

**Fresno's Chaffee Zoo**  
894 West Belmont Avenue  
Fresno, CA 93728

**FCZC Board of Directors Finance Committee Meeting Minutes**

March 21, 2019  
Education Lab Conference Room

**Attendees**

- Mr. Kyle Kirkland
- Mr. Ed Gonzalez
- Ms. Julie Vance
- Dr. KC Chen

**Guest Speakers Present**

- Chris Comstock, Regency Investments
- Judson Myers, Regency Investments

**Zoo Staff Present**

- Mr. Scott Barton
- Dr. Rick Treach
- Mr. Amos Morris
- Ms. Laura Martina
- Mr. Steven Gonzales-Warkentin

The meeting commenced at 4:00 PM

**Agenda Item 02: Public Comment**

There was no public comment

**Agenda Item 03: Chair Report**

There was no report from the Chair

**Agenda Item 04: Receive, review and consider Finance Committee meeting minutes**

Mr. Kirkland asked that the Committee reviewed the minutes from the January 17, 2019 Finance Committee meeting and called for a motion to accept them with minor revisions. Mr. Gonzalez moved to accept the minutes as presented with change to Agenda Item 06 by Mr. Gonzalez. Dr. Chen seconded. The Committee approved the minutes without objection.

**Agenda Item 05: Receive quarterly report from Regency Investments**

Mr. Comstock of Regency Investments presented a recap of the performance of the Endowment and General Fund summary through the end of 2018. In his presentation, Mr. Comstock referenced the difficult market conditions in December 2018 and highlighted improvements seen in Q1:2019.

After the discussion, Mr. Kirkland suggested that the Chair of the Finance Committee review the relationship with Investment Advisors and performance benchmarks each year.

**Agenda Item 06: Receive, review and consider Year-to-Date Financial report**

Dr. Treach presented the fiscal yearend financial report (draft) highlighting key elements—2018's attendance was slightly less than budgeted, self-generated revenue and personnel expenses were up and the Education department expanded its Behind the Scenes Events and intended to expand efforts further in 2019.

The Committee also discussed zoo attendance in the first quarter (February was soft, but March was ahead of plan), the Zoo's cash position (including delays in Zoo Authority reimbursements and a proposed working capital line).

Dr. Chen made a motion to present the Year-to-Date Financial report draft to the Board of Directors as it was presented. Ms. Vance seconded the motion. All present were in favor of the motion.

**Agenda Item 07: Receive, review and consider proposed bank financing for approved capital purchases**

Dr. Treach then proposed that the Zoo enter into a non-revolving capital purchase line-of-credit with Premier Valley Bank for use as short-term funding for approved budget items, for which the Zoo anticipated reimbursement from Measure Z funds or funding from operations. Dr. Treach presented the terms of the working capital line which included conversion to a term loan if not repaid annually.

Mr. Barton confirmed that the proposed financing arrangement would be used for previously approved budget items. Dr. Treach stated that some of the projects for which the financing would be used include the approved upgrade to the Zoo's IT servers, new digital radios, and improvements to the recently purchased bird show.

Mr. Kirkland noted that Mr. Richards recused himself since the line would be with Premier Valley Bank (PVB); Mr. Richards is Chairman of PVB.

Ms. Vance made a motion to recommend approval of this request to the Zoo Board of Directors.. Mr. Gonzalez seconded the motion. All present were in favor of the motion.

**Agenda Item 08: Receive, review and consider Fresno's Chaffee Zoo request for use of Investment Funds for Zoorassic Park**

Dr. Treach then discussed the advance costs for the previously approved animatronic dinosaur exhibit (Zoorassic Park) scheduled for June 2019. The costs included deposits for the dinosaurs, pathways and infrastructure for point-of-sale computers to meet the needs of the exhibit and guests. He stated that

due to low attendance during the first quarter, operating cash flow was insufficient to fund the necessary preparation costs and proposed the Zoo access \$700,000 from its investment accounts. Dr. Treatch stated that the total amount withdrawn would be repaid from the proceeds of the Zoorassic Park exhibit. If the Zoo is not able to repay, what has been borrowed will result in a permanent reduction to the investments.

Mr. Kirkland referenced the Board's approval of the dinosaur exhibit in a previous Board meeting and other zoos' experience with similar exhibits. Ms. Vance noted that the proposed preparations were necessary to the success of the project. Mr. Kirkland inquired about the marketing for the exhibit; Mr. Morris stated that the Zoo intended to use multiple marketing and advertising channels.

Ms. Vance then made a motion to recommend the use of investment funds for the expenditures to the full Board. Dr. Chen seconded the motion. The motion passed unanimously.

**Agenda Item 09: Receive review and consider Zoo projects contingency items**

The Committee then discussed multiple contingency items from current projects, including the Ambassador Building, Kingdoms of Asia, South Corridor Infrastructure and Warthog projects. These items included Ambassador Animal Building Change Order 001, Kingdoms of Asia Change Orders 001 and 002, Warthogs Change Orders 008, 010, 011, 012, 013, 014, 015, 016, 017, South Corridor Infrastructure Change Orders 008, 009, 010, 011 and 012.

After noting that several items had been completed prior to approval, Mr. Kirkland reminded the Committee of the process for contingencies established at a previous Board meeting, i.e. to have change order items approved by the Board prior to the work being done. After discussion, it was clear that Zoo management had not deliberately circumvented the process and that the changes implemented were either time sensitive, critical to the success of the project and appropriate given the scope of the project. He asked that Zoo management adhere to this process going forward and communicate the Board's requirement to contractors and consultants.

Mr. Barton confirmed that all of the items (17 in total of which several had already been complete) were appropriate and necessary to their respective projects. Mr. Barton also noted that the Zoo will begin the process to recruit a Project Manager (Zoo employee) to oversee current and upcoming projects.

After discussion, Ms. Vance made a motion to advance the contingency items to the Board of Directors for approval; Mr. Gonzalez seconded. The motion passed without opposition.

**Agenda Item 10: Old Business**

Dr. Treatch stated that to date, he has received no feedback on the Zoo Corporation Contract Management Policy and Procedures previously requested by the Board and prepared for feedback. Mr. Kirkland stated that the Board is not prepared to take action on this item, but would request feedback from Board Members at the Board Meeting.

The meeting was adjourned at 5:29 PM