



Fresno's Chaffee Zoo Corporation
Board of Directors, Finance Committee Meeting
Minutes
October 6, 2022 at 4:00 PM
1250 W. Olive Avenue, Fresno, CA 93728

Committee Members Present

Mr. Kyle Kirkland
Mr. Rion Morgenstern, Chair
Mr. Ross Parnagian
Ms. Emilia Reyes

Committee Members Absent

Mr. Rob Bell

Zoo Staff Present

Ms. Nora Crow, Chief Financial Officer
Mr. Jon Forrest Dohlin, Chief Executive Officer
Mr. Jesse Santiago, Construction Projects Manager

Item 01: Call to order / Roll Call

Mr. Morgenstern called the meeting to order at 4:10 PM. Mr. Gonzales-Warkentin took the roll and established a quorum was present. The Committee proceeded with business.

Item 02: Public Comment

Mr. Morgenstern asked if any members of the public wished to comment on items not on the agenda. Hearing none, he proceeded with the meeting.

Item 03: Additions to the Agenda

Mr. Morgenstern asked if anyone had any emergency items brought to their attention after the posting of the meeting agenda that should be considered for discussion. He stated that any item proposed would be voted on by the Committee. If the item received a 2/3 majority vote, it would be added to the evening's agenda. Hearing nothing offered for inclusion, he proceeded with the agenda.

Item 04: Receive Chair Report

Mr. Morgenstern congratulated the Zoo staff for a successful Safari Night.

Item 05: Approve Capital change Order Requests

Mr. Dohlin reviewed the capital projects change order requests which included bird strike abatement for Kingdoms of Asia totaling \$27,648, and a request to relocate the Sea Lion Cove chillers and demolition of concrete totaling \$84,316.55. Mr. Dohlin explained that the requests for Sea Lion Cove would exhaust most of the project's contingency budget. He stated that while he doesn't believe additional costs will



arise, there may be changes in the project that may require further funding. The Committee members agreed that the improvements to Sea Lion Cove were necessary and if additional funding was required, the group would address it when needed.

After discussion, Mr. Parnagian made a motion to recommend to the Board the approval of the capital projects change orders totaling \$111,964.55 and Ms. Reyes seconded. The motion passed unanimously.

Item 06: Approve Mixed-Species Funding Request

Mr. Dohlin stated that bids on the proposed Mixed Species exhibit had been submitted and were higher than the original projected budget. He added that there were two bids on the project and the Zoo had selected BMY as the winning vendor. With approval, Mr. Dohlin said that the project could begin in November and would be completed in approximately twelve months with no disruption to the adjacent Kingdoms of Asia project now underway. He pointed out that the Mixed-Species exhibit would have additional revenue generation such as the ability to provide VIP experiences. Mr. Dohlin asked for approval of \$7,676,345.97 for the construction of the Mixed-Species exhibit.

Mr. Kirkland and Mr. Parnagian expressed their concern at the total cost of the project relative to original expectations. Ms. Crow confirmed that sufficient funds are available in Measure Z to fund the project. Mr. Dohlin confirmed that the project was consistent with the Master Plan, would enhance and complement Kingdoms of Asia and was not inconsistent with the pricing of other smaller projects such as Wilderness Falls and the warthog exhibit.

After further discussion, Mr. Kirkland made a motion to recommend to the Board the approval of \$7,676,345.97 for the construction of the Mixed-Species exhibit and Mr. Parnagian seconded. The motion passed unanimously.

Item 07: Approve Year-to-Date Financial Report

Ms. Crow provided an overview of the Zoo's financial position as of August 2022. She stated that self-generated revenue was 15% above budget and total expenses were 8% below. Ms. Crow added that attendance numbers for August were 106% of budget and year-to-date attendance was 126% of budget.

Mr. Kirkland asked that in future reports that the numbers presented in the Executive Summary be truncated for higher impact, e.g. \$1.2 million vs \$1,234,567.

This item was for information only. The Committee discussed but did not take action on the report.

Item 08: Receive 2023 FCZC Budget Draft

Ms. Crow then presented the draft 2023 budget for the Zoo. She stated that management considered the Zoo to be in an investment phase, and therefore, the budget reflected a deficit. She reviewed the projected increases in self-generated revenue, personnel costs and other expenses. She added that the Zoo did not intend to raise general admission prices in 2023.



Ms. Crow said that the Zoo anticipated an increase in attendance with the opening of Kingdoms of Asia in early 2023. She also stated that the Kingdoms of Asia exhibit will provide additional event space which will help generate revenue.

This item was for information only. After a lengthy discussion, Mr. Morgenstern stated that the budget would be revised and brought back in November for approval.

Item 09: Receive Investment Advisory RFP Update

Ms. Crow reminded the Committee that the Zoo had issued an RFP for firms to serve as its investment advisor and asked if the Committee would like to bring in the top candidates for an in-person interview. Mr. Morgenstern stated, and the Committee members agreed, that in-person interviews would be a helpful part of the decision-making process.

Item 10: Discuss Project Financing Options

Mr. Dohlin asked the Committee if it might be prudent to ask the Board to create a special committee to research financing options as the Zoo prepares to advance its Master Plan. He stated that the realization of the Zoo's goals over the next ten to fifteen years would require funding in excess of that generated by Measure Z. Mr. Morgenstern agreed that a special committee was worth consideration and requested that the item be brought to the Board at the next meeting.

Item 11: Committee Member Comments

Mr. Morgenstern asked if any members present had any additional comments. Hearing none, he adjourned the meeting at 6:37 PM.