

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

Fresno Chaffee Zoo Corporation
Board of Directors Meeting
Minutes

Thursday, November 20, 2019
Education Lab Conference Room

In Attendance

- Mr. Babatunde Ilori
- Ms. Chelsea Cates
- Mr. Chuck Hensley – Advisor
- Mr. Doug Larsen - Advisor
- Mr. Ed Gonzalez – Vice Chair
- Dr. Emy Phillips - Secretary
- Mr. Kyle Kirkland – Chair
- Ms. Julie Vance – Treasurer
- Mr. Oliver Baines
- Mr. Rion Morgenstern
- Mr. Ross Parnagian

Zoo Staff Present

- Ms. Alisha Anderson
- Mr. Amos Morris
- Ms. Brandy Gamoning
- Mr. Dean Watanabe
- Mr. Jesse Santiago
- Ms. Katharyn Alexander
- Ms. Laura Martina
- Mr. Scott Barton - Advisor
- Dr. Shannon Nodolf
- Mr. Steven Gonzales-Warkentin

Guest Speaker

- Ms. Erin Goldfarb – Moss Adams

The meeting began at 5:42 PM.

Item 01: Roll Call

Mr. Gonzales-Warkentin called the roll and established that the Directors in attendance (8) comprised a quorum. Mr. Baines arrived at 6:00 PM.

Item 02: Public Comment

Mr. Kirkland called for public comment from the members of the public in attendance. With no comments offered, the Board proceeded with business.

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Item 03: Chair Report

Mr. Kirkland thanked the Zoo staff for the work that has gone into preparing the items to be presented.

Item 04: Receive and review update on Fresno Chaffee Zoo's 2018 401K Audit Report

Mr. Kirkland introduced Ms. Goldfarb and asked her to comment on the 401K audit performed by Moss Adams LLP. Ms. Goldfarb stated that the audit of the ZooCorp 401K plan was a limited scope audit and that the Zoo received the best report possible. Ms. Goldfarb noted two minor comments in the management letter, both of which were addressed timely by Zoo staff.

Item 05: Fresno Chaffee Zoo CEO Report

As part of his CEO report, Mr. Barton acknowledged Mr. Hensley, outgoing Docent President, and thanked him for his service to the Board and introduced the incoming Docent President, Patty McLane. Mr. Barton also stated that the rockwork package for Kingdoms of Asia had been granted to Cost of Wisconsin, the low bidder and contractor to ZooCorp on previous projects. Mr. Barton also introduced Mr. Jesse Santiago, the FCZ's Project Manager, and complimented on his work performed to date..

Item 06: Receive, review and consider Board of Directors Meeting minutes from 09/19/2019

Mr. Kirkland offered clarification to the sentence referencing Ms. Crow's employment with the Zoo in the second paragraph under agenda item 06, that it be amended to reflect that Ms. Crow's relationship predated her uncle's (Mr. Gonzalez) working relationship with the Zoo. Hearing no other corrections to the minutes, Mr. Kirkland asked for a motion to accept the amended minutes. Mr. Gonzalez made a motion, Mr. Morgenstern seconded. The motion passed unanimously.

Item 07: Receive, review and consider Board of Directors meeting minute from 10/30/2019

Mr. Kirkland asked if there were any corrections to the minutes. Hearing none, he asked for a motion to approve the minutes as presented. Ms. Vance offered the motion and Dr. Phillips seconded. The motion passed unanimously.

Item 08: Receive, review and consider Year-to-Date Financial Report

Mr. Barton reported that attendance at the Zoo was below expectations based on poor weather earlier in the year and noted that the attendance issue had been mitigated by cost control over the year. Mr. Morgenstern requested that the Zoo provide the Board with historical data on attendance and weather. Mr. Kirkland noted that Zoorassic Park appeared to have performed below expectations and asked for further detail on the profit and loss of the dinosaur exhibit prior to renewing the exhibit for 2020. Mr. Barton noted that in previous years Restricted Funds and Unrestricted Funds had been lumped together into one line item. This year, they have been separated.

After further discussion, Mr. Kirkland asked for a motion to approve the financial report as presented. Ms. Vance motioned and Dr. Phillips seconded. The motion passed unanimously.

Item 09: Receive, review and consider Phoenix Philanthropy Group proposal

Mr. Kirkland informed the Board that the Development Committee had met with Mr. Peter Smits from the Phoenix Philanthropy Group and discussed the feedback previously voiced by the Board regarding the budget as proposed by Mr. Smits. Mr. Kirkland presented a simple return statement for the proposed effect which reflected increased costs based on revised assumptions and noted that the effort, funded by the ZooCorp investment funds, would provide a positive return on investment in excess of the ZooCorp's

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existing investment targets. Although Mr. Kirkland proposed Board authorization of a one-year effort, Mr. Baines suggested that a three year approval was warranted given the proposal.

Mr. Kirkland then summarized the proposed motion—the Board would authorize up to \$1,500,000 from investment funds over the next three years to fund the effort and would engage the Phoenix Philanthropy Group to assist ZooCorp in the effort. Dr. Phillips made a motion to authorize the effort as stated; Ms. Vance seconded the motion. The motion passed without opposition.

Item 10: Receive and review Updated 2020 Marketing Plan

Mr. Kirkland then introduced the draft 2020 Marketing Plan presented by ZooCorp marketing staff. He noted that the plan was reviewed at length in the Finance Committee meeting and recommended that the plan be revised with additional input from he and Mr. Morgenstern. Mr. Kirkland and Mr. Morgenstern agreed to meet with the Zoo's team to review the plan and modify it as necessary. The updated plan will be presented at the January Board meeting.

