limitation, a party who dismisses an action for recovery hereunder in exchange for payment of the sums allegedly due, performance of covenants allegedly breached, or consideration substantially equal to the relief sought in the action. Attorneys' fees under this Section shall include attorneys' fees on any appeal, and, in addition, a party entitled to attorneys' fees shall be entitled to all other reasonable costs and expenses incurred in connection with such action. For purposes of this Agreement, reasonable fees of attorneys of the City's Office of City Attorney shall be based on the fees regularly charged by private attorneys with an equivalent number of years of professional experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City in law firms with approximately the same number of attorneys as employed by the Office of City Attorney.

30.2 Liability of the City. The City's obligations to SFZS under this Agreement shall be limited to the terms and conditions set forth herein. Notwithstanding any other provision in this Agreement to the contrary, in no event shall the City be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including without limitation lost profits, arising out of or in connection with this Agreement or the services performed in connection with this Agreement.

30.3 Liens. SFZS shall keep the Premises and City's Personal Property free from any liens arising out of any work performed, material furnished or obligations incurred by or for SFZS and any other liens or encumbrances.

30.4 Parties and Their Agents. As used herein, the term "agents" when used with respect to either party shall include the agents, employees, officers and representatives of such party. All approvals, consents or other determinations permitted or required by City hereunder shall be made by or through the Commission unless otherwise provided in this Agreement.

30.5 No Implied Waiver. No failure by either party hereto to insist upon the strict performance of any obligation of the other party under this Agreement or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, shall constitute a waiver of such breach or of that party's right to demand strict compliance such term, covenant or condition or operate as a surrender of this Agreement. No express written waiver of any default or the performance of any

provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to a waiver of a subsequent default or performance. The consent of either party hereto given in any instance under the terms of this Agreement shall not relieve the other party of any obligation to secure the consent of the other party in any other or future instance under the terms of this Agreement.

30.6 Interpretation of Agreement. The captions preceding the articles and sections of this Agreement and in the table of contents have been inserted for convenience of reference and such captions in no way define or limit the scope or intent of any provision of this Agreement. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the parties, without any presumption against the party responsible for drafting any part of this Agreement. Provisions in this Agreement relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or City holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Agreement, whether or not language of non-limitation, such as "without limitation" or similar words, are used.

30.7 Successors and Assigns. The terms, covenants and conditions contained in this Agreement shall bind and inure to the benefit of City and SFZS and, except as otherwise provided herein, their personal representatives and successors and assigns. There are no third party beneficiaries to this Agreement.

30.8 Authority. All rights, powers and privileges of City and the Department under this Agreement may be exercised, on behalf of City and the Department, by the General Manager, or such other person designated by the Commission, without special approval or consent of any legislative body, except where such approval or consent is expressly required by charter or ordinance of City or by other applicable law.

30.9 Access to Zoo. City, the Department, the Commission and their duly authorized agents shall have access to the Zoo at all times for the purpose of (a) inspection and to make any repairs, additions or renovations as City may have the

right to do under the provisions of this Agreement, and (b) for use by City in case of emergency, as determined by City in its sole discretion.

30.10 Relationship of Parties. The services to be rendered by SFZS pursuant to this Agreement are as an independent contractor only and the relationship between SFZS and City is solely that of landlord and tenant and owner and contractor, as applicable. Nothing contained in this Agreement shall be construed to create a partnership, joint venture, or a relationship of employment or agency.

30.11 Agreement made in California. This Agreement shall be deemed to be made in and shall be construed in accordance with the laws of the State of California.

30.12 Integrated Agreement; Modification. This Agreement contains all the agreements of the parties hereto relating to the subject matter addressed herein, and cannot be amended or modified except by a written agreement mutually executed between each of the parties hereto.

30.13 Severability. In the event any covenant, term or condition herein contained is held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other valid covenant, term or condition herein contained.

30.14 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

30.15 Effective Date; Proration of Management Fee and Expenses. This Agreement shall become effective thirty (30) days following the date upon which the Board of Supervisors and the Mayor enact an ordinance approving this Agreement (the "Effective Date"). In the event the Effective Date occurs after July 1, 1993, the Management Fee payable from City to SFZS pursuant to Section 5 above, and all reimbursable expenses payable from SFZS to City pursuant to Section 6 above, shall all be prorated as of the Effective Date, on the basis of a 365-day year. If any of the prorations cannot be calculated accurately on the Effective Date, then they shall be calculated as soon after such date as feasible. City and SFZS shall cooperate in good faith to determine, assess and pay any prorations required by this Section.

30.16 No Recording. SFZS shall not record this Agreement nor any memorandum hereof in the public records.

30.17 Non-Liability of Officials, Employees and Agents. No elective or appointive board, commission, member, officer, employee or other agent of City shall be personally liable to SFZS, its successors and assigns, in the event of any default or breach by City or for any amount which may become due to SFZS, its successors and assigns, or for any obligation of City under this Agreement. Likewise, no elective or appointive board, commission, member, officer, employee or other agent of SFZS shall be personally liable to City, its successors and assigns, in the event of any default or breach by SFZS or for any amount which may become due to City, its successors and assigns, or for any obligation of SFZS under this Agreement, except and to the extent only of any proceeds of officers' and directors' insurance as referred to in Section 17.1(d) above.

30.18 Time of Essence. Time is of the essence of each provision of this Agreement.

30.19 Survival of Indemnities. Termination of this Agreement shall not affect the right of either party to enforce any and all Indemnities and representations and warranties given or made to the other party under this Agreement, nor shall it affect any provision of this Agreement that expressly states it shall survive termination hereof.

