

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

Fresno's Chaffee Zoo Corporation
Board of Directors Meeting
Minutes

Thursday, July 23, 2020 5:30 PM
Zoom: <http://zoom.us/j/98529550298>

This meeting was conducted onsite at the Zoo with consideration of social distancing guidelines and allowing participation via Zoom. Certain public notice requirements under the Brown Act have been suspended during the COVID-19 pandemic including postings in areas for those Board members participating via teleconference.

Directors Present

- Mr. Oliver Baines (joined at 5:45 PM)
- Dr. Ed Gonzalez
- Mr. Babatunde Ilori
- Mr. Kyle Kirkland
- Mr. Rion Morgenstern
- Mr. Ross Parnagian
- Dr. Emy Phillips

Directors Absent

- Ms. Chelsea Cates
- Ms. Julie Vance

Advisors Present

- Mr. Scott Barton
- Mr. Doug Larsen
- Ms. Patty McLane

Zoo Team Present

- Ms. Alisha Anderson
- Mr. Steven Gonzales-Warkentin
- Ms. Laura Martina
- Mr. Amos Morris
- Ms. Lyn Myers
- Dr. Lily Wachter
- Mr. Dean Watanabe

The meeting commenced at 5:32 PM

Item 01: Roll Call

Mr. Gonzales-Warkentin took the roll. With a quorum present, the Board proceeded with business.

Item 02: Public Comment

Mr. Kirkland asked if any members of the public present would like to offer public comment. Hearing none, he proceeded to the next agenda item.

Item 03: Approve Minutes from 06/18/2020 Board Meeting

Mr. Kirkland then called the Board's attention to the minutes from the June 18, 2020 Board meeting and asked if there were any suggested revisions. Hearing none, he asked for a motion to approve the minutes as presented. Dr. Gonzalez made a motion to approve the minutes as presented and Mr. Morgenstern seconded. The motion passed unanimously.

Item 04: Approve Minutes from 06/18/2020 Special Board Meeting

Mr. Kirkland then called the Board's attention to the minutes from the Special Board meeting held in closed session on June 18, 2020 and asked if there were any suggested revisions. Hearing none, he asked for a motion to approve the minutes as presented. Mr. Parnagian made the motion; Mr. Morgenstern seconded. The motion passed unanimously.

Item 05: Chair Report

Mr. Kirkland reported that the Development effort was continuing with an assessment of staffing needs, a review of best practices from other zoos and demonstrations of fundraising software. He also reported that Shelli Herman and Associates had reported that they have received strong interest in the Zoo's ongoing executive search. Finally, he noted that Dr. Phillips will not seek another 3-year term on the Board at the end of her term (December 31, 2020) due to scheduling challenges and family obligations. Mr. Kirkland expressed the Zoo's appreciation for Dr. Phillips' contributions to the Board and that she would be welcomed back if her time demands were to change.

Item 06: CEO Report

Mr. Barton reported that despite initial strong attendance upon reopening in June, attendance in July has been light, which he attributed to ongoing confusion in reporting about zoo closures statewide. He noted that the Zoo's marketing department had been making efforts via social media to clear the confusion and that the Fresno County Public Health Director had visited the Zoo with his family in the last two months and was pleased with efforts by the Zoo to protect the health and safety of the public.

Mr. Barton informed the Board that construction on the Zooplex building has begun and construction for the Ambassador Animal building was scheduled to begin next week. He shared that the Kingdoms of Asia project was scheduled to go before the Zoo Authority Board on July 29th to request funding. If approved, construction for the project would begin in August 2020.

Finally, Mr. Barton stated that the Education Department had recently started to offer caricatures for guests and their favorite animal as an additional revenue source. They have also increased their online content offerings as well.

Item 07: Approve Financial Update

Dr. Wachter reported that as of June 30th, the Zoo's self-generated revenue was \$2,583,127, 62% below budget, but noted that expenses are 25% below budget. She stated that after a strong reopening in mid-June, the Zoo's attendance was substantially lower in July and presented data suggesting that the decline was not exclusively weather-related. As a result of the 3-month COVID-19 closure and soft reopening, she noted that revenue is below budget in all areas except fundraising, due to support from the community. She also

stated that capture rates for add-on experiences such as Giraffe Feeding and Zoorassic Park were lower than normal for June.

Mr. Kirkland thanked Dr. Wachter for the detailed report, noted that the Finance Committee recommended the Board approve the report and called for a motion. Dr. Gonzales made the motion for approval; Dr. Phillips seconded. The motion passed unanimously.

