ROYAL BOTANICAL GARDENS

2012 Budget

Executive Summary

INTRODUCTION

Royal Botanical Gardens (RBG) is Canada’s largest botanical garden with over 2,700 acres of green space, cultivated gardens, parklands and nature sanctuaries. It is one of the largest urban nature sanctuaries in North America. RBG is a unique and irreplaceable asset.

RBG received its Royal Charter in 1930, and was incorporated in 1941 by the Province of Ontario. This was the result of the tremendous vision and dedication of our founders. RBG is a provincial transfer agency of the Ontario Ministry of Culture, and also receives operational grants from both the Regional Municipality of Halton and the City of Hamilton. It is through their support that the original vision will continue for the enjoyment of future generations.

2008 represented the final year of the Phase One transition funds. The funds assisted RBG in getting back on track. Organizational voids, caused by previous cutbacks, were filled. This included development / fundraising, membership, administration and in all of the mandated areas. The funds helped us promote RBG considerably. However, even with increased numbers in admissions, memberships, and educational registrations etc. the gap between revenues and expenses remained. With help from the Province of Ontario through the Ministry of Culture, RBG received additional transition funds for 2008 and 2009. These funds have allowed RBG to continue with its rebuilding and the overall implementation of the Transition Plan.

Royal Botanical Gardens has had many good news stories again this past year. We had our third winter exhibit called Wild Music in the Atrium, very good bloom periods and festivals in the garden areas, ongoing improvements to our natural lands, trails and educational programming. The addition of the Atrium has boosted our rental operations as it is a very popular venue. RBG also changed our food service provider that has done a tremendous job in their first year with increased revenues to RBG.

We did have challenges to contend with as well. Wild Music did not generate the expected attendance. We made cuts to our marketing budget for the year and we saw the outfall. The weather always seems to be a factor for us and we also had to deal with Emerald Ash Borer in some of our trees and with the Ministry’s help we are proceeding well.

The closure of our Laking Garden, a very popular garden for those that enjoy perennials (in particular iris and peonies) had a significant impact on membership renewals. Although we had no control of the situation that resulted in the closure (the main access bridge was deemed unsafe by the owner the City of Burlington and they have restricted access to it for over a year now. The bridge will be replaced in 2012. The timing could not be have been worse with the
passing of RBG’s Director Emeritus, Dr. Leslie Laking this spring. Many members wanted to see “his” garden and were upset that the garden was closed.

RBG’s transformation continues. A business plan was approved last year which included the addition of 2 revenue generating employees, in Group Sales and Fundraising. We anticipate that we will see significant improvement in these areas in 2012. The other gaps in the organization have been put on hold indefinitely.

The 2012 balanced budget will include some realigning of activities and possible cutbacks as a result of increased costs versus zero percent increases to core funding. RBG and CUPE 5167 came to an agreement after a lengthy negotiation. We agreed to a five year agreement which included a 2 year wage freeze for the first two years. We are now heading into year three where there is a 2.5% increase. Our salary staff has had their salaries frozen for four years and an increase has been considered.

The new organizational structure is coming along. It is showing much improvement in certain areas. We continue to be more customer-focused as we aim to provide a high quality tourism and cultural experience for the people of Ontario and visitors to Ontario.

RBG continues to review its significant programs as we strive to achieve efficiencies, maintain our properties, provide desirable visitor experiences, invest in revenue-generating and value-added activities, all while meeting a very diverse and important mandate for the people of the community, the Province of Ontario, and beyond. As the major cultural attraction in the region, RBG plays a key role in improving the quality of life, increasing pride and economic growth in our community.

Royal Botanical Gardens’ Board of Directors is very committed to our success and has worked extremely hard in helping the organization to succeed. The Board will continue to work with RBG management to further develop plans and performance indicators and will continue to monitor their implementation and results.

Like most organizations in both the private and public sector, the slow economic recovery has provided significant challenges to us, particularly in fundraising and at our gate. That said RBG is planning on adding to its program and has the teams in place to address these areas fully in 2012.

Although our current forecast shows an estimated deficit, we are working to minimize the amount.

A new fundraising campaign was developed in the spring of 2011 called “Growing up Green” where we have been successful in raising dollars in support of our children’s programming and conservation activities. This includes activities such as Back to Nature program that deals with “Nature Deficit Disorder” in children and the Cootes to Escarpment Plan which RBG has taken the lead on as a result of Greenbelt and Trillium funding.
RBG and its Auxiliary Volunteers have made significant headway in communicating better and planning together as we enter into the next phase of our relationship. In 2011 we all celebrated their 50th Anniversary of volunteerism at RBG! Our priority for 2012 will be to build on our successes, continue to make improvements within the new organizational structure where possible and to improve in all areas of the organization.

