

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

Fresno's Chaffee Zoo Corporation  
**Board of Directors Meeting**  
*Minutes*

June 18, 2020 5:30 PM  
Zoom: <https://zoom.us/j/92278835782>

*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 5:50 PM)
- Ms. Chelsea Cates (joined at 5:35)
- Dr. Ed Gonzalez, Vice Chair
- Mr. Babatunde Ilori
- Mr. Kyle Kirkland, Chair
- Mr. Rion Morgenstern, Treasurer
- Mr. Ross Parnagian
- Dr. Emy Phillips, Secretary

**Directors Absent**

- Ms. Julie Vance

**Board Advisors Present**

- Mr. Scott Barton, CEO
- Mr. Doug Larsen, Legal Counsel
- Ms. Patty McLane, Docent President

**Zoo Staff Present**

- Ms. Alisha Anderson
- Mr. Steven Gonzales-Warkentin
- Ms. Laura Martina
- Mr. Amos Morris
- Dr. Shannon Nodolf
- Dr. Lily Wachter

**Guest Speakers Present**

- Ms. Erin Goldfarb

The meeting commenced at 5:33 PM

**Item 01: Roll Call**

Mr. Gonzales-Warkentin took the roll and established that there was a quorum.

**Item 02: Public Comment**

Mr. Kirkland asked if there were any comments from the public. No members of the public in attendance offered any comments for the group.

**Item 03: Chair Report**

Mr. Kirkland noted that the Zoo had reopened the previous Friday, thanked the executive team for its efforts in effecting a smooth reopening. He also thanked the Board members for their patience with multiple meetings over the last few months and advised that some agenda items would be taken out of order in the interest of consolidating the agenda items. He also noted that a Special Board meeting will be held, in closed session, at the conclusion of the public board meeting.

**Item 04: CEO Report**

Mr. Barton announced that the Zoo will be holding an internal town hall on Monday to discuss diversity, inclusion and matters of social justice. He stated that the Zoo opened this past Friday with timed ticketing and had a strong turnout and per capita spending in excess of expectations.

**Item 06: Receive Agreed Upon Procedures Update**

Mr. Kirkland stated that Dr. Gonzalez, Chair of the Audit Committee, was delayed and invited Ms. Goldfarb from Moss Adams presented the “Report of Independent Accountants on Applying Agreed upon Procedures”, required by the Fresno County Zoo Authority. She stated the agreed-upon procedures engagement was conducted in accordance with attestation standards and that no exceptions were found as a result of applying these procedures.

**Item 07: Receive and Consider Board Meeting Minutes from 05/20/2020**

Mr. Kirkland called the Board’s attention to the draft minutes from the May 24, 2020 meeting and asked if there were any suggested revisions. Hearing none, he asked for a motion to approve the minutes as presented. Mr. Morgenstern made the motion to accept the minutes, and Mr. Ilori seconded. The motion passed unanimously

**Item 08: Receive and Consider Special Board Meeting Minutes from 06/09/2020**

Mr. Kirkland then asked the Board to review the draft minutes from the special board meeting which took place on June 9, 2020. He asked if there were any suggested revisions. Hearing none, he requested a motion to approve the minutes as presented. Mr. Morgenstern made the motion to accept the minutes, and Mr. Ilori seconded. The motioned passed unanimously.

**Item 05: Receive and Consider 2019 Audit**

Dr. Gonzalez, Audit Committee Chair, informed the Board that Moss Adams presented the audit in detail to the Audit Committee on June 11<sup>th</sup> and that the Audit Committee had reviewed and discussed the audit report in detail and voted to recommend that the Board accept the audit as presented, with minor clarifications. Ms. Goldfarb confirmed that the audit had been completed without issue and that Moss Adams issued the Zoo an unqualified report, the best report possible.

Mr. Kirkland commended Moss Adams and Dr. Wachter for their ability to work through challenges such as the pandemic and asked if the Board had any questions. Hearing none, he asked for a motion to accept

the audit as presented and recommended submittal of the audit to the Fresno Zoo Authority. Dr. Gonzalez made a motion to accept which was seconded by Mr. Parnagian. The motion passed unanimously.

**Item 09: Receive and Consider Updates to Conflict of Interest Code**

Mr. Larsen stated that the Conflict of Interest code required by the County would need minor adjustments such as adding the new internal project manager position. He stated that he would make the revisions and return to the Board for approval at the next meeting. No action was taken.