Item 08: Approve Recommendation on Investment Assets

Mr. Kirkland stated that at the previous Board meeting, the Board had authorized Dr. Wachter to work with Regency Investments and the Finance Committee to develop a plan to sell certain investment assets to fund operating shortfalls and the development and succession efforts. Dr. Wachter reported the recommendation that the Zoo raise \$700,000 from the General Fund in the third quarter of 2020 with \$350,000 toward development and conservation and \$350,000 allocated to paying down the margin loan. The recommendation for 2021 called for the sale of \$250,000 in investments every quarter with \$175,000 set aside for development and conservation and \$75,000 set aside to pay down the margin loan.

Mr. Kirkland stated that the Finance Committee discussed this plan in detail and recommended approval of the recommendation. Mr. Morgenstern then made a motion to approve the recommendation for investment assets as presented; Mr. Parnagian seconded. The motion passed unanimously.

Item 09: Approve Zoo's Proposal for the Appropriation of Estate Gift

Dr. Wachter stated that in April the Zoo received notice that a substantial bequest would be given to the Zoo from the John R. Paul estate. The Zoo subsequently received a check for \$1.275 million in July. Dr. Wachter reported that the gift was unrestricted but did include guidance on the donor's interests. She stated that the Executive Team had discussed the Zoo's current needs with that guidance in mind and recommended 40% be allocated to the endowment, 20% be allocated for veterinary equipment, 15% be allocated to exhibit repairs and supplies and 25% be allocated to the general purpose of maintaining excellent animal and veterinary care.

Mr. Kirkland stated that the item was discussed in the Finance Committee, and the Committee recommended approval management's proposed allocations.

Mr. Baines then made a motion to approve the Zoo's proposal on how to utilize the monetary gift from the John R. Paul Estate. Dr. Phillips seconded the motion, which then passed unanimously.

Item 10: Receive Review of Capital Items Intended to be Funded by Measure Z

Dr. Wachter stated that the Zoo will be presenting capital projects intended to be funded by Measure Z to the Zoo Authority Board next week. She projected there would be sufficient Measure Z funds for Kingdoms of Asia, in addition to Zooplex and Ambassador. She also stated that the five-year plan includes approximately \$100 million in spending on capital projects, with approximately 85% funded by Measure Z and 15% funded through development efforts. Mr. Baines asked if the plan took into account the possible deficits in Measure Z revenue due to the impact on sales tax of COVID-19. Dr. Wachter stated that the Zoo Authority is currently projecting a small amount of growth for its 2020-2021 fiscal year relative to its actual receipts in the 2019-2020 fiscal year, but her projections assumed Measure Z funding would remain flat into the future. Dr. Wachter added that in the event of funding shortfalls, future projects could be staged or delayed as necessary.

Item 11: Approve Updates to Endowment Policy

This item was tabled and will be presented at a future meeting.

Item 12: Approve Updates to Conflict-of-Interest Code

Mr. Larsen informed the Board that the County requires the Conflict-of-Interest Code to be reviewed every two years and that he had recently completed his review. Based on that review, he stated that he had made minor changes to position titles as presented in the CIC and added Project Manager to the list of required acknowledgers.

Mr. Morgenstern made a motion to accept the changes to the Conflict-of-Interest Code as presented; Mr. Baines seconded the motion. The motion passed unanimously.

Item 13: Receive Quarterly Marketing Update

Mr. Kirkland then asked Ms. Anderson to provide an update on marketing year-to-date. Ms. Anderson stated that the Zoo has been focused on pre-existing promotional outlets such as billboards, television appearances, and social media platforms. Ms. Andersen added that messaging has been focused on increased safety compliance and informing the public that the Zoo is open. She concluded that the Zoo is also investing in digital ads and radio promotions and had updated its web store simplifying the experience for the user.

Mr. Morgenstern stated he appreciated the depth of the presentation but would like to see performance data included in the next update.

Item 14: Old Business / Item 15: New Business

Mr. Kirkland then asked if there was any old or new business to discuss. Hearing none, he again thanked Dr. Phillips for her contributions to the Board during her three-year term, acknowledged the difficulty in the decision to not stand for re-election and reiterated his advocacy for her return to the Board should her time and family commitments change in the future.

With no other business presented, Mr. Kirkland adjourned the meeting at 6:55 PM.