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.

Committee Members Present
- Dr. K.C. Chen
- Mr. Babatunde Ilori (joined at 4:17 PM)
- Mr. Kyle Kirkland
- Mr. Rion Morgenstern, Chair

Guest Speakers Present
- Mr. Chris Comstock, Regency Investments
- Mr. Judson Myers, Regency Investments

Zoo Team Present
- Ms. Alisha Anderson
- Mr. Scott Barton
- Mr. Steven Gonzales-Warkentin
- Ms. Laura Martina
- Mr. Amos Morris
- Ms. Lyn Myers
- Dr. Lily Wachter

The meeting commenced at 4:02 PM

Item 01: Roll Call
Mr. Gonzales-Warkentin took the roll. With a quorum present, the Committee proceeded with business.

Item 02: Public Comment
Mr. Morgenstern asked if any of the members of the public present wished to comment. Hearing none, he proceeded with the next agenda item.

Item 03: Approve the Minutes from 05/2020 Finance Committee Meeting
Mr. Morgenstern asked if there were any comments on the minutes. Mr. Kirkland noted that the draft included a blank space for Mr. Ilori’s attendance and asked that it be updated. He then made a motion to accept the minutes with the requested change. Dr. Chen seconded, and the motion passed unanimously.
**Item 04: Chair Report**
Mr. Morgenstern acknowledged the time and effort put into the agenda items for today’s meeting and thanked Dr. Chen, Dr. Wachter and Regency Investments for their time and effort on the Investment Assets plan.

**Item 05: Approve Financial Update**
Dr. Wachter reported that the shortfall in self-generated revenue exceeded $4 million as of June 30th, but the PPP loan funds and expense reductions offset a substantial portion of the shortfall. She highlighted that the Zoo has generated $2,583,127 in self-generated revenue to date, 62% below budget, but noted that expenses are 25% below budget. Dr. Wachter discussed the Zoo’s attendance since reopening noting that the average attendance for the month of June was 1,675 guests per day and that the limited capacity of 1,300 in the Zoo at any one time has only been reached once on June 14th. Dr. Wachter also presented comparisons of 2019 and 2020 attendance and temperature for June and July and suggested that weather (hot temperatures) is not the driving factor in the low attendance observed in July 2020 relative to July 2019.

Dr. Wachter then reported that June capture rates for add-on experiences were lower than normal, with Giraffe Feeding and Zoorassic Park at 14% and 31%, respectively.

After discussion, Mr. Morgenstern asked for a motion to recommend that the Board accept the Financial Report as presented. Mr. Kirkland made the motion; Dr. Chen seconded. The motion passed unanimously.

**Item 06: Receive Quarterly Update from Regency Investments**
Mr. Myers stated that returns in both the equity and fixed income markets were positive for the second quarter of 2020 as the markets rebounded from the sharp sell-off. He pointed out that the Zoo’s large cap and foreign equity allocations were a bright spot in the portfolios. As of June 30th, the Zoo’s General Fund balance was approximately $6.5 million, and the Endowment Fund’s value was approximately $5.3 million. Mr. Myers then reported that the only change to asset allocations was the elimination of the Oakmark Fund.

**Item 07: Approve Recommendation on Investment Assets**
Mr. Comstock said that the goal of these recommendations is to ensure that the Zoo has needed cash available in the event of continued operating shortfalls. He outlined the desire to fund the development campaign, the Zoo’s mission-based priorities such as conservation, and to manage investments and the margin loan as part of the overall cash management strategy. He then said that the first recommendation is to raise $700,000 from the General Fund in the third quarter of 2020 with $350,000 going to development and conservation and $350,000 going toward paying down the margin loan. The second recommendation is to raise $250,000 every quarter in 2021 with $175,000 set aside for development and conservation and $75,000 set aside to pay down the margin loan.

Mr. Morgenstern noted that he and Dr. Chen, along with Zoo Executives, spent considerable time working with Regency Investments to develop these recommendations. He asked for a motion to approve the recommendations to be presented to the Board. Mr. Kirkland made the motion and Dr. Chen seconded. The motion passed unanimously.

**Item 08: 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.

After further discussion, including recommendations for locations to name after the Paul family, Mr. Kirkland made a motion to accept the proposal as presented and recommend it to the Board. Mr. Morgenstern seconded. The motion passed unanimously.

Item 09: Receive Review of Capital Items Intended to be Funded by Measure Z
Dr. Wachter said that the Zoo team was asked to present total capital needs for upcoming construction projects at the next Zoo Authority meeting. 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. Barton noted in the event of shortfalls in funding, some projects may be staged or delayed.

Item 10: Old Business / Item 11: New Business
Mr. Morgenstern asked if there was any old or new business to discuss. Hearing none, he adjourned the meeting at 5:25 PM.