

Niabi Zoo

Strategic Action Plan Update

October 13, 2015

I. Overview

Schultz & Williams

- Schultz & Williams (S&W) is the leading planning firm in the zoo industry. Our zoological knowledge and experience is unmatched in the industry – providing strategic, business and organizational planning services to over 90 AZA-accredited zoos and aquariums with budgets ranging from less than \$1,000,000 to well over \$55,000,000, and attendance ranging from 75,000 to over 3,000,000.
- Since 1987, the success and integrity of our work has been driven by one simple philosophy: development, management and marketing strategies must be fully integrated in order for organizations to achieve financial stability, operational excellence and, ultimately, their mission-related goals. This strategic and innovative approach provides our clients with the management tools they need to maximize and leverage all resources and realize lasting success.

Assignment

- S&W was engaged in September 2014 by the Forest Preserve Commission to create a viable and sustainable five-year strategic action plan for the Niabi Zoo, dated October 2014. Subsequently, in August 2015, S&W was re-engaged by the Commission to assess and update the October 2014 Strategic Action Plan and, based on the current strategic opportunities, develop recommendations to strengthen and position the Niabi Zoo for future growth and success.
- Rick Biddle, S&W Vice President has led the efforts to update the Strategic Action Plan for the Zoo; he also authored the original Strategic Action Plan in October 2014. Rick has over 35 years of experience in working with and supporting AZA zoos and aquariums and has worked with over 90 AZA-accredited institutions. He brings to S&W a high level of experience in finance, strategic planning, operations and fundraising. He is the leading management and planning resource in the area of public/private partnerships and governance planning of zoos throughout the United States.
- In completing this update, Rick Biddle had numerous discussions with members of the Zoo, Forest Preserve and the Niabi Zoological Society (Society) and either met one-on-one or had a telephone discussion with community and/or philanthropic leaders/funders to gain their input on the future of the Niabi Zoo.

II. Key Recommendations

- Successfully shifting governance to a new “Public/Private Partnership” (PPP) requires the right timing, leadership and right “story” going forward for the Niabi Zoo. The original 2014 Strategic Action Plan (SAP) as well as the recently completed discussions as part of this SAP Update Report have provided opportunities for open dialogue regarding the Zoo’s governance. There appears to be consensus among Zoo and Society leadership as well as the Forest Preserve Commission that “status quo” is no longer an option. With both the willingness and leadership in place to shift the Zoo’s governance, now is the right time to begin the process of transitioning to a new PPP.
- The transition to a new PPP will strengthen the Zoo’s goal of regaining its AZA (Association of Zoos and Aquariums) accreditation.
- To leverage all of the Zoo’s opportunities and resources, and given that a full (immediate) shift to a new PPP is not a viable approach, we envision two transition tracks that need to occur in tandem:
 1. Strengthening the Niabi Zoo through new governance with a Steering Committee/Oversight Board; and
 2. Strengthening the Niabi Zoological Society through new leadership, with a renewed focus and a new case for support.
- **Strengthening the Niabi Zoo** will require shifting the Zoo’s governance from the Forest Preserve Commission to a new five-member Steering Committee/Oversight Board. We recommend that the five members of the Steering Committee/Oversight Board be composed of the following individuals and groups:
 - Rock Island County Forest Preserve District Director
 - The new Zoo Director/CEO, once hired
 - Three community leaders with extensive experience in not-for-profit governance, fundraising, animal management and/or veterinary sciences and are recognized community stewards with access to, connection with and/or have a strong passion for the Zoo, its brand and its future growth and development.
- **Strengthening the Niabi Zoological Society** will require recruiting new Board leadership – it will be imperative that this include community stewards with both access to wealth and/or a network that includes those with that access. The Society will benefit from a renewed focus, including embracing its sole responsibility to fundraise and “friend-raise” in support of the Strategic Action Plan, case for support and Zoo operations as well as to support the Zoo’s strategic direction under the leadership of the new Zoo Director/CEO.
- Among the transition’s many benefits is that it will create greater appeal for donors who articulated a reluctance during their interviews for the Society’s recently completed feasibility study to support the Zoo as a publically-managed facility.