30.20 Additional Attachments. The following documents are hereby collectively attached hereto as Exhibit H: (a) San Francisco Zoological Gardens Animal Inventory; (b) San Francisco Zoological Gardens Physical Facilities; (c) San Francisco Zoological Gardens Facilities Pre-Existing Conditions per City and County of San Francisco CAMS Facility Condition Monitoring; and (d) Letter of interpretation concerning Section 14.2 above. City and SFZS agree that these additional attachments are for illustrative purposes only, and shall not be legally conclusive or binding with respect to the matters covered them.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, SFZS ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS AGREEMENT UNLESS AND UNTIL AN ORDINANCE OF CITY'S BOARD OF SUPERVISORS SHALL HAVE BEEN DULY ENACTED APPROVING THIS AGREEMENT AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON ENACTMENT OF SUCH AN ORDINANCE, AND THIS AGREEMENT SHALL BE NULL AND VOID IF CITY'S MAYOR AND THE BOARD OF SUPERVISORS DO NOT APPROVE THIS AGREEMENT, IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF THIS AGREEMENT BY ANY DEPARTMENT, COMMISSION OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH ORDINANCE WILL BE ENACTED NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

IN WITNESS WHEREOF, the parties hereto have executed
this Agreement as of the date first written above.

RECREATION AND PARK DEPARTMENT
OF THE CITY AND COUNTY OF SAN FRANCISCO

By: Mary E. Burns
Mary Burns
General Manager

SAN FRANCISCO ZOOLOGICAL SOCIETY,
a California non-profit corporation

By: Margaret D. Burr

[Printed Name and Title]

APPROVED AS TO FORM:
LOUISE H. RENNE, City Attorney

By: Lamy Wayte
Deputy City Attorney

Exhibit A-1

Description of Current Zoo Premises

That portion of Block 7281, Lot 6, in the City and County of San Francisco, actively used as of July 1, 1993, by the City and County of San Francisco as a part of the San Francisco Zoological Gardens, excepting those portions of such lot included in that parcel of land described in parcel map entitled "Parcel Map Showing Certain Park Land Proposed to be Used Jointly," recorded August 12, 1975, in Parcel Map Book Number One at Page 96 in the office of the recorder of the City and County of San Francisco.

Exhibit A-2

Description of Fleishhacker Pool Site

That portion of Block 7281, Lot 6, in the City and County of San Francisco, not actively used as of July 1, 1993, by the City and County of San Francisco as part of the San Francisco Zoological Gardens, and excepting those portions of such lot included in that parcel of land described in parcel map entitled "Parcel Map Showing Certain Park Land Proposed to be Used Jointly," recorded August 12, 1975, in Parcel Map Book Number One at Page 96 in the office of the recorder of the City and County of San Francisco.

Exhibit A-3

Description of Oceanside Water Treatment Plant Site

That parcel of land described in parcel map entitled "Parcel Map Showing Certain Park Land Proposed to be Used Jointly," recorded August 12, 1975, in Parcel Map Book Number One at Page 96 in the office of the recorder of the City and County of San Francisco.

Exhibit A-4

Description of National Guard Armory Site

All of that certain real property known as Block 7281, Lot 4, in the City and County of San Francisco.

Exhibit B

List of Personal Property

(SEE ATTACHED)

Assigned to SFZS Operations

electric cart	1987	#651-979 Ser#32590
electric cart	1988	#651-2391 Ser#74348
electric cart	1988	#651A-311 Ser#87704
electric cart	1988	#651S-312 Ser#87705

Assigned to Vetrinarian

3/4 ton p/u	1992 Ford	#651-561 ID# 1FTHF25H5NLA8602
electric cart	1988	#651-923 Ser#85396

Stored in Hay Barn

fork lift	1974 TCM	#651-801 Ser# 2191470
fork lift	1990 Toyota	#651-804 Ser#405FG18-40535
fork lift	1992 Calrklift	#651-800 Ser#GPX23002277600KOF

Stored in Well House #2 (Assigned to Engineers)

generator	0000 Dayton	#651A-123 Ser#105250U
pump trash 4"	1983 Dayton	#651S-773 Ser#19904

Stored in Elephant House Hay Loft

hay loader 4 hp. 0000		#651A-122 Ser#E497775

Stored in Alcove #1

tractor	1982 Bobcat	#651S-482 Ser#4996M16756
st. sweeper	1991 Clarklift	no number Ser#450491
hi lift	1987 Genie	no number Ser#14847193

Stored at Zoo Mant Shop (Iron Workers)

3/4 ton p/u	1991 Ford	#651Y652 ID#FPHF25HOMKBO62

Stored at Gardeners Shack (Assigned to Gardeners)

3/4 ton p/u	1991 Ford	#651-Y545 ID#1FTHF25HXMB18255
turftruk	1990 Cushman	#651-978 Ser#898532-8410
golf cart	1991 Cushman	#651-310 Ser#636421

Stored in Zoo Service Yard (general use, Koala, Night Keeper)

3/4 ton p/u	1989 Ford	#651-674 ID#1FTF25HXKPBO9684
3/4 ton van	1986 Chev	#651Y638 ID#1GCC635MX67143806
turftruk	1991 Cushman	#651-301 Ser#1CUNH222XKLO19060
turftruk	1991 Cushman	#651-989 Ser#1CUNH222JLO12031
golf cart	1991 Cushman	#651-309 Ser#639287

Stored in Elephant House Lobby (Custodians)

golf cart	1991 Cushman	#651-311 Ser#205407632

Stored next to Giraffe Barn (Hvy. Truck Drivers)

12yd dump	1987 Ford	#651-756 ID#1FDXD84N4HVA51941

On Loan To R&P Mant. Yard (plumbers truck)

3/4 ton p/u	1991 Chev	#651Y520 ID#1GCFC24F14ME209669

Zoo Staff Car

4 Dr Sedan	1988 Dodge	#561-108 ID#1B3BD26C8FF288982

DEA



1 JULY 1

Inventory for 1 h Worker

All Stored at Mant. Shop

3/4 ton p/u 1992 Ford w/ lift gate #651-652 (see vehicle inventory this date) w/ tool box.
1 welder/generator w/ 100' leads
20# astd welding rod
3 acetyline tanks w/ oxygne bottels, carts, hose and torches
1 electric chop saw
1 electric band saw
1 verticle drill press
1 TIG welder
1 32' extension ladder - fiberglas
1 24' extension ladder - fiberglas
1 8' step ladder - fiberglas
1 6' step ladder - wooden
1 mechanics vise
2 welding screens
1 B. Tank and torch
1 compressor
protective clotheing, welding masks, goggles, gloves, back belt
1 each, post hole digger, pick, shovel, sledge hammer, dirt bar.
1 tool box w/ astd hand tools, bolt cutters, pliers, hammers, screw drivers, clamps, fence stretchers, jacks, wire pullers.
10 bins of fittings; nuts, bolts, screws, washers, hasps, latches, hinges
1 welding table
1 4' X 4' sheet of 3/8" plate
2 4' X 8' sheets of 1/8" plate
15 2" X 12' legnth of fence pipe
200' of chain
100' of 8' chain link fencing
50' of 4' chain link fencing
50' of tie wire
200' of stretch wire
400' of poly coated 2" X 4" mesh
200' of poly coated 1/2" X 1/2" mesh
1 20' cargo container w/ materila racks.