Item 11: Receive, review and consider Fresno Chaffee Zoo's 2020 Budget

Mr. Kirkland then introduced the discussion of the 2020 Budget and informed the Board that it had been reviewed extensively during the Finance Committee meeting. Mr. Barton noted that the adjusted price of \$8.95 for the child ticket would impact ZooCorp attendance revenue versus the previously proposed \$9.95 price. Mr. Baines voiced concern on the attendance goal and pointed out that the Zoo had yet to meet similar attendance goals this year. Mr. Ilori asked if the Zoo had considered dynamic pricing where the cost of a ticket could fluctuate throughout the year based on the season and holidays. Mr. Morgenstern asked if the Zoo had considered an increased adult price with a lowered cost for children. Mr. Barton confirmed that, to date, no research has been conducted on these suggestions and stated that the Zoo was researching automatic membership renewals. Dr. Phillips voiced concern about the lack of parking in Roeding Park during busy days. Mr. Barton stated that the zoo was working with the City of Fresno regarding upgrades to parking, and the hope is to bring this project for the Boards approval during the next year. After further review of the details of the 2020 budget, Mr. Baines made a motion to accept the budget as presented and for the Zoo staff to move forward with presenting the budget to the Zoo Tax Authority at their next meeting. Mr. Ilori seconded the motion. The motion passed unanimously.

Item 12: Receive, review and consider Capital Projects change orders

Mr. Barton then presented three change orders presented for approval for the Kingdoms of Asia Project. The first was a fee of \$28,000 for CLR to create an animated walk through of the project for marketing and community presentations. The second was a fee of \$29,640 for CLR/Lawrence Engineering to create a 3D model of the intricate design of the plumbing and electrical needed in the Life Supports Systems basement. The third was a cost of \$68,000 for pre-design work to be done on rockwork for the project to be completed by Cost of Wisconsin.

Mr. Barton also presented the increased cost for the Belmont Basin Relief line resulting from delays on the project. The full cost of \$16,435 was presented, but the project is a shared project with the City of Fresno, which would require the Zoo to pay thirty-four percent of the cost.

Mr. Kirkland informed the Board that he had recently joined the Zoo team in meeting with Mr. Paul Halajian on his company's request for an increase in fees on both the Ambassador Building and Zooplex Building Project. Mr. Barton will provide the Board of Directors a proposal for Mr. Halajian's fee increase

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at the January Board meeting for review. Mr. Gonzalez made a motion to approve the change orders for the Kingdoms of Asia project and the Belmont Basin Relief Line project as presented; Mr. Morgenstern seconded the motion. The motion passed unanimously.

Item 13: Receive, review and consider SSA's Food Service and Retail Operation proposal

Mr. Kirkland then introduced a proposal from the FCZ's existing food and beverage provider SSA to extend its contract for another 10-year period and asked the SSA team members in attendance to clarify an apparent typographical error in its proposal. After clarification and discussion of alternative vendors, the Board concluded that it was in the ZooCorp's best interest to extend the SSA contract.

Mr. Morgenstern made a motion to approve SSA's proposal, and Mr. Parnagian seconded. The motion passed unanimously.

Item 14: Receive, review and consider proposed Bylaws revisions

Mr. Kirkland then asked Mr. Larsen to present Bylaws changes proposed by the Bylaws Committee to update, simplify and condense the ZooCorp bylaws. Mr. Larsen reviewed changes made to language throughout, clarification around emergency meetings and an update to the section covering indemnification. Ms. Vance asked for more information on the proposed requirement for Board Members to assist in fundraising efforts over concerns about fund solicitation which could create a conflict of interest for some Board members. Dr. Phillips suggested a change in wording to "participate and/or support Zoo Corp's fundraising efforts." and the group agreed that it was an appropriate change.

Mr. Larsen then noted the Committee's suggestion to remove of the CEO's job description from the Bylaws and provided simpler language for Board oversight of the position. He also pointed out the change to the language that the Board Chair "may" sit on any committee.

Dr. Phillips made a motion to accept the proposed changes to the Bylaws, and Mr. Baines seconded. The motion passed unanimously. With the passing of the motion, the Bylaws Committee was dissolved until next year.

Item 15: Receive, review and approve Resolution Re: Communications between Staff and Directors

Mr. Kirkland then introduced a protocol on how Zoo staff interact with the Board of Directors regarding work place grievances. Mr. Larsen reviewed the proposed policy which stated that employees should first discuss their concerns with their direct supervisor and the Chief People Office and CEO, if the situation was not resolved. Any employee grievances expressed to Board members should be directed to the Board Chair or the Zoo's outside HR service. Mr. Morgenstern suggested a change to the wording where Sierra HR Business Partners is listed as the "current" outside HR service. Ms. Vance made a motion to accept the presented policy with Mr. Morgenstern's suggested edit, and Mr. Baines seconded. The motion passed unanimously.

Item 16: Old Business

Mr. Kirkland then asked for any old business to discuss. None was presented.

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Item 17: New Business

Mr. Kirkland then asked for any new business not yet addressed. The Board of Directors confirmed January 2020's meeting date of January 23rd. Mr. Gonzales-Warkentin presented the Board a proposed calendar for 2020 to review and submit feedback.

Mr. Kirkland asked if there was any further business to discuss, and hearing none, he adjourned the meeting at 7:42 PM.