

File No. 250944

Committee Item No. 2

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date September 17, 2025

Board of Supervisors Meeting Date _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

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Completed by: Brent Jalipa Date September 11, 2025

Completed by: Brent Jalipa Date _____



September 10, 2025

Angela Calvillo, Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
San Francisco, CA 94102

Supervisor Connie Chan, Chair, Budget and Finance Committee
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
San Francisco, CA 94102
Sent Via Email: Connie.Chan@sfgov.org

Re: Release of \$3,000,000 reserve for the San Francisco Zoological Society

Dear Madam Clerk and Chair Chan:

I would like to calendar the release of \$3,000,000 of reserve from the Budget and Finance Committee for the operation of the San Francisco Zoo. The City and County of San Francisco (the "City") provides the San Francisco Zoological Society (the "Zoo") an annual management fee of \$4 Million, pursuant the Lease and Management Agreement dated July 1, 1993, between the City and the Zoo.

However, the City has frozen \$3 Million of the total management fee for the current fiscal year while the Zoo has worked to comply with an audit, file no 241027, passed by motion on December 10, 2024. We are pleased to inform the Budget and Finance Committee (the "Committee") that we have been diligently working with the Budget and Legislative Analyst to fully comply with the audit over the summer and since the funds were frozen. Therefore, we respectfully request that the Committee release the frozen funding so that the Zoo can put these funds toward our general operating needs.

Thank you.
Sincerely,

Jeff Pace
Chief Financial Officer, Co-CEO

CC: Cassandra Costello, Chief Operating Officer, Co-CEO, San Francisco Zoological Society
Supervisor Myrna Melgar
Budget and Legislative Analyst Office

Item 2
File 25-0944

Department:
Recreation and Parks Department (REC)

EXECUTIVE SUMMARY

Legislative Objectives

- The San Francisco Zoological Society (Zoological Society), in a September 10, 2025 letter to the Chair of the Budget and Finance Committee, has requested that \$3,000,000 in proposed Fiscal Year (FY) 2025-26 funds be released from reserve by the Budget and Finance Committee to support its operations from October through the end of FY 2025-26.

Key Points

- On December 10, 2024 the Board of Supervisors approved a motion directing the Budget and Legislative Analyst to conduct a comprehensive performance audit of the San Francisco Zoo, which is owned by the City and operated by the Zoological Society. The Zoological Society is an independent nonprofit organization.
- On June 2, 2025, Dan Goncher, a Principal with the Budget and Legislative Analyst's Office, sent a letter to the former Executive Director of the Zoological Society as well as selected members of the Board of Supervisors, indicating that Zoological Society management was not fully cooperating with the performance audit.
- During the Board's budget process in June 2025, the Budget and Appropriations Committee placed \$3,000,000 of the \$4,000,000 in annual financial support on reserve pending full cooperation by Zoological Society management with the Budget and Legislative Analyst's performance audit of the San Francisco Zoo.

Fiscal Impact

- The proposed release of reserves would enable the Recreation and Parks Department to provide monthly installments of the annual financial support after September 30, 2025 and throughout the remainder of the fiscal year. The Budget and Appropriations Committee placed \$3,000,000 or 75 percent of the annual subsidy on reserve.

Policy Consideration

- The Budget and Legislative Analyst notes that Zoological Society management has shown much greater cooperation since the \$3,000,000 was put on reserve in June 2025.

Recommendation

- Approve the requested release of reserves.

MANDATE STATEMENT

City Administrative Code Section 3.3(j) states that the Budget and Finance Committee of the Board of Supervisors has jurisdiction over the City's budget and may reserve proposed expenditures to be released at a later date subject to Board of Supervisors approval. The practice of the Board of Supervisors is for the Budget and Finance Committee to approve release of funds placed on reserve by the Committee, without further Board of Supervisors approval.

BACKGROUND

The San Francisco Zoological Society (Zoological Society), a 501(c)(3) non-profit organization, operates the San Francisco Zoo on behalf of the City. The Zoological Society has managed the Zoo since 1993 under a lease and management agreement. The lease and management agreement provides for financial support from the City to the Zoological Society in the amount of \$4,000,000 per year, which is provided through the Recreation and Parks Department in monthly installments for general operating needs.

In December 2024, the Board of Supervisors approved a motion (File 24-1027) directing the Budget and Legislative Analyst to conduct a comprehensive performance audit of the San Francisco Zoo.

On June 2, 2025, Dan Goncher, a Principal with the Budget and Legislative Analyst's Office, sent a letter to the former Executive Director of the Zoological Society as well as selected members of the Board of Supervisors, indicating that Zoological Society management was not fully cooperating with the performance audit.

In June 2025, the Budget and Appropriations Committee put \$3,000,000 of the \$4,000,000 annual financial support on reserve pending full cooperation from Zoological Society management with the Budget and Legislative Analyst's performance audit team.

DETAILS OF PROPOSED LEGISLATION

The Chief Financial Officer and Co-CEO of the Zoological Society sent a letter to the Chair of the Budget and Finance Committee on September 10, 2025 requesting a release of reserves in the amount of \$3,000,000 from the FY 2025-26 budget. As noted above, this amount is part of an annual \$4,000,000 of financial support from the City to the Zoological Society, which is provided through the Recreation and Parks Department budget.

The letter asserts that the Zoological Society has been working diligently to fully comply with the audit over the summer and since the funds were frozen.

FISCAL IMPACT

The proposed release of reserves would enable the Recreation and Parks Department to provide monthly installments of the annual financial support after September 30, 2025 and throughout

the remainder of the fiscal year. The Budget and Appropriations Committee placed \$3,000,000 or 75 percent of the annual subsidy on reserve.

The lease and management agreement between the City and the Zoological Society stipulates that \$4,000,000 be provided each fiscal year to support the Zoo's operational needs.

POLICY CONSIDERATION

The Budget and Legislative Analyst notes that Zoological Society management has shown much greater cooperation since the \$3,000,000 was put on reserve in June 2025.

RECOMMENDATION

Approve the request to release the \$3,000,000 in reserved funds for the San Francisco Zoo.

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- ☐ 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- ☐ 2. Request for next printed agenda Without Reference to Committee.
- ☒ 3. Request for hearing on a subject matter at Committee.
- ☐ 4. Request for letter beginning : "Supervisor inquiries"
- ☐ 5. City Attorney Request.
- ☐ 6. Call File No. from Committee.
- ☐ 7. Budget Analyst request (attached written motion).
- ☐ 8. Substitute Legislation File No.
- ☐ 9. Reactivate File No.
- ☐ 10. Topic submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- ☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission
- ☐ Planning Commission ☐ Building Inspection Commission

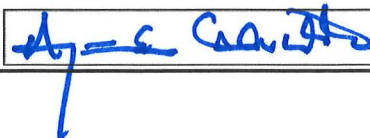
Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Subject:

The text is listed:

Signature of Sponsoring Supervisor:



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