1 JULY 1992

Inventory of Plumbers Tools & Supplies

On Loan to R&P Mant. Yard

3/4 ton p/u Ford 1992 #651-520 (see Vehicle Inventory this date) w/o tool box.

All Stored at Zoo Mant Shop

1 gas snake

1 portable generator

1 B. tank w/ torch, solder, flux etc.

1 pipe vise

1 tool box w/ astd hand tools; wrenches, pipe cutter, hack saws, pliers, screwdrivers.

20 bins of astd fittings; valves, unions, nipples, elbows 90 and 45 degree, in sizes 1/2" to 3"

protective clotheing, goggles, gloves, boots.

1 bilge pump

plungers of astd sizes

10 flushometers

2 toilets

1 21' legnth of 4" pipe

astd legnths of 1", 1 1/2", and 2" pipe

astd valve keys

1 JULY

Inventory of Custodial Equipment,
tools, and Supplies.

Stored in 1st Alcove

1 Clarklift Street Sweeper 1991 (see Vehicle Inventory this date)

All Stored in Elephant House

1 Cushman golf cart 1992 #651-011

1 electric floor waxer/polisher

1 electric floor stripper

1 wet/dry vaccum

Stored in Zoo office

1 upright vaccum

All Stored at Public Restrooms and/or 2nd Alcove

Astd hand tools; brooms, brushes, mops, buckets.

250' of 3/4" garden hose

6 mop buckets w/ wringers

6 cases of liquid bleach

10 cases of Ajax cleanser

3 gals. disinfectant

8 gals liquid hand soap

1 small box of sponges

11 cases, toilet tissue, flat

10 cases, paper towels flat

13 cases, paper towels, rolls

10 cases of toilet seat covers.

1 JULY 1993

TOOLS & EQUIPMENT FOR SOUTHWESTERN STATIONS

Z	1	Electric Cart	651-T-311
Z	1	Gas Engined Generator	651-T-405
Z	1	Gas Engined Pump	651-S-773
Z	1	Electric Air Compressor	136943
R/P ENG	1	" Submersible Pump 440 Trash	
Z	1	" Submersible Pump 120 Trash	2208877
R/P ENG	1	" Submersible Pump	
R/P	1	" Vacuum Cleaner	600A
R/P	1	" Bench Grinder	C#L12-1167
Z	1	" Portable 20" Fan	
Z	1	" Kerosene 35kbtu Space Heater	1246328
Z	5	" Infrared 120 & 220U Heater	
R/P ENG	2	" Portable 1.5KW Heater	
Z	1	Welding Tubo Lite Acet.	
R/P	1	" "B" Tank	
R/P	2	" L.P. Torches	
R/P	1	" L.P. Hol. Torches	
Z	1	" Weller Soldering Gun	D-550
R/P	1	" Weller Soldering Stick	
R/P	3	Hammers, Claw	
R/P	2	Light Drop Cords	
R/P	2	Pipe Wrench(es) 24"	
R/P	2	" " 18"	1 - AL
R/P	2	" " 12"	
R/P	1	" " 10"	
R/P	1	" " 8"	
R/P	1	" " 6"	
Z	1	Sawzall Milwaukee	77421246
R/P CA	1	Motor Saw, Skil 6 1/2"	2C43943
R/P ENG	1	Motor Drill, Skil 1/2"	DG005958
Z	1	" " " 3/8" Cordless	DI142904
R/P	1	" " " B & D, 1/4"	C#12-103
R/P ENG	1	Motor Screwdriver, B & D, 1/4" Cordless	F9119
R/P	1	Crank Drill Wood adjustable bits	
R/P	2	Set Drill Index	
R/P	1	Set Drill Masonry, incomplete	
R/P	1	Set Drill Hole Saw	
R/P	1	Set Small Tap & Die	
R/P	1	Set Large Tap & Die	
R/P PL	1	Mixed Plumbing Tap & Die	
Z	1	Drill Press 16 1/2 Floor Type	32918A
R/P	2	Bench Vices	HF12-13
			TG12861
R/P	5	Hacksaws	
R/P	4	Woodsaws	

1 JULY 1991

TOOLS & EQUIPMENT FOR SOUTH WESTERN STATIONS

Z	1	Socket Set	1/2, Made in USA
Z	1	" "	3/8 "
Z	1	" " Deep	3/8 "
Z	1	" "	1/4 "
D	1	" "	3/8 Taiwan
D	1	" "	1/4 "
R/P ENG	1	Nut Driver	3/16, 1/2, Made in USA
R/P ENG	Set	Adjustable End Wrenches	6", 15", Made in USA
R/P ENG	3	Adjustable End Wrenches	8"
Z	1	Hex Key Sets	
R/P ENG	1	" " " ,	Folding
R/P ENG	Mix	" " " ,	Mixed
R/P	2	Refrigeration Gauges	
D	1	"	Vacuum Pump
R/P	1	Water Column Gauge	
R/P & D	2	Meters, Millivolt	
R/P & D	3	"	V.O.M.
R/P	1	"	Amprobe
Z	1	"	Amprobe
R/P	2	"	Volt Tester
Z	1	Ladders, Extension AL	25'
R/P	1	"	Folding Wood 8'
R/P	2	"	" Wood 6'
R/P	1	"	" Al 6'
R/P	2	"	" Wood 4'
PacBell	3	"	Leaning Wood & Fiber Glass
R/P	1	Wheel Barrow	
Z	1	Hand Truck	
R/P	4	Shovels, Pointed	
R/P	5	"	, Flat
R/P	4	"	, Pointed & Flat, short
R/P	3	"	, Scoop, large
R/P	12	Rakes and Pitch Forks	
R/P	3	Pickax	
R/P	2	Sledge Hammer	
R/P	4	Hedge & Pruning Shears	