**RBG's Natural Botanical Richness**

As previously reported, the spontaneous flora of RBG's natural lands comprises approximately 20% of the spontaneous flora of Canada (RBG's diversity may constitute as much as a third of the plant list of the whole Province of Ontario). Furthermore, the intense urban, agricultural and horticultural history of the RBG region has introduced over 350 exotic plant species into the natural lands, perhaps as much as 45% of the total of such species in Canada.

This high plant diversity identifies the natural lands of RBG as one of the richest 10 square kilometers in all of Canada from the perspective of plant diversity and botany. This richness should be recognized, celebrated and developed as a unique opportunity for educational awareness, scholastic and professional education, and research opportunities. Furthermore, much more could be done to raise community awareness of the fact that our natural lands are not just nice places for recreation - they are one of Canada's natural biodiversity gems.

This richness is known in large part because of the extensive field botany efforts of researchers at RBG, (and those who have visited the natural lands) since the late 1940s. The reference collection for this richness is the RBG Herbarium, which houses over 15,000 plant specimens collected within the natural lands and the immediately surrounding areas.

In order to be responsible stewards and managers of its own properties, RBG should take responsibility as the owner of the area of (perhaps) the richest free-living plant diversity in all of Canada, and thoroughly include this diversity in its education, programming, visitor services and interpretation, and planning for the future. No other institution in Canada possesses the unique combination of natural and introduced botanical richness, and onsite educational and scientific capacity, found right now at RBG.

Our founder T. B. McQuesten was quite a visionary. To think that 70 years ago he arranged for the collection and protection of our natural lands right in the middle of a growing urban centre was remarkable. It is our task to ensure that RBG is here for all future generations to enjoy.

**RBG’s Horticultural Richness**

“For over fifty years RBG has been recognized for its collections and its ability to convey excellence in horticultural education. Over the last two decades, the Gardens have shown that a natural sanctuary can be protected, restored and enhanced in the centre of a major city. What
RBG lacks is garden masterpieces that sear their way into the visitor’s mind and are forever a part of the collective image of botanical gardens around the world. With 1,100 hectares in a spectacular setting, Royal Botanical Gardens has the potential to create one, if not several iconic images”.

“To be successful, public botanical gardens must elevate garden design to the spectacular – nothing less will do in order to sustain repeat visitation and tourist draw. Public Gardens must impart a mental image that simply cannot be forgotten. Successful gardens around the world impart on the visitor an indelible image of design and horticultural excellence and represent the stage upon which the RBG must play. RBG’s future sustainability will be driven by its ability to substantially increase visitation”.

“In order to drive increased visitation, RBG will need to deliver a “best in class” visitor experience that is competitive with, and ideally superior to, competing alternatives. Investment and a re-focus on improving the aesthetic quality of the gardens are required”.

**CURRENT SITUATION & 2012 PRIORITIES**

2011 has been another active year on many fronts as we continue to implement strategies within the final year of our multi-year plan. From our quarterly financial reports for 2011, we are showing a deficit however this will be reduced at year end. We may see a deficit in excess of $200K if a couple of our projections do not materialize. That said, we are hopeful that this does not take place.

We are currently behind in our self-generating revenue, mainly due to shortfalls in Donations, Grants and Sponsorships and Admissions. We have watched our expenses as a result and are under budget in the majority of them.

Educational registrations continue to be above previous year levels as we continue with our year-round programs. We have been actively reviewing the delivery of programs and as a result we are netting much better revenue in all of our educational Programs and camps. As mentioned we held our third winter exhibit where we did not reach our targets. We did not have a Garden Show or Art Exhibits as a result of cuts to our 2011 budget. Admission results continue to be a concern for us and we have added several things in the 2012 operating plan to improve the situation. Although the results are similar to others in the tourism industry, we need to turn this around. Even though we continued to make cuts in our marketing and promotional budgets we felt that we would see an improvement in 2011 with free promotion and the use of social media to help promote our activities.

That being said, RBG again experienced wet weekends in May and early June, as well as very hot temperatures that have the same effect as rain on our visitors.

RBG is in the final stages of fundraising for the Aldershot Escarpment Garden, the last component of the RBG Rejuvenation. All efforts are being made to complete the fundraising for
the project however like many projects, obtaining funding support for facilities that are complete and in full use has been difficult. $300,000 is required to pay off the loan. RBG was successful in obtaining $1.7M in pledges and in-kind services for the project.