III. Definitions of Terms

- **Public Private Partnership (PPP):** The new future governance structure that will govern the Niabi Zoo with an independent Board that operates the Niabi Zoo under a long-term management agreement or lease with the Rock Island County Forest Preserve Commission. The Steering Committee/Oversight Board and the new Society could merge and integrate into the Board of the new PPP, when the timing is right and the leadership is in place.
- **Steering Committee/Oversight Board:** an independent group of five new members who will govern the Niabi Zoo in the short-term transition period by developing and implementing organizational, financial, operational and programmatic plans to strengthen the Niabi Zoo. The Steering Committee/Oversight Board could transition to or integrate into the future governance Board of the Niabi Zoo once the key strategic action steps are implemented.
- **New Society Board Members:** The Society, as a 501(c)3 not-for-profit organization, could remain as an entity but re-organize with new Board members. The composition of the new Board must include new community leaders (Quad Cities and regional representatives) who will be responsible for fundraising and friend-raising in support of the Niabi Zoo. Through the initial governance transition, we recommend that the new Society Board be composed of 7-10 community leaders and stewards with the ability to increase to a larger group in the future. The new Society Board must have the capacity, access and/or influence to raise private contributions and gifts to support the Zoo's operating and capital/facility programs. Such contributions and gifts will be leveraged against the Commission's operating and capital funds in support of the Niabi Zoo, as defined in the new management agreement.
- **Forest Preserve Commission:** No direct governance and management responsibilities with the Niabi Zoo. Under the new management agreement/lease with the new PPP – or via the new Steering Committee/Oversight Board, provides annual operating and deferred maintenance support to the Niabi Zoo and remains the Zoo's largest donor.
- **Management Agreement/MOU:** A long-term agreement between the Commission and the new PPP that defines the key ownership, management, operational and financial considerations for the Niabi Zoo. The agreement outlines the key community considerations that should be developed to allow the Niabi Zoo to remain accessible to all residents of the Rock Island County Forest Preserve.
- **Interim Director:** A current Zoo staff leadership member who is responsible for managing and directing the Niabi Zoo under the direction of the Steering Committee/Oversight Board until a permanent or Acting Zoo Director/CEO is hired.
- **Acting Zoo Director/CEO:** An individual who could be engaged on a temporary or contracted basis to fulfill the duties and responsibilities of the Zoo Director/CEO until such time as a permanent full-time Zoo Director/CEO is hired.

- **New Zoo Director/CEO:** The new full-time permanent leader of the Niabi Zoo would be the sole employee of the Steering Committee/Oversight Board and/or future PPP. This individual could be a non-voting member of the future PPP and would be responsible for the management and operations of the Niabi Zoo. All employees of the Niabi Zoo would report either directly or indirectly to the new Zoo Director/CEO and the Director/CEO would have sole responsibility of employing or terminating all employees as governed by State Law and the collective bargaining agreement(s).

IV. Criteria for Success for the Niabi Zoo: To Be Implemented NOW

1. Establish an independent, five member **Steering Committee/Oversight Board** that will govern the Niabi Zoo through the transition period; could take up to a year or more to complete successfully.
2. The Society must **recruit new volunteer Board leadership** – new Board members must be community stewards with access to wealth or with a network of individuals with that access. With a shift to a privately-managed entity, the Zoo and the Society will be better positioned to leverage its leadership to raise new financial resources and establish dynamic partnerships that will further strengthen the Niabi Zoo.
3. There must be transparency and clarity surrounding the “core roles and responsibilities” for both the new Steering Committee/Oversight Board and the Forest Preserve Commission. A **Management Agreement** will outline the key management and operating considerations and objectives for each entity. As part of this Agreement, the following should be included:
 - a. The Forest Preserve Commission is the **owner of the assets** – current and future – and will function as a strong partner and leader within the Public/Private Partnership.
 - b. The Forest Preserve will **remain a key funder** or “donor” to the Zoo by providing a consistent and dedicated level of operating funding and deferred maintenance improvements. The public taxpayer-backed financial support will be balanced with earned revenue and increased contributed support from the Society.
 - c. It is crucial that the shift in governance not take place “on the backs of the Zoo employees.” As a result, there must be careful consideration for how existing **employees and union representatives** are transitioned to the new private entity. A transition typically leads to a “right-sizing” of benefits along with competitive, market-driven salaries, especially with the new Zoo Director/CEO. It is common for existing staff to be grandfathered into the private entity, maintaining their years of service and with vested employees maintaining their pension plan requirements, among other considerations.

- d. The Management Agreement will also need to include the **indirect expenses** that will be continue to be covered by the Forest Preserve. Typically, the public entity continues to cover both property and general liability insurance as well as utilities and water. The Forest Preserve Commission and Steering Committee/Oversight Board will need to negotiate the specific amount of coverage that the public entity will continue to provide.
- e. Although the Zoo will eventually be a privately-managed entity, it is still a public, community asset. It will be important for all members of the community to have access to the Zoo. Offering **community days** that will provide greater access to all income levels and across all audiences will be critical as part of the Zoo's core mission. The community days must be positioned to provide maximum benefit to the Zoo without causing significant financial hardship to the Zoo.