RS-501002

RS-3 @PDC

1 JULY

LAMPS FOR SOUTHWESTERN STATIONS

			H.F.	T.G.	L.H.	S.Y.
R/P EL	Incandescent Lamps, 25W			1 Case		
" "	" " 40W			3/4 Case		
" "	" " 75W			15 Lamps	1/2c	
" "	" " 100W			2 Lamps		
" "	" " 150W		1/2c	2 Cases		
" "	" " 200W			35 Lamps		
" "	" " 300W				1/2c	
" "	" " PARH 50W		2c			
" "	" " PAR 75W			8 Lamps		
" "	" " PAR 120W			2 Cases		
" "	Infrared 250W		1 1/2c			
R/P EL	Fluorescent Lamps, F96T.2		3c			
" "	" " F96HO					1 1/2
" "	" " F40		5c	1/2c		
" "	" " F40HO		1c			1c
" "	" " F30					1/2
" "	" " F30T8		2c			
R/P EL	Fluorescent Ballasts F96T12			3		
" "	" " F96HO			1		
" "	" " F40			4		
" "	" " F30T8			3		

AIR FILTERS FOR SOUTHWESTERN STATIONS

	H.F.	S.G.	P.D.C.	L.H.	G.W.
R/P	20" x 25" x 2'	3 cases		2 1/2c	
"	20" x 24" x 2'	1 case		3	
"	20" x 20" x 2'	4 cases			
"	16" x 25" x 2'	1 case			8
"	16" x 20" x 2'	1 1/2c			
"	12" x 24" x 2'	1			
"	15" x 30" x 1'	1			
"	25" x 25" x 1'	2			
"	20" x 25" x 1'	6	1		
"	16" x 25" x 1'	1			
"	14" x 25" x 1'	4			
"	24" x 24" x 1'	2			
"	20" x 24" x 1'	2			
"	16" x 20" x 1'	2			

LUBRICANTS AT H.F.*H.F. = Herbert Fleishhacker

R/P	65 Gallons 32 Grade Hydraulic Oil
R/P	8 Gallons 46 " " "
R/P	30 Gallons 80 weight " "
R/P	30 Cartridges of Grease
R/P	35lbs. Freon R-12
R/P	30lbs. Freon R-502

1 JULY 1993

ZOO GROUNDS STATIONS

Miscellaneous Mixed Old Hand Tools, i.e.,
Screwdrivers, End Wrenches, Pliers, also,
Tools Made for Site.

T.G.
15

L.H.
5

G.
8

*T.G. = Triple Grotto

R/P	ENG	1	Wrenches, Crescent	10"
"	"	1	"	8"
"	"	1	"	6"
"	"	1	" Pipe	24"
"	"	2	"	18"
"	"	1	"	12"
"	"	2	" Monkey	12"
"	"	3	Hammers, Claw	
"	"	2	" Wood	
"	"	1	Drop Cord with Light	
"	"	2	Extension Cords	
"	"	1	Hand Truck	
"	"	2	Ladders, 6' Folding	

*L.H. = Lion House

R/P	ENG	2	Screwdrivers
"	"	1	Wrenches, Crescent
"	"	1	" Monkey
"	"	1	Grease Gun

*P.D.C. = Primate Discovery Center

R/P	ENG	1	4 in 1 Screwdriver
Z		1	Pliers, Wire Cutting
Z		1	" Channel Lock 8"
Z		2	" Hand Com.
Z		1	Extension Cord

*P.D.C. #3

R/P	ENG	1	Residual Test Kit
"	"	1	Wrench Strap

*G.W. = Gorilla World

R/P	ENG	1	Pliers, Channel Lock 10"
"	"	1	Ladder, Folding Step 8'

1 JULY 1993

LANDSCAPE EQUIPMENT

<u>EQUIPMENT</u>	<u>SERIAL NUMBER</u>	<u>YEAR</u>	<u>EQUIP. #</u>	<u>CONDITION</u>
BACK BLOWER		84	651B712	FAIR
CHIPPER BRUSH BANDIT		88	651944	GOOD
GENERATOR		83	651S115	NOISY
HEDGE SHEARS		81	651S698	FAIR
POWER EDGER		83	651S114	SHOP
ROTARY MOWER		73	651S270	FAIR
ROTARY MOWER		84	651T006	FAIR
TRUCK PICK UP (on vehicle list)		91	651Y545	GOOD
WATER PUMP		83	651S278	FAIR
WEED EATER		83	651370	WEAK
"" Toro Model 51650 Ser.#2000540		92		GOOD
"" Toro Model 51650 Ser.#0000990		92	651T678	GOOD
"" Toro Model 51675 Ser.#2000385		92	651T679	GOOD
"" Toro Model 51675 Ser.#2001769		92	651T682	GOOD
"" Toro Model 51675 Ser.#2000859		92	651T680	GOOD
"" Toro Model 51670 Ser.#2001094		92	651T681	GOOD
HEDGE SHEARS				
Little Wonder 3000 SE Ser.#281448		92	651T671	GOOD
Little Wonder 3000 SE Ser.#281449		92	651T672	GOOD
ROTARY MOWER				
Toro Model 22680C Ser.#8900396		90	651T683	GOOD
BACK BLOWER				
Toro Model 30941 Ser.#2000323		92	651T675	GOOD
Toro Model 30941 Ser.#2000338		92	651T676	GOOD