As a result of the increase to our annual base funding and the generosity of a donor, planning for longer term sustainability continues to move along albeit at a slower pace than originally planned as the filling of our organizational gaps will not happen overnight. Following a resignation of our Senior Manager of Finance and Administration, we filled the vacancy with a Director of Finance and Administration who now sits on the executive team. In 2012 we will be adding a financial analyst to assist us with report writing; business case review and the provision on back-up as it has been difficult this past year dealing with a vacancy in the area where there was only one person.

The development action plan continues to be rolled out with many recommendations implemented. For the first time the Business Development and Fundraising group has a team in place that has individuals responsible for the many facets of marketing, communications and more importantly fundraising. RBG fully realizes the need to increase our fundraising activities in order to grow our endowment, contribute to our operational costs and to deal with capital needs (both deferred capital and new projects). The implementation of the Development/Fundraising Action Plan is well underway.

Our mandated areas have been integrated with a new outlook which is moving along nicely. Unfortunately the Director of Biodiversity Programs departed at the end of 2011 to become the Vice President of Programs at the Vancouver Aquarium. We will be filling the vacancy immediately to continue the momentum that has been achieved to date.

RBG continues to make changes to existing processes to improve on efficiencies. New policies and procedures have been developed and implemented through 2011, particularly in the area of Biodiversity Programs where collection policies are being brought up to date. Our product continues to improve, especially in the garden areas with new gardens, features and overall improvements to our nature trails.

RBG’s Board of Directors has changed significantly following the November 2010 municipal election, with 7 new members including a change in one of the provincial appointees.

RBG is committed to moving towards true sustainability. This was the main theme as we wrote our new multi-year strategy that will take us through the years of 2012 to 2014. This was a major undertaking for us as we developed our strategic business priorities. We started by tweaking our mandate, mission and vision statements. They now are:

a) **Mandate:**
Royal Botanical Gardens is to sustain and promote a botanical garden and cultural attraction with natural lands in the areas of horticulture, conservation, science and education.
b) **Mission:**
Royal Botanical Gardens’ mission is to promote the public’s understanding of the relationship between the plant world, society and the environment.

c) **Vision:**
Royal Botanical Gardens to be a recognized and supported global leader in how we use plants in bringing people, place and sustainable behaviours together.

Royal Botanical Gardens Mandate aligns with the Mandate of the Ministry of Tourism, Culture and Sport by providing facilities and Programs to help grow Ontario’s cultural and heritage interests while providing a first class tourist destination in Ontario that will continue to promote domestic and international tourist visits to the province.

The priorities also considered our organizational values which are:

a) **Organizational Values**
The Royal Botanical Gardens’ staff and the Board of Directors believe:

- Plants are vitally important for the well-being and sustainability of society.
- The future health of the environment depends on valuing and protecting plants and the habitats in which they live.
- They have a role to play in showing the public the beauty and environmental importance of preserving plant life.
- They should strive to deliver a memorable experience for visitors.
- Staff and volunteers are a valued and most important resource contributing to the success of RBG.
- The future sustainability of RBG depends on the commitment, innovation and creativity of staff and volunteers.
- Effective communications is fundamentally important for the relationships with staff, stakeholders and partner organizations.

This resulted in new Strategic Business Priorities and Management Processes as listed below:

**Strategic Business Priorities:**

- Meeting Revenue Targets
- Defining the RBG Brand
- Protecting and Developing our Resources
- Leadership in Environmental Stewardship
- Enhancing the Customer Experience
- Increasing Awareness – Promotion and Marketing
Management Processes

- Investing in Our People
- Internal Communications
- Integration of Planning Processes
- Working with the Auxiliary of RBG

The multi-year strategy was approved by the Board of Directors which then led to management’s development of the 2012 Operating Plan. The entire process was transparent and involved the Board, Staff, Volunteers and Stakeholder input.

A major component of the work plan is about doing things differently, efficiently, effectively. It is to ensure that we align our functions and competencies to our strategies.

We have expressed concerns about “gaps” in the organization that relate to the administration, but there are gaps on the operations side as well; Twenty eight full-time members of CUPE 5167 look after 2,700 acres of sanctuary, gardens, nature trails, facilities, infrastructure and equipment. A significant percentage of these individuals have considerable seniority which results in a substantial amount of time off which presents many challenges with such a small number. RBG needs to generate more funds to invest in our workers as well or our main product will decline as it did before.