5. One of the most important keys to a successful shift in governance is strong leadership. Although the Zoo is disappointed to lose its current Director, the timing of the resignation of Marc Heinzman represents an opportunity to carefully evaluate the skill-set and needs in a **new Zoo Director/CEO** and to recruit a strong, capable leader who will continue to position the Zoo for success. The new Zoo Director/CEO must be paid a market-driven, competitive salary with related benefits to attract the most qualified leader to the Niabi Zoo.
6. To ensure a successful future for the Niabi Zoo, leadership will need to determine the "real annual cost" of operating the Zoo under the new governance structure. A **viable and sustainable pro forma business plan** – one that integrates with the Zoo's facility, collections and fundraising plan – must be developed to ensure that all expectations are clearly defined, including those of the Steering Committee/Oversight Board, Forest Preserve Commission, Society, donors, members and the community at large.
7. **Celebrating 2016**: To build greater awareness for the Niabi Zoo and its brand within the Quad Cities region, the Zoo needs to "tell its new story", commencing in the Spring of 2016. A new, compelling visitor/animal experience(s) must be implemented in early 2016 to further strengthen the Zoo's connection with its visitors, members, donors, staff/volunteers and partners.

V. Key Strategic Action Steps & Timeline

Based on our recent discussions, interviews and presentations as well as the "Criteria for Success" as defined within Section IV of this report, we have summarized below the key Strategic Action Steps and corresponding timelines for moving forward now with ensuring the future success, viability and sustainability of the Niabi Zoo.

Schultz & Williams would be happy to assist the Steering Committee/Oversight Board and the Society as needed with the future implementation of the action steps defined below:

- **October 2015**

1. Agreement with Rock Island Forest Preserve Commission on the future governance structure for the Niabi Zoo, including how the Niabi Zoo will “transition” to a new Public Private Partnership (PPP) governance structure.

- **November 2015**

1. Establish the Steering Committee/Oversight Board with its five members that will lead the transition process of the Niabi Zoo.
2. Develop a six-month work plan (through April 2016) of key milestone activities to be completed including organizational, financial, operational and programmatic initiatives.
3. Society to identify new Board leadership of its 7-10 new Board members who are community/business/regional leaders and stewards with a strong passion for the Niabi Zoo and the Quad Cities communities.
4. Develop a mini-communications plan that tells the Niabi Zoo’s transition story, including outlining short-term expectations that must be transparent, clear and compelling. Identify and implement new visitor experiences/amenities for 2016 that help to build greater awareness for the Niabi Zoo.

- **December 2015**

1. Society to draft a new case for support that tells a new Zoo story and engages the community in a dialogue to cultivate and solicit new resources in support of the Zoo including donors, funders and partners.
2. Develop/draft the Management Agreement between the Forest Preserve Commission and the Steering Committee/Oversight Board, outlining the key management, financial and operating considerations for successfully governing the Niabi Zoo.
3. Assess need/options for engaging an Acting Zoo Director/CEO to lead the Niabi Zoo.
4. Engage a zoo industry firm to recruit the new Zoo Director/CEO:
 - i. Develop a position profile of the new Zoo Director/CEO, including the salary and related benefits of the position that are competitive and market-driven for the AZA industry. Target date for having the new Zoo Director/CEO in-place at the Zoo is on or before March 1, 2016.

- **January & February 2016**

1. Determine the “real annual cost” for operating the Zoo by developing a pro forma business plan so expectations for fulfilling the funding needs are clear for the Commission, visitors and donors

2. Assess and update the Zoo's facility plans to ensure that it integrates with the Zoo's collection plan:
 - I. Short-term: 2016 impact – compelling, fun, seasonal exhibit with renewed visitor and animal experience(s). *Completed by December 2015.*
 - II. Mid-term: Develop a facilities concept plan that focuses on 2017-2019 by quickly assessing the Zoo's current site uses and opportunities and integrates with the Zoo's collection plan. Engage a zoo design/planning firm to facilitate this plan and discussions. *Completed by June 2016.*
 - III. Long-term: After June 2016, develop a facilities master plan that looks beyond 2019 in terms of leveraging all of the Zoo's resources in terms of land, collections, visitors, funding and sustainability.
3. Once the new Society has been identified and the case for support updated, the Society needs to create a development plan with cultivation and engagement strategies that integrates and leverages with the new governance structure, the Zoo's facility plans (preliminary as they may be) and the expectations identified within the new pro forma business plan.

We appreciate the opportunity to continue our relationship with the Forest Preserve Commission, Society and Niabi Zoo leadership. Please feel free to reach out to us with any additional questions or comments regarding the Strategic Action Plan Update – we would be happy to continue to support the Niabi Zoo and the communities that the Zoo serves.