1 JULY 1993

<u>EQUIPMENT</u>	<u>SERIAL NUMBER</u>	<u>YEAR</u>	<u>EQUIP. #</u>	<u>CONDITION</u>
EDGER POWER				
Model 802021715039201503			651T673	GOOD
Model 8020217650392051303			651T674	GOOD
ROTOTILLER BCS #737-E/S 26		93		GOOD
Attachments				
Dozer/Scrape #921-58301		93		GOOD
Chipper/Shredder #921-90130		93		GOOD
PTO Extension 3" 922-00010		93		GOOD
Mulching Bar 44" 921-90579		93		GOOD
Mower/Catcher 38" 921-90573		93		GOOD
ROTOTILLER HONDA F210		93		GOOD
MOWER HONDA HR 173		93		GOOD
COMPRESSOR EM110 AM78 HC4V		90		GOOD
GENERATOR Honda EM-2500				
Ser.#1011744		92		GOOD
GENERATOR Honda EM-5000SX				
Ser.#1002027		91		GOOD
GENERATOR Honda EM-1000		92		GOOD
SAWS				
Husquarna Model 262XP				
Sec.#		92		GOOD
Husquarna Model 42				
Sec.#		92		GOOD
Husquarna Model 42				
Sec.#		92		GOOD
Homelite Model				FAIR
Homelite Model		92		FAIR
Homelite Model		92		FAIR
Husquarna PS50 Highcutter		92		GOOD

OFFICES AND FURNISHINGS

- 1 24' X 40' Office Trailer - Administration Annex (Conf. Rm. B)
- 1 10' X 14' Office Trailer - Sr. Keeper Office @ Elephant House.
- 1 10' X 40' Office Trailer - Sr. Keeper Office @ Administration Complex.
- 1 12' X 60' Keeper Locker Room Trailer

Furnishings

Furnishings include desks, chairs, file cabinets, tables, phones, and shelves.

Equipment

- 1 IBM laser printer (# - 17323)
- 1 Epson dot matrix printer (#-OHA1038120)
- 1 Panafax UF 311 Fax Machine (#-01920300259)
- 1 Xerox 5052 Copier (#-15P-365582)
- 5 DFI PC's w/ Monitors and Keyboards

Misc. Equipment

- 1 Trash Compactor (located behind Mothers Building)

MOTOROLA HT-90

797FGB 0820
797FGN 0821
797FGN 0822
797FGN 0823
797FGN 0824
797FGN 0825
797FGN 0826
797FGN 0827
797FGN 0828
797FGN 0829
797FGN 0830
797FGN 0831
797FGN 0832
797FGN 0833
797FGN 0834
797FGN 0835
797FGN 0836
797FGN 0837
797FGN 0838
797FGN 0839
797FGN 0840
797FGN 0841
797FGN 0842
797FGN 0843
797FGN 0844
797FGN 0845
797FGN 0846
797FGN 0847
797FGN 0848
797FGN 0849
797FGN 0850

JUL 30 1993

San Francisco Zoo Radio Serial Number List

MOTOROLA RADTUE 50+

519FRW 3222
519FRW 3223
519FRW 3224
519FRW 3225
519FRW 3226
519FRW 3227
519FRW 3228
519FRW 3229
519FRW 3230
519FRW 3231
519FRW 3232
519FRW 3233
519FRW 3234
519FRW 3235
519FRW 3236
519FRW 3237
519FRW 3238
519FRW 3239
519FRW 3240

MOTOROLA MAXTRAX 50

428HQN 4377
428HQN 4378
428HQN 4379
428HQN 4380
428HQN 4381
428HQN 4382

Motorola HT90

476ALL0336
476ALL0337
476ALL0340

M/ KV-6110 a
S/ 42200263

Hitachi Camera
M/ VK-C350
S/ 00501590

A/V shop

Toa Microphone
M/ VM 340 OU
S/ C9445

A/V shop

Canon Facsimile machine
M/ L770
S/ C0228268

Toa Wireless System
microphone
M/ VM340U
receiver
M/ VTU840U
S/ 91C50D0865
rec. frame
M/ VT840U
antenna

Toa Speaker System
speakers (2)
M/ TOA-SL-60VH
power mixers
M/ MX601
S/ 01B026754
sound system
M/ SM25A

video monitor
M/ CT-2580VY

color monitor
M/ CM-22U

Hitachi Camera
M/ M52-000-02

Handycam Video 8 Recorder
M/ CCD-SP9
S/ 205479

Sony Video High 8
M/ CCD TR 200
S/ 1010025

1 July 1993

FIREARMS INVENTORY

LION HOUSE KEEPER'S ROOM

1 Winchester Bolt Action 30.06 Model 70, Featherweight
Serial Number 555478

ANIMAL HOSPITAL

1 Winchester Bolt Action 30.06 Model 70, Featherweight
Serial Number 554754
1 Remington Wingmaster Model 870 12 Gauge Pump Shotgun
Serial Number T861695V-5 rounds

SENIOR KEEPERS OFFICE

2 Remington Wingmaster Model 870 12 Gauge Pump Shotgun
Serial Numbers T854862V and T862897V-50 rounds (slugs)

Exhibit C

List of Reimbursable Services to be Provided by City to Zoo

(SEE ATTACHED)

SCHEDULE: CITY SERVICES, 1993-94
SAN FRANCISCO ZOO
RECREATION & PARK DEPARTMENT
Prepared 7/1/93
CITYSVCS

	ESTIMATED LABOR COST
Stationary Engineer & Supv. 365 days	103,800
Truck Driver SS, 104 days	36,050
Trash Removal 104 days: 2/week	48,104
Lawn Mowing 12 days: 2/month	12,000
Heavy Equipment: Lake 4 man crew, 10 days (Sept)	10,000
Heavy Equipment: Africa 4 man crew, 10 days (April)	10,000
Tree Toppers 5 man crew, 30 days (1 week Oct, Nov, Jan & emergency, 2 weeks March)	32,400

TOTAL SUPPORT SERVICES	\$252,354

Exhibit D

Licenses and Permits

(SEE ATTACHED)

