

FRESNO'S CHAFFEE ZOO CORPORATION
Minutes for the Finance Committee of the Board of Directors
Fresno Chaffee Zoo Education Building
Wednesday, April 19th, 2017 at 4:00 pm

Board Members

John Valentino Present
 Colin Dougherty Present
 Shari Rainwater Present
 Craig Saladino Absent
 Dr. KC Chen Present

Staff

Scott Barton, CEO
 Brian Goldman, CFO
 Jessica Revis, Executive Assistant
 Laura Martina, CHRO

Public

None

Presentations

Daniel Ray, Regency
 Chris Comstock
 Judson Myers

Call to Order: 4:14 pm.

Roll Call: Directors Rainwater, Dougherty, and Dr. Chen present. Director Valentino entered at 4:18pm. Director Saladino absent.

Discuss and consider minutes: Director Dougherty called for a motion to accept the Finance committee minutes from March 29, 2017. Director Rainwater so moved to approve the minutes. Director Chen seconded. All in favor. None opposed. Motion carried.

Chair Report: Director Dougherty deferred the chair report, in the absence of the committee chair, and deferred to Regency Investment for their first quarter report presentation.

Review, Discuss, and Consider Presentation from Regency Investment: Chris Comstock from Regency presented to the Finance committee a packet of information regarding the first quarter investment results, as well as their recommendation for future asset allocation. Mr. Comstock stated that since the inception of the zoo general fund in September of 2009, the account has had an investment gain of \$2,175,150. The zoo board endowment fund has had a gross return of 319.23% since its inception in 1995, for a total of \$2,736,071. CEO Barton stated the five year return is the best risk model comparatively. Mr. Comstock agreed. Mr. Comstock then discussed information in the packet labeled Allocation Differences with the Finance committee. He stated the current funds average allocation is 59% equities and alternatives, with 41% in bonds. The total investment is currently \$10,437,740 for both funds. Mr. Comstock proposed to the committee an alternate allocation of 54% equities and alternatives, and 46% bonds. This would be an overall 5% increase in bond allocation. Mr. Comstock stated this allocation recommendation came from previous committee direction at past meetings, stating the committee wanted to be fiscally conservation as stewards of public monies. CEO Barton stated these funds were private, and CFO Goldman clarified that one of the zoos investment account is a quasi-endowment. Dr. Chen stated that the market is not favorable to bonds at this time, and disagreed with allocating a higher percentage towards bonds. Director Valentino asked if the committee would like to change the asset allocation for the general fund from 40/60 to a 60/40. He called for a motion to approve for recommendation to the board. Director Dougherty so moved. Director Rainwater seconded. All in favor. None opposed. Motion carried.

Review, Discuss, and Consider FCZC Compensation Report: CHRO Laura Martina reported to the Finance committee the Compensation report. CHRO Martina stated the compensation plan was designed to attract, motivate, and retain talented employees who drive the Zoo's success and uphold the mission and 3 circles. She stated they strive to provide base salaries that meet the market when employees are fully proficient and meeting expectations. Each job description was reviewed and updated in 2016. The updated job descriptions allowed a clear analysis of the employee's duties and responsibilities, as well as showing compensable factors in the market place. CHRO Martina used the Fresno Chaffee Zoo receptionist position as an example, stating that although that position is generally designed to answer phones and greet guests, our receptionist responsibilities often match up with an administrative assistant. She stated that data collection for comparison came from Payscale as well as the 2016 AZA compensation survey. CHRO Martina stated that in terms of the market analysis they looked at both locally (cashier) and nationally (veterinarian) recruited jobs. She stated that with regard to implementation they did individual analysis based on the following: consistency of performance, leadership in the mission areas, goals and objectives, job knowledge and experience, skills and abilities, education/certificates. She stated that new hires would be assessed based on goals and objectives, job knowledge and experience, skills and abilities, and education and/or certificates. CHRO Martina stated that using today's ranges, the data indicates that the zoo is short \$713,000 of paying each employee the appropriate amount. She stated that \$100,000 was approved towards that amount in the 2017 budget, and with that amount they were able to adjust 47 staff members bringing all staff to 84% or higher of their appropriate wage. She stated that with the minimum wage increases slated through 2022, they are anticipating the wage ranges to increase 3% a year as well. CHRO Martina stated that based on the AZA Survey the value of our

health care premiums are very generous, and that the Chaffee Zoo are among the 7.7% of AZA institutions that pay 100% of premiums for our full time employees and their dependents. She stated that the zoo currently matches 4% for employee retirement plans. CHRO Martina showed the committee a total compensation analysis of an hourly employee that makes \$16.00 an hour. The chart displayed a total cost of compensation, or effective rate, as being a \$30.34 per hour. Director Rainwater stated that the medical coverage is not sustainable and very high. Director Valentino asked if the zoo could use the full medical coverage as a marketing tool to staff. CHRO Martina stated that the entire staff received a confidential analysis report of their total compensation breakdown for 2016. She further explained that the staff responded positively to the total compensation reports. CEO Barton stated the turnover rate is very low. CHRO Martina stated the benefit package is used as a recruiting tool. CEO Barton stated the staff are aware that the medical coverage may change in the future.

Review financial report: CFO Goldman stated the March 2017 attendance was 91,881 compared to budgeted attendance of 100,000, a decrease of 8.2%. March 2017 attendance was 21% behind March 2016 attendance of 115,624. He stated that this is most likely due to the recent onset of consistent rain, and that last year spring break fell in March compared to April for this year. CFO Goldman stated the self-generated revenue is \$1,653,307, compared to a budgeted revenue of \$2,178,562. The total surplus of \$25,558, compared to budgeted surplus of \$89,479. He stated the total personnel expenses are 9.7% under budget and total expenses are 14.8% under budget as of March 31, 2017. CFO Goldman stated that this is the first time in eleven years the zoo has ever been under budget. He also mentioned that although revenue is under budget, as are the expenses. This has helped to offset the loss. Director Valentino called for a motion to approve the financial report for recommendation to the Board. Director Rainwater so moved for approval. Director Dougherty seconded. All in favor. None opposed. Motion carried.

Review, Discuss, and Consider CEO Contract Approval Limitation: CFO Goldman stated that zoo has several contracts under \$35,000 that are being held up due to the current contract limitation of \$25,000 for CEO approval. He stated that the zoo is asking to raise the limitation to \$35,000. Director Valentino called for a motion to approve. Director Dougherty so moved for approval. Dr. Chen seconded. All in favor. None opposed. Motion carried.

Review, Discuss, and Consider Animal Nutrition Center Facility Contract: CEO Barton stated that at the last Finance committee meeting there was a discussion regarding the basement. He stated that he sent the committee an email with the total cost for the basement and would like to get an approval from the committee to move ahead with the design of the building. Director Rainwater stated that she did not agree with the design of the basement and stated that a one million dollar storage is not efficient and extremely expensive for storage. She also stated that the basement seemed even more inefficient in the fact that it would not have a ramp or forklift accessible. CEO Barton stated that the zoo's executive team all agreed upon the basement addition and would like to move forward with the design process pending the committee's approval. Director Valentino so called for a motion to approve the Animal Nutrition Building design contract for recommendation to the Board. Director Dougherty so moved for approval. Director Valentino seconded. Director Rainwater opposed. Dr. Chen abstained. Motion carried.

Finance Committee Members questions and comments: None.

Public comments: None.

Meeting Adjourned: at 5:53 pm

Respectfully submitted by: Jessica Revis, Executive Assistant to CEO/Zoo Director
Fresno's Chaffee Zoo Corporation