

FRESNO'S CHAFFEE ZOO CORPORATION
Minutes for the Finance Committee of the Board of Directors
Fresno Chaffee Zoo Education Building
Wednesday, September 20, 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
 Jessica Revis, Executive Assistant
 Laura Martina, CHRO
 Rick Treach, CFO
 Amos Morris, Deputy Director

Public

Bruce Batti, Playland/Storyland
 Wendy Batti, Playland/Storyland
 Scott Miller, Playland/Storyland

Call to Order: 5:01 pm.

Roll Call: Directors Rainwater, Dougherty, Valentino, and Committee member Dr. Chen are present. Director Saladino absent.

Discuss and consider minutes: Director Valentino called for a motion to accept the Finance committee minutes from July 19, 2017 meeting. Director Dougherty so moved to approve the minutes. Director Rainwater seconded. All in favor. None opposed. Motion carried.

Chair Report: Director Valentino stated that he was filling in for Director Saladino, and he did not have anything to discuss at this time. He asked in the essence of time to move the old business line item regarding the Playland/Storyland discussion to go first. Director Valentino stated that the Playland/Storyland Board members have attended this meeting to discuss the Chaffee Zoo potentially managing the organization in the future.

CEO Report: CEO Barton stated that the attendance increasing ideas for 2018 will not include the travelling dinosaur exhibit. He will propose that item in 2019. He stated that in 2018 the Zoo will open up the new Wilderness Falls exhibit. This exhibit will be a new water play feature for guests to enjoy during the hot summers in Fresno. CEO Barton stated the Zoo will also be opening the new Warthog exhibit in late summer 2018. This new area will be in the African Adventure exhibit, near the lion holding. CEO Barton stated the Zoo will also receive two new Greater One-horned Rhinos. These will be located in the old Asian elephant exhibit. He mentioned that in 2018 the Zoo will host two Roar'n'Pour events, as well as continuing the extended evenings in the spring. He stated that he will be working closely with the marketing department to develop a targeted marketing plan in 2018, as well as an attendance generating commercial.

Playland/Storyland Presentation: Bruce Batti presented the opportunity for Playland/Storyland to partner with the Fresno Chaffee Zoo. He stated that the financials for the organization are all positive and no longer in debt. He mentioned that if the Zoo were to acquire these organizations it would be mutually beneficial for the community. Mr. Batti stated that Playland is in the process of installing a new teacups ride, and they have partnered with the Rotary club for a new entrance. He stated that the organization also received a \$250,000 donation. Director Rainwater asked what the City of Fresno's position is on this acquisition by the Zoo. Mr. Batti stated that Playland/Storyland only lease the land from the City. Director Rainwater asked how this acquisition would affect Measure Z. Director Valentino stated that it would not be a part of Measure Z. It could potentially be a piece of a future campaign. Director Dougherty asked how this acquisition would look. Mr. Batti stated that Zoo would take over the management of the two parks. It would be easier for the Zoo to handle because they already have the infrastructure in place. It would allow the Zoo more opportunities to increase their venues and they also have the train. Director Rainwater asked if this would join them as one organization or would they run separately. CEO Barton stated they would run separately. Mr. Batti stated that it would be an additional revenue generator for the Zoo. Director Dougherty asked what the next steps would be. Director Valentino stated that they would present this opportunity to the Board in October or November for a vote. The Finance committee agreed to approve this item for discussion with the Board.

Review, Discuss, and Consider August 2017 Financial Report: CFO Treach stated that the Zoo has a self-generated revenue of \$6,124,996 compared to budgeted revenue of \$7,110,966. He stated although the Zoo is behind in its budgeted attendance and projected revenue they do have a surplus of \$1,969,754, compared to budgeted surplus of \$922,264. He stated that the total personnel expenses are 15.1% under budget and total expenses are 13.5% under budget. CFO Treach mentioned that the August 2017 attendance was 46,915 compared to budgeted attendance of 65,000, a decrease of 28%. He also stated that the August 2017 attendance was 26% behind August 2016 attendance of 63,261. CFO Treach stated the year to date attendance was 589,115 compared to a budgeted attendance of 700,000, a decrease of 16%. He mentioned that the August 2017 year to date attendance

was 18% less than August 2016 year to date attendance of 720,919. CFO Treatch stated that giraffe feedings, private events, and stingray bay admissions are all above their projected per caps. He stated that the Zoo staff are doing well to manage their expenses. Director Rainwater asked what the projected attendance is for 2018. CEO Barton stated that they are currently discussing this. Director Valentino called for a motion to accept the August financial report. Director Dougherty so moved to approve. Committee member Dr. Chen seconded. All in favor. None opposed. Motion carried.

Review and Discuss, and Consider Wilderness Falls Contingency List: CEO Barton stated that contingency items for Wilderness Falls that have previously been discussed with Directors Valentino and Richards. Director Valentino called for a motion to approve the contingency list. Director Dougherty so moved to approve. Director Rainwater seconded. All in favor. None opposed. Motion carried.

Review, Discuss, and Consider Asia Design Contact: CEO Barton stated that the Asia project was only partially approved for in the July 2017 meeting. He asked for the completed approval of the proposed total. Director Valentino called for a motion to approve the remaining amount of the proposal. Director Dougherty so moved to approve. Committee member Dr. Chen seconded. All in favor. None opposed. Motion carries.

Review, Discuss, and Consider Belmont Temporary Parking: CEO Barton stated that the Board had previously approved \$200,000 in capital spending for the Belmont temporary parking lot project. He stated that although the original estimations came in at that amount, there was an error on the engineer's side, and the total actually came in at about \$400,000. CEO Barton stated that they would like to use the previously approved amount of \$200,000, and then an additional \$200,000 in next year's budget for this project. He stated that they would like to use a line of credit. CEO Barton stated that this would add a significant amount of parking for the busy seasons at the Zoo. Director Valentino called for motion to approve. Director Dougherty so moved to approve. Committee member Dr. Chen seconded. All in favor. None opposed. Motion carried.

Finance Committee Members questions and comments: CEO Barton stated that he would like to table the Warthog request until further notice. Committee member Dr. Chen stated that he would like to discuss the investment study after reviewing Regency's performance at the end of the year.

Public comments: None.

Meeting Adjourned: at 5:54 pm

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