ZOO PERMITS

USDA - Class C Exhibitors License

USDI - (Fish and Wildlife) Captive Breeding Permit

Center for Disease Control - Non-Human Primate Importation Permit

State Permit for Movement of Animals

Hazardous Materials Permit - EPA #CAL000079684

License to Practice Veterinary Medicine in the State

Controlled Substance Registration Certificate

US Fish & Wildlife - Raptor Propagation Permit

California Department of Fish and Game - Scientific Captive Breeding Permit

MOU's California Dept. of Fish and Game - Bald Eagle genetics

Exhibit E

Furnished Utilities

(SEE ATTACHED)

1 JULY 1993

FURNISHED UTILITIES

Gas

Electricity

Domestic Water

Well Water

Reclaimed Water

Telephone

Heat, light, power

Fuel

Sewer Service

Exhibit F

Scope and Schedule of Infrastructure Bond Work

(SEE ATTACHED)

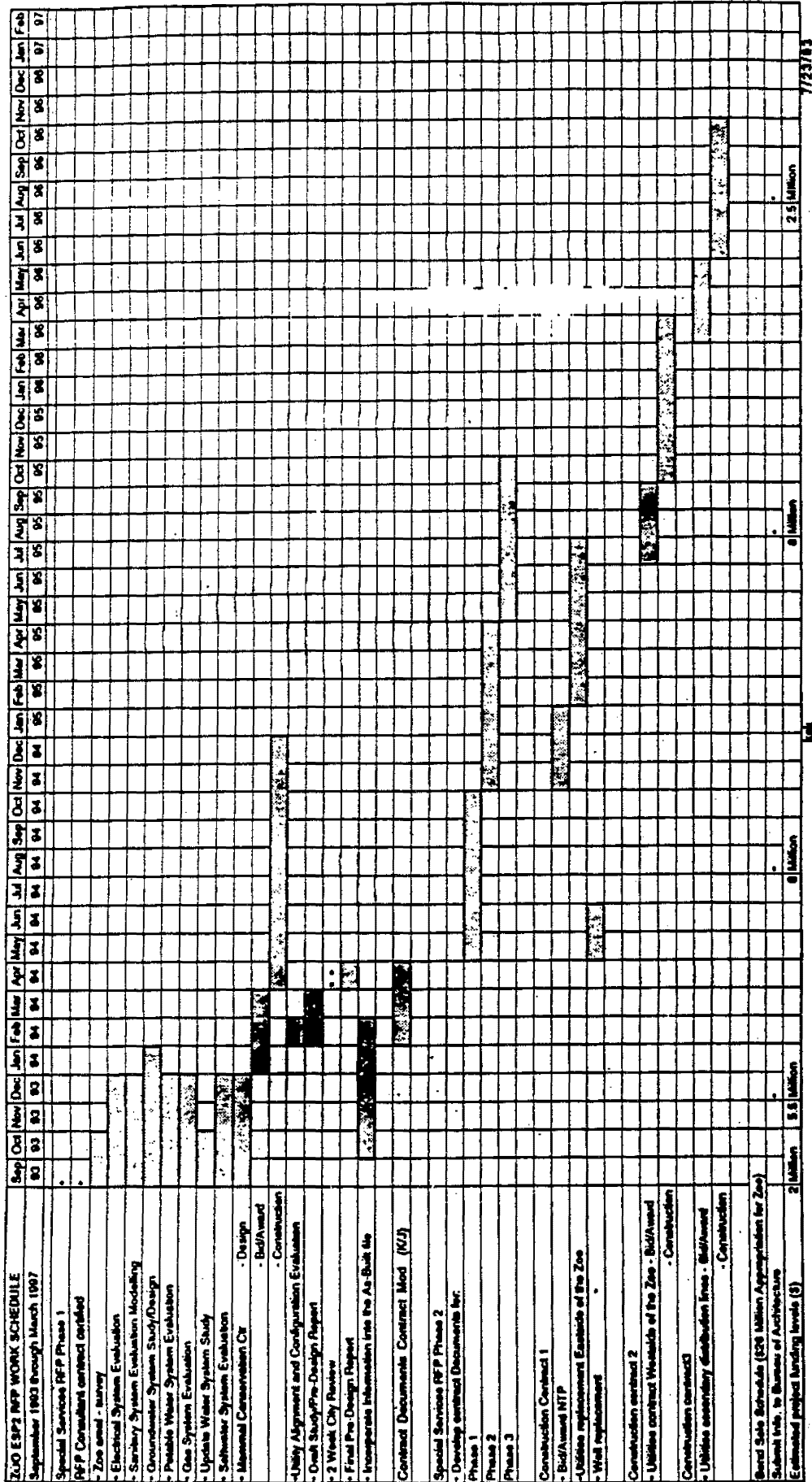


Exhibit G-1

Civil Service Employees

(SEE ATTACHED)

FULL-TIME CIVIL SERVICE PERSONNEL ASSIGNED TO THE
SAN FRANCISCO ZOOLOGICAL GARDEN AT 1 JULY 1993

CLASS	TITLE	NAME
1450	Executive Secretary I	Peterson, Woody
2290	Veterinarian	Bennett, Avery
2708	Custodian	Bishop, Juanita Cornwell, Bill Romero, Augusto Vigil, Victor Yee, Doris
2440	Veterinary Laboratory Techs	Brozicevic, Michelle Hedberg, Gail Martorana, Ron
3320	Animal Keeper	Aniot, Ron Barisone, Patti Bernardi, Ron Bocian, David Caratti, Linda Castor, Jack Channon, Connie Cone, Carol Corona, Steve Gershenz, Norman Grissom, John Hamburger, Lisa Hartgraves, Jeff Hartney, Ingrid Horblit, Helen Howe, David Huckle, Jane Hunter, Paul Jackson, Dan Kerr, Mary Martinez, Carol Moyle, Terry Munoz, Joe Nikitas, Laurie Peck, Yovanna Rudovsky, Michelle Rumsey, Nancy Sharp, Tony Stifflemire, C. Stowe, Neal Taha, Robin Turowski, Tom Weiss, Alex Whiler, Mike Wright, Andrea Willers, Chris

