

Fresno's Chaffee Zoo
894 W. Belmont Avenue
Fresno, CA 93728

Fresno's Chaffee Zoo Corporation
Finance Committee Meeting
Minutes

Thursday, May 16, 2019 04:00 PM
Education Lab Conference Room

Committee Attendees

- Ms. Julie Vance
- Mr. Kyle Kirkland
- Mr. Babatunde Ilori
- Dr. KC Chen

Advisors Present

- Mr. Scott Barton
- Dr. Rick Treach

Guest Speakers Present

- Mr. Judson Myers, Regency Investments
- Mr. Daniel Ray, Regency Investments

Zoo Staff Present

- Mr. Amos Morris
- Ms. Laura Martina
- Mr. Steven Gonzales-Warkentin

The meeting commenced at 04:06 PM.

Item 01: Roll Call

Roll call was taken, Ms. Vance, Mr. Ilori and Mr. Chen were present. With a quorum present, the meeting proceeded with business. Mr. Kirkland joined the meeting at approximately 4:15 PM..

Item 02: Public Comment

Ms. Vance asked if there were any comments from the public. No comments were offered.

Item 03: Chair Report

Ms. Vance stated that she had nothing to report.

Item 04: Receive, Review and Consider Finance Committee Meeting Minutes dated March 21 2019

The Committee reviewed the minutes from the March 21st Finance Committee Meeting, and Ms. Vance asked if there were any suggested revisions. With no revisions offered, Dr. Chen motioned to accept the minutes as presented; Mr. Ilori seconded. The Committee approved the minutes without objection.

Item 05: Receive Quarterly Report from Regency Investments

Mr. Myers from Regency Investments presented a recap of the performance of the Endowment and General Fund summary through March 31, 2019, noting that the General Fund performed very well, but the Fixed Income Allocation had a negative effect on quarterly performance. Regency did not recommend making any changes to the investment portfolio. They noted that the last few weeks have been shaky, but April alone made up for last year's losses.

Item 06: Receive, Review and Consider Year-to-Date Financial Report

Dr. Treatch presented the Zoo's financials as of March 31, 2019, noting that attendance was less than budgeted and self-generated revenue was down. Dr. Treatch suggested that the poor performance resulted from poor weather in the first two months of the year. Dr. Treatch also stated that the cost of utilities was up due to the various construction projects occurring simultaneously. Dr. Treatch noted that the Zoo's PG&E bill exceeds \$700,000 annually.

Mr. Barton stated that attendance had rebounded in April with attendance approximately 6,000 above budget. Dr. Treatch added that membership was up for the month of April.

With respect to expenses, Dr. Treatch referenced an oversight in the Education Department budget for 2019 (didn't fully fund a position) and highlighted other significant items for the Committee's consideration.

Dr. Treach also noted that a week prior to the meeting that we were no longer operating under our line of credit (often necessary at the beginning of the year until adequate revenue generated for the budget year).

After discussion, Ms. Vance asked for a motion to accept the Financial Report as presented and recommend to the Board of Directors for approval. Dr. Chen motioned to accept and Mr. Ilori seconded. The Committee approved the motion without objection.

Item 07: Receive, Review and Consider Warthog Exhibit Release of Retention

Item seven was pulled from the agenda by Mr. Barton, as the City had not yet issued the required certificate of occupancy.

Item 08: Receive, Review and Consider Zoo Projects Contingency Items

Mr. Barton then presented a summary of change orders that he intended to present to the full Board for approval. Ms. Vance noted the improved presentation and suggested minor changes to the summary's format. The contingency items presented included Animal Ambassador Building change order 002,

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South Corridor Infrastructure Project change orders 015, 016 and 017, Belmont Basin Relief Line change orders 001, 002, 003 and 004, and an invoice for civil engineering design fees for a sewer lift station at the rhino exhibit within the Kingdoms of Asia project.

Each change order was discussed at length, including the status, merits and timing. Mr. Kirkland noted that a majority of the items presented were for work which had already been completed. He reminded the Committee and Zoo staff of the Board's directive for approval of contingency items prior to performance of work and stated that he had reminded the Project Manager of the directive within the last few weeks. Mr. Barton stated that several of the invoices presented for payment had been submitted by the contractors to and held by the Project Manager, in some cases for lengthy periods of time.

Ms. Vance asked if the Zoo's contractual agreements specify where invoices should be remitted for payment. Dr. Treatch stated they did not have specific language on this matter. Ms. Vance suggested, going forward, the Zoo request that invoices be submitted to the Zoo and not to the Project Manager for payment.

At this point, the Committee asked about the search for an internal project manager. Mr. Barton stated that the search deadline had closed, the Zoo had received materials from several qualified candidates and intended to initiate the interview process in short order.

Mr. Kirkland referenced the Contract Management Policy and Procedures agreement that was drafted by Dr. Treatch and circulated at prior meetings for review. Ms. Vance suggested that the Zoo revise the policy to include a threshold on contracts. She also suggested that the policy be included as an action item at the next meeting.

After the review of the contingency items concluded, Mr. Kirkland moved to approve the change orders as presented and recommend them to the Board of Directors for approval. Mr. Ilori seconded. The Committee approved the motion without objection.

Item 09: Old Business

Mr. Barton informed the Committee that Dr. Treatch was resigning to resume his academic career and that his last day with the Zoo would be in early June. The Committee thanked Dr. Treatch for his service and offered their best wishes for his future efforts.

Item 10: New Business

Ms. Vance then asked if there was any new business. Hearing none, she adjourned the meeting at 05:21 PM.