

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

Fresno's Chaffee Zoo Corporation
Board of Directors Meeting
Minutes

January 23, 2020
Education Lab Conference Room

Directors Present

- Mr. Babatunde Ilori
- Ms. Chelsea Cates
- Mr. Ed Gonzalez, Vice Chair
- Dr. Emy Phillips, Secretary
- Ms. Julie Vance, Treasurer
- Mr. Kyle Kirkland, Chair
- Mr. Rion Morgenstern
- Mr. Ross Parnagian

Directors Absent

- Mr. Oliver Baines

Advisors Present

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

Zoo Staff Present

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

Guest Speakers

- Mr. Mike Der Manouel, Der Manouel Insurance
- Mr. Sam Gibs, Der Manouel Insurance

Mr. Kirkland called the meeting to order at 5:41 PM and asked Mr. Gonzales-Warkentin to take the roll. With a quorum confirmed in attendance, the Board proceeded with business.

Item 02: Public Comment

Mr. Kirkland called for public comment; none was offered from the members of the public in attendance.

Item 03: Receive Chair Report

Mr. Kirkland thanked the Board and Zoo staff for their contributions throughout the previous year and welcomed the Zoo's new Chief Financial Officer, Dr. Lily Wachter.

Item 04: Receive Nominating Committee Report

Mr. Kirkland then asked Mr. Gonzalez, Chair of the Nominating Committee for an update on its meeting early in the month. Mr. Gonzalez summarized the Committee's activities and stated the Committee had developed a proposed protocol for recruiting and assessing future Board member prospects and shared guidelines documented by Dr. Phillips. Mr. Gonzalez suggested that the formalized process be an agenda item at the next Board of Directors meeting. Mr. Larsen stated that the proposed protocol did not conflict with ZooCorp bylaws and the Board agreed to consider the proposal at a future Board meeting.

Item 05: Approve 2020 Board of Directors Officers

Mr. Gonzalez then reminded the Board that the current officers took office in March 2019 and proposed that the existing slate of officers be re-elected for an additional term. Ms. Vance indicated her desire to step down from the position of Treasurer given other time commitments and suggested Mr. Morgenstern as a replacement. After discussion, Mr. Ilori made a motion to elect Mr. Kirkland as Board Chair, Mr. Gonzalez as Vice Chair, Mr. Morgenstern as Treasurer and Dr. Phillips as Secretary for the 2020 term. Mr. Parnagian seconded the motion. Mr. Kirkland called for a vote and the group was elected to their respective positions without opposition.

Item 06: Approve 2020 Board Committee Members

Mr. Kirkland then asked the Board to consider membership in the standing Committees of the Board—Finance, Nominating and Audit Committees.

Mr. Morgenstern motioned to approve the Finance Committee with himself as Chair, Mr. Ilori, Mr. Kirkland and Dr. KC Chen as members. Mr. Parnagian seconded the motion. The motion passed unanimously.

Dr. Phillips motioned to approve the Audit Committee with Mr. Gonzalez as Chair, Ms. Vance, Ms. Cates and Mr. Gary Renner as members. Mr. Gonzalez seconded. The motion passed unanimously.

Mr. Morgenstern motioned to approve the Nominating Committee with Mr. Gonzalez as Chair, Ms. Cates, Dr. Phillips and Mr. Parnagian as members. Ms. Vance seconded. The motion passed unanimously.

Item 07: Approve Zoo Executive Assistant as Board Assistant Secretary

Dr. Phillips then stated that Mr. Gonzales-Warkentin has been acting as Board Assistant Secretary over the past year and suggested that the Board formalize the position. Mr. Kirkland made a motion to approve Mr. Gonzales-Warkentin as Board Assistant Secretary. Ms. Vance seconded. The motion passed unanimously.

Item 08: Receive Directors and Officers Insurance Overview

Mr. Kirkland then asked the representatives of Der Manouel Insurance in attendance to provide an update to the Board on existing insurance coverages. Mr. Gibbs from Der Manouel Insurance provided a summary of insurance coverages for Board Directors and Officers, including cyber risk coverage and the coverage limits for existing Director and Officer Insurance. The Board agreed the coverages were adequate and thanked Mr. Gibbs for the update.

Item 09: Receive FCZ CEO Report

Mr. Kirkland then asked Mr. Barton for his CEO Report. Mr. Barton provided a brief update on Zoo operations since the previous Board meeting and noted that the second run of Zoorassic Park will open to the public on February 29, 2020. He also reported that money from the Zoo's Conservation Fund will be sent to assist Australian Zoos affected by the country's wildfires. Mr. Watanabe gave a brief overview of expanded Behind-the-Scenes experience offerings for 2020.

Item 10: Approve Board of Director Meeting minutes from 11/20/2019

Mr. Kirkland then stated that he and Dr. Phillips had reviewed the minutes in depth after the last Board meeting and asked for any further comments. Hearing none, Mr. Gonzalez made a motion to approve the minutes as presented and Ms. Vance seconded. The motion passed unanimously.