CLASS	TITLE	NAME
3321	Senior Keepers	Colonnese, Tony Edmunds, Herman Feinberg, Alan
3322	Asst. Head Keeper	Tony Bila
3324	Head Keeper	Joe Rusk
3338	Asst. Director/Operations	Jurosek, Marla
3339	Asst. Zoo Director/Animals	Robinett, David
3340	Zoo Director	Anderson, David
3342	Zoo Curator	Sulak, Myron
3417	Gardener	Foster, Tom McCardle, Mike Ninos, John Raber, John White, Harry
3422	Gardening Supervisor	Chiosso, Tom
7347	Plumber	Yee, Eddie
7355	Truck Driver	Lembi, Roy
7395	Iron Worker	Benlain, David

Exhibit G-2

Employee Agreements from Concepts of Expanded Partnership

(SEE ATTACHED)

LETTER OF INTENT
BETWEEN
UPE LOCAL 790, SEIU
AND
THE SAN FRANCISCO RECREATION AND PARK DEPARTMENT

The Recreation and Park Department and UPE Local 790, SEIU agree that it is their intent that the following language be incorporated into the Expanded Partnership Agreement between the City and County of San Francisco and the San Francisco Zoological Society, should the current negotiations regarding an Expanded Partnership Program result in an agreement:

The parties acknowledge that UPE Local 790, SEIU has been certified as the recognized employee representative, pursuant to the provisions of the city's Employee Relations Ordinance, of the following employment classifications assigned to the Zoo: 2708, Custodian; 3302, Vendor; 3322, Assistant Head Animal Keeper; 3324, Head Animal Keeper; and 4321, Cashier II. Both parties agree that should the Expanded Partnership Program be enacted, Local 790 shall continue to represent the current permanent Civil Service employees in the above classes.

In the event that a position in any of the above classifications becomes vacant for any reason, the vacant position will be abolished or reassigned outside the Zoo by the City and County of San Francisco Recreation and Park Department.

No permanent employee in the above classifications as of the date of ratification of this Expanded Partnership Agreement shall be laid off or reassigned due to this Expanded Partnership Agreement.

Permanent employees in the above classifications who are assigned to the Zoo as of the date of ratification of this Expanded Partnership Agreement shall remain employees of the City and County of San Francisco assigned to the Zoo. Such employees shall continue to be subject to the same general rights, privileges, conditions and obligations applicable to other employees in the same classifications employed by the City and County of San Francisco Recreation and Park Department.

It is understood by both parties that in the event that the Zoological Society fails to meet its obligations in operating the Zoo under the Expanded Partnership Agreement, management of the Zoo will be resumed by the City and County of San Francisco Recreation and Park Department. All employees covered by the agreement will retain their Civil Service rights and obligations and continue to be covered by the contract between UPE Local 790, SEIU, and the City and County of San Francisco.

Nothing herein shall limit the ability of the Zoological Society to supervise and direct the activities of City employees in the above classifications assigned to the Zoo.

Concepts of Lease Agreement
San Francisco Recreation and Park Commission
San Francisco Zoological Society

Agreements to Amend Concepts
Teamsters 350 and Teamsters 856
February 4, 1993

SECTION 3. The City of San Francisco and the Recreation and Park Commission in accordance with a lease agreement shall provide the San Francisco Zoological Society an annual payment subject to normal budget appropriation each year by the Board of Supervisors, for services rendered in operating the Zoo. The payment may be in the form of services, Civil Service salaries, utilities, payments of other operating costs, or some combination.

AMENDED TO READ: "...shall provide the San Francisco Zoological Society an annual payment of \$4 million each year of the first five years of this agreement, subject to ...combination." After the first five years, in any subsequent renewal of this agreement, the amount of the City's annual payment shall be re-negotiated and indexed based on cost of living or Civil Service salary standardization, whichever is greater, subject to the approval of the Recreation and Park Commission and the Board of Supervisors.

7. Current Permanent Civil Service Animal Care personnel, as set forth in Attachment B, lacking transfer opportunities, may elect to resign from employment with the City and County of San Francisco and become San Francisco Zoological Society employees or may remain employees of the City and County of San Francisco assigned to the Zoo, subject to all rights, privileges and obligations as set forth in the Charter and Civil Service Commission rules.

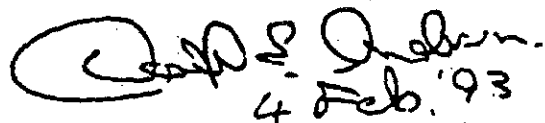
Current Permanent Civil Service employees who retain their city employment will continue to enjoy all rights privileges and obligations provided to them by City Charter and Civil Service Commission Rule.

This Section 7 shall apply to any subsequent renewals of the lease agreement.

AMENDS FORMER SECTION 7.

11. In the event the Expanded Partnership agreement is terminated and the City re-assumes operational management of the Zoo, re-hiring and hiring of animal keepers shall occur in the following manner:

- a. Any Civil Service animal keeper who resigns from employment with the City of San Francisco to accept a position as animal keeper with the Zoological Society, shall retain preference for a period of four years by


4 Feb. '93

EXHIBIT

*Subject
to
approval
2.2.93*

exercising their right to request reappointment to their Civil Service position. After four years, right to reinstatement ceases and preference will be retained in the manner as shall apply to non-civil Service animal keepers. (see b. below)

- b. Non-Civil Service animal keepers hired by the Zoological Society during the term of the Partnership agreement shall be given preference by the granting of temporary appointments in available Civil Service animal keeper positions prior to establishment of a new eligibility list; temporary appointments are granted seniority in hiring by the Civil Service Commission rules.
- c. At such time that a Civil Service animal keeper examination is given and an eligibility list established, the Recreation and Park Department and Teamsters Local 856 shall request that rule-of-the-list rather than rule-of-three shall be used for selection. Should the eligibility list be rule-of-the-list, preference shall be given to animal keepers hired during the tenure of the Partnership agreement.

12. NEW

In the event the Expanded Partnership is enacted, the three current Senior keepers shall retain their positions. It is understood that these employees shall continue to abide by the Civil Service Commission Rules.