It is our intention to build an organization that pulls in the same direction, within a function-based alignment, to make RBG work better. Part of this was the development of several important Human Resource tools/materials to address individual accountability and positive results. In 2011, we worked on core and job specific competencies, which resulted in a Compensation Administrator’s Guide. This tied into our new Performance Management Program and Succession Planning Guide. RBG invested considerable time and costs this year in completing these Human Resource products for full implementation starting in January of 2012.

In regard to the national picture, our multi-year business plan continues to identify the desire to obtain core federal funding. Both the Board and executive team will be working aggressively on this initiative over the next couple of years. As mentioned in previous plans, RBG needs assistance, particularly from our provincial government, in developing an expanded funding partnership that includes the federal government.

Moving Forward

RBG’s transition continues. The organizational transformation is well underway. By the end of 2011 the new organizational model will have been in place for over a year. Again this year, our balanced budget does not include several “move forward” initiatives that relate to sustainability as outlined in our multi-year business plan. We had hoped to see some significant revenue growth to 2013 and beyond with the investment of resources however we will be
challenged to make significant improvements with our existing resources. We looked carefully at redeploying resources to help us with this task however we are so lean that shifting staff to raise revenues would eliminate some of the mandated activities that we are actually raising revenues to support. The delay in growth has been directly related to the fact that we have not been able to implement the new structure entirely as there were and still are significant budgetary constraints.

A balanced budget for 2012 represents a slight improvement to the status quo for the organization. As outlined in our operations plan, we are proposing new events and activities.

As reported again last year, the economic conditions have shifted interest away from the environment for the moment, however it is still important to many people and organizations and the interest will return. In order to move the organization forward we will continue to include new initiatives in our ongoing business planning. Priorities will be set to ensure that positive results are achieved.

RBG continues to work on the “Rejuvenation” of our operations, as outlined in our multi-year strategy. The recent funding announcement for the rejuvenation of our iconic Rock Garden will be a major part of this initiative. RBG will be leveraging this announcement to raise more capital dollars. We are looking forward to seeing this project move forward.

The first phase of the $20M rejuvenation project can start as the result of $14M in joint funding from the provincial and federal governments. The Rock Garden project deals with deferred maintenance of this specific site at RBG. As previously reported RBG has completed a facility assessment on all of its buildings and we are participating in the Ministry’s Asset Management programme. The estimated costs to address these pressing needs are staggering for the operation. RBG will need to strategize on how we deal with obtaining funding for these matters. The Ministry does provide RBG with annual capital maintenance funds which we appreciate, however the priority list requires considerably more.

Besides being the region’s number one tourist attraction, we serve people by providing opportunities for recreation, education, research and conservation within the world of plants. Plants sustain all life on earth, and they change the world. They already have, many times. We believe that we can cultivate change that improves the lives of Canadians and the environment of Canada. We have been specialists in educating people about the benefits of a life lived with plants for over 60 years.

Our products are knowledge, enjoyment and well being. We develop and disseminate knowledge that enriches lives and protects the environment, through application of the arts and sciences of horticulture, botany and ecology. We encourage enjoyment, romance and fun by providing gardens and other amenities where visitors can touch the enchanting world of plant diversity itself, with all their senses. We promote well being through information and teaching about the many ways that plants serve people. That service ranges in scale from the personal and the local to the societal and the global.
At a time when children in North America are described as suffering from “Nature Deficit Disorder” there is an urgent need to reconnect people to green spaces, fresh air, and other living things. With indisputable evidence of climate change threatening the natural as well as the built environment, the choices we make today will shape the environment our children will inherit.

We believe that our knowledge and resources are integral parts of responding positively to the environmental and lifestyle challenges that face all Canadians. By promoting the sustainable use, enjoyment, protection and understanding of the world of plants, we can foster wise choices that will benefit our children for generations to come.

We are damaging our environment and our future quality of life at an alarming rate. Public awareness and appetite for solutions has never been greater and this wave is nowhere near its crest yet. Things must change, and more and more people want that change to occur.

RBG is ideally positioned to participate in, and to lead parts of, a desperately needed national response. This statement is based on the Gardens’ mandate, its current stable foundation and our potential to make a difference.

We strongly believe that this will have local, provincial and national appeal for the ongoing financial support we need. We could do so much more with the proper resources and, as a result, we are prepared to aggressively go after these additional revenues.

2011 was a very busy year. Next year, 2012, will be filled with very important activities, ongoing organizational change where possible, and special events. Along with these, there will be many opportunities to explore and hopefully capitalize on. We will have our fourth winter exhibit, entitled Chocolate, where biodiversity will continue to be on full display. All in all, Royal Botanical Gardens will continue to have an economical impact to the community as we continue to grow and promote ourselves as a significant cultural attraction in the Province of Ontario.