Item 11: Approve Year-to-Date Financial Report

Mr. Kirkland then asked Dr. Wachter to provide an update on the Zoo's financial results. Dr. Wachter gave an in-depth overview of the Zoo's finances as of November 2019 and stated that the year-end finances were currently being finalized. Self-generated revenue was tracking below budget by about 8% but was up 7% from 2018. Attendance was tracking about 6% below targets. Membership revenue was up 5%, and food services was up 11%. Operating expenses were about 5% below budget. Dr. Wachter also clarified that the utility cost increases previously reported related to water/sewer cost increases and believed that the Zoo's efforts to use reclaimed water would reduce the costs in future periods.

Mr. Kirkland asked about data on spending of an average visitor and Dr. Wachter provided clarification on the per capita numbers as presented. Mr. Barton reported that the Zoo is working closely with SSA on integration of their point-of-sale system with the Zoo's Centamen system which would allow for better data. After discussion, Mr. Gonzalez made a motion to accept the Year-to-Date Financial Report as presented and Ms. Vance seconded. The motion passed unanimously.

Item 12: 2019 Zoorassic Park Financials

Mr. Kirkland then asked for an update on the performance of the Zoorassic Park exhibit in the summer of 2019. Mr. Barton stated that management believed Zoorassic Park under performed as an attendance draw but believed follow on sales to attendees and members and retail sales exceeded expectations. He stated the Zoo made a modest profit in 2019, but the exhibit was well-received by guests and believed that the revised presentation for 2020—peak season exhibition, additional prehistoric creatures, increased add-on pricing and reduced expenses would result in a positive impact on the Zoo's 2020 financial results.

Item 13: Receive 2020 Marketing Plan

Mr. Kirkland stated that he and Mr. Morgenstern recently met with the Zoo's marketing team to review the draft marketing plan presented at the November Board Meeting and introduced Ms. Anderson to provide additional details. Ms. Anderson stated the Zoo is reviewing its historical emphasis on traditional television/radio marketing and consider increasing digital marketing as a key component. She also noted that three special events (Safari Night, Zoo Boo and Zoo Lights) are being reviewed for opportunities for improved marketing and attendance.

Ms. Anderson stated that in 2020 the first half of the year's advertisements will focus on the second run of Zoorassic Park. The marketing plan for the remainder of the year will emphasize experiences that will bring guests closer to the animals. Mr. Gonzalez suggested the Zoo research advertising on local Hmong television channels given the sizable Hmong population in Fresno County. Ms. Anderson also stated that the Zoo was currently recruiting for a new social media position. Mr. Morgenstern inquired about introducing a Corporate Membership. Mr. Barton stated that Mr. Kirkland had made a similar request in 2018 and that management was considering adding such a membership.

Item 14: Approve FCZ Authorized Signatories

Mr. Kirkland stated that the Zoo needed to update their authorized signatories now that Dr. Wachter has started as CFO and Mr. Morgenstern as the Board's Treasurer. Ms. Vance made a motion to approved authorized signatories for the Zoo as Mr. Scott Barton – CEO, Mr. Amos Morris – COO, Dr. Lily Wachter

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– CFO, Mr. Kirkland – Board Chair, Mr. Morgenstern – Board Treasurer and Dr. Phillips – Board Secretary. Dr. Phillips seconded. The motion passed unanimously.

Item 15: Receive Update on the State of the Zoo’s Information Technology

Mr. Kirkland then introduced Mr. Giffen from the Zoo’s IT Department to provide an overview of the Zoo’s IT capabilities as suggested by Mr. Ilori. Mr. Giffen provided an overview of the Zoo’s IT needs and installations, highlighted systems used such as Centamen and Financial Edge, as well as systems the Zoo is looking to incorporate like Microsoft Office 365 and cloud hosting. He stated the Zoo’s webstore will receive an upgrade allowing for easier guest purchases. Mr. Giffen stated he is the only staff member focused on technology but partners with an outside vendor who supplements the Zoo’s IT resource needs. The Board discussed the importance of the IT Department on the ongoing success of the Zoo and suggested that the Zoo recruit additional IT staff members to enhance its capabilities and pursuit of its strategic goals.

Item 16: Old Business

Mr. Barton reported that the African thatch roofing project had been completed.

Item 17: New Business

Mr. Kirkland stated that the next Board of Directors meeting was scheduled for March 26, 2020. Mr. Gonzalez asked if Mr. Watanabe could report on the Education Department at this meeting. Mr. Barton noted that in the past department heads provided updates at Board meetings and suggested resuming the practice. The Board agreed that department updates would be a positive addition to future Board meetings.

Mr. Kirkland then asked if there was any other business to report. Hearing none, the meeting was adjourned at 8:04 PM.