It is also agreed that in the event job positions are established within the San Francisco Zoological Gardens by the San Francisco Zoological Society at levels higher than the Senior Keeper position any employee shall be entitled to apply for said position(s) and will be given consideration for placement in said position(s). Further, in the event a Senior Keeper position becomes available, Animal Keepers shall be entitled to apply for such position, and if selected shall upon such selection have the choice of becoming an employee of the San Francisco Zoological Society or to have civil service status in the City and County of San Francisco.

The Senior Keeper job title may be changed at the discretion of the Zoo Director. The pay differential established pursuant to salary standardization between the Animal Keeper and Senior Keeper positions shall continue in effect notwithstanding a job title change.

In the event this lease agreement does not go into effect, the three current Senior Keeper positions will be retained unless the City of San Francisco General Funds are reduced from the Zoo's Recreation and Park Department budget.

*David E. Johnson
4 Feb '93*

DATE: 2/2/93

Mary E. Burns
Mary Burns
General Manager
SF Recreation and Park Dept.

Paul Varacalli
Paul Varacalli
Executive Director
UPE Local 790, SEIU

David E. Anderson 2 Feb. 93
David Anderson
SF Zoological Gardens

Fred Barker
Fred Barker
Field Representative
UPE Local 790, SEIU

Exhibit G-3

Schedule of Employee Agreements

(SEE ATTACHED)

SAN FRANCISCO ZOOLOGICAL GARDENS
Schedule of Employee Agreements under Union Representation
July 1 1993

Teamsters Local 856		
Recreation and Park Department - Animal Keepers	37	
San Francisco Zoological Society - Animal Keepers, Rides & Admissions, Maintenance, Retail	37	
Teamsters Local 350, R/P Senior Keepers	3	
Teamsters Local 216, R/P Truck Driver	1	
Total Teamsters		78
Local 2 Hotel & Restaurant Employees		
Zoological Society		
Total Local 2		56
SEIU Local 790		
R/P Dept. Head & Asst. Head Keepers	2	
R/P Dept. Custodians	5	
Total SEIU		7
Laborers Local 261		
R/P Dept. Gardners		
Total Local 261		6
Local 250		
R/P Dept. Hospital Workers	3	
R/P/Dept. Zoologists	1	
Total Local 250		4
Local 38 Plumbers		1
Local 377 Ironworkers		1
Total Union Workers, San Francisco Zoological Gardens		153

EXHIBIT G-3

Exhibit H

Additional Attachments

(SEE ATTACHED)

A07A/092393

Exhibit H - SEE ATTACHED



San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 · Fax: 415.252.3112

Filing Information

Record Number

SFEC126F0001331

Status

BOS Legislative Clerk Acceptance

SFEC126f Form Type

126f4 BOS

File Number (BOS)

260393

Type of Filing

Original

Contractor Information

Contractor Name

San Francisco Zoo Society

Contractor Email

cassandrac@sfzoo.org

Contractor Phone #

(415) 213-8108

International Address?

No

Contractor Address (US)

SLOAT BLVD. @ THE GREAT HIGHWAY

Contractor City and State

San Francisco - CA

Contractor Zip Code

94132

Country

United States of America

Contract Information

Contract Amount

\$8,500,000.00

Description of Amount of Contract

agreement to loan up to \$8.5 million

Contract Description

Resolution authorizing the Recreation and Park Department to enter into an agreement to loan up to \$8.5 million to the San Francisco Zoo Society ("SFZS") to support the operations and long-term financial sustainability of the San Francisco Zoo contingent on various milestones and terms and conditions, to be repaid over 10 years in the form of deductions from the SFZS's Management Fee; allowing for the City to terminate the Lease and Management Agreement with the SFZS in the event the loan is not timely repaid or if the conditions in the loan agreement are otherwise not met; and authorizing the Recreation and Park Department General Manager to enter into amendments or modifications to the loan agreement that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the permit or this Resolution.

City Agency - Departmental Contact Information

Departmental Contact

Beverly Ng

Departmental Contact Phone

(415) 831-6852

Full Department Name

REC - Rec & Park

Agency Contact Email

beverly.ng@sfgov.org

Departmental Contact Comments

Introduction to BOS on April 21. We hope to schedule in tandem with file No. 260360 for Budget and Finance Committee on April 29, and full board of supervisors on May 5.

Contract Approval

Mayoral Approval Not Required

false

Affiliates and subcontractors

Entity Type	First Name	Last Name	Entity or Sub/Contractor Name
CEO	Cassandra	Costello	San Francisco Zoo Society
CFO	Jeff	Pace	San Francisco Zoo Society
Board of Directors	Marie-Claude	Nadeau	San Francisco Zoo Society
Board of Directors	John Patrick	Flynn	San Francisco Zoo Society

Daniel Lurie, Mayor



Kat Anderson, Commission President
Sarah Madland, Interim General Manager

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Beverly Ng, San Francisco Recreation and Park Department
DATE: April 10, 2026

SUBJECT: San Francisco Zoo Society – Loan Agreement

Please find attached a proposed: **Resolution authorizing the Recreation and Park Department to enter into an agreement to loan up to \$8.5 million to the San Francisco Zoo Society ("SFZS") to support the operations and long-term financial sustainability of the San Francisco Zoo contingent on various milestones and terms and conditions, to be repaid over 10 years in the form of deductions from the SFZS's Management Fee; allowing for the City to terminate the Lease and Management Agreement with the SFZS in the event the loan is not timely repaid or if the conditions in the loan agreement are otherwise not met; and authorizing the Recreation and Park Department General Manager to enter into amendments or modifications to the loan agreement that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the permit or this Resolution.**

The following is a list of supporting documents.

1. Legislation (Word format)
2. Supporting documents – Zoo Loan Terms Draft
3. 1993 Lease
4. Confirmation of /s/ signatures (department head, controller, mayor's office, etc.)

Timeline:

We hope to schedule in tandem with file [No. 260360](#) for Budget and Finance Committee on April 29, and full board of supervisors on May 5.

Greatly appreciate your assistance with this item. If you have any further questions, please do not hesitate to contact me directly.

Thank you,

Beverly Ng

Interim Director of Policy and Public Affairs
San Francisco Recreation and Park Department
E-mail: Beverly.Ng@sfgov.org
Direct: (415) 831-6852