**Item 10: Receive and Consider Year-to-Date Financial Report**

Dr. Wachter reported that due to closure, self-generated revenue at the Zoo was 62% below budget. Similarly, Zoo expenses and income were below budget by 23% and 93%, respectively. On the plus side, the Zoo has received \$124,935 of donations and personnel, Zoorassic Park and utility expenses were less than budgeted.

Dr. Wachter reported that six members of the Executive Team have taken pay cuts since the beginning of May to reduce personnel costs. Mr. Kirkland thanked the team for their voluntary sacrifice and suggested the group consider reversing the decision now that the Zoo had reopened. The consensus of the Board was that the salaries of the executive team should be reinstated at the next pay period.

Dr. Wachter pointed out that the Payroll Protection Program loan now appears on the balance sheet as a liability, but it is her expectation based on current federal guidelines that this loan will be forgiven in its entirety.

**Item 15: Receive Update on Budget since Closure**

Mr. Kirkland then asked Dr. Wachter to proceed with Item 15 regarding the Zoo's budget since closure.

Dr. Wachter suggested that [self-generated] revenue for 2020 could be in the range of \$5.5 – 6.5 million, and again noted the public's support of the Zoo through donations. She noted that the Zoo could fall short of this estimate due to unfavorable weather and/or further health and safety challenges and stated that she was working on developing a multi-year forecast model and financial analysis. Dr. Wachter concluded by stating that the reopening has gone well with attendance at 93% of prior year levels.

Mr. Kirkland then asked if there was any further discussion for agenda item 10, the year-to-date financial report, and Item 15 the budget update. Hearing none, he asked for a motion to accept the year-to-date financial report as presented. Dr. Phillips made the motion, and Mr. Morgenstern seconded. The motion passed unanimously.

**Item 11: Receive and Consider Board Designated Assets**

**Item 12: Receive and Consider Potential Sale of Board Designated Investment Assets**

Mr. Kirkland then requested that items 11 and 12 be combined for presentation purposes.

Dr. Wachter stated that the current approximate balance of the Endowment Fund was \$5,250,000 and the balance of the General Fund was \$6,420,000. The balance of the Zoo's Margin Loan is \$1,380,000, with an expectation that the Zoo will need to draw down even further to fund items budgeted between now and year end. She then stated the Board has \$1,692,000 reserved for designated funds such as the Zoo's development campaign and deferred maintenance. In an effort to pay off the margin loan and fund the board

designated items, Dr. Wachter suggested that it may be prudent to investigate selling some investment assets and suggested reaching out to Regency Investments for their feedback.

Mr. Kirkland agreed and suggested Dr. Wachter review any suggested action with Dr. Chen on the Finance Committee. It was further requested that no action be taken on these items at this time, but Dr. Wachter would report her findings at the next Board meeting for potential action.

**Item 13: Receive and Consider Board Designated Assets for Endowment**

Dr. Wachter suggested that all unrestricted bequests (planned gifts such as bequests in an estate plan) be Board-designated for the endowment, which is the current practice. She also asked the Board to consider that smaller memorial gifts be regarded as undesignated. Mr. Baines asked if a threshold should be set for the memorial gifts; Dr. Wachter recommended that no threshold be set.

Mr. Morgenstern suggested that Mr. Larsen draft a resolution for the Board for consideration at the next Board meeting. No action was taken at this time.

**Item 14: Receive and Consider Request for Funding Kingdoms of Asia Project**

Mr. Barton stated that the Kingdoms of Asia project recently went out to bid. Four companies expressed interest, and of those four, two submitted bids and participated in interviews with the Zoo's Executive Team and Mr. Parnagian.

Mr. Parnagian stated that both were local companies and that the preferred vendor had more experience with large parks and working around the public during construction. When asked by Mr. Baines, Mr. Santiago, the Zoo's Construction Project Manager, stated that a majority of sub-contractors working on the project are local.

Mr. Barton stated that the Zoo would like to request moving forward with Bernards as the contractor for the Kingdoms of Asia project. The total request for funding is \$38,238,704.33. Mr. Morgenstern suggested that due to inflation and the financial uncertainty of the world, the furniture and fixtures contingency should be increased from 10% to 15%, bringing the total project funding request to \$38,365,323.98.

After further discussion on the project, Mr. Parnagian made a motion to approve the Zoo to request funding from the Fresno Zoo Authority Board in the amount of \$38,365,323.98 for the construction of the Kingdoms of Asia project. Dr. Gonzalez seconded. The motion passed unanimously.

**Item 16: Old Business**

Dr. Gonzalez thanked everyone for their participation on the Development Retreat which occurred on June 13<sup>th</sup>.

**Item 17: New Business**

None presented.

Mr. Kirkland adjourned the meeting at 6:55 PM