

FRESNO'S CHAFFEE ZOO CORPORATION
Minutes for the Finance Committee of the Board of Directors
Fresno Chaffee Zoo Education Building
Wednesday, November 19th, 2016 at 4:00 pm

Present

John Valentino
Colin Dougherty
Shari Rainwater
Craig Saladino
Sharon Levy

Staff

Scott Barton, CEO
Brian Goldman, CFO
Jessica Revis, Executive Assistant
Laura Martina, SPHR

Public

Michael Martinez, Premier Valley Bank

Call to Order: 4:02 pm.

Roll Call: Directors Rainwater, Valentino, Dougherty, Saladino, and Levy present.

Discuss and consider minutes: Director Saladino made a motion to accept the Finance committee minutes from October 19, 2016. Director Dougherty so moved. Director Rainwater seconded. All in favor. None opposed. Motion carried.

Presentation from Premier Valley Bank: Michael Martinez, President of Premier Valley Bank, presented a quick synopsis of their business capabilities. Mr. Martinez stated that Premier Valley Bank recently transitioned under Heartland Financial. He stated the bank offers residential banking, 401k options, client circle, private banking, emergency cards, equipment leasing, and now are able to compete on a national level with larger banks. Mr. Martinez stated that Premier Valley Bank still has their local board and management team. Director Saladino asked Mr. Martinez about their 401k options. Mr. Martinez stated he could have someone from his company do a separate presentation on their options. Director Dougherty asked if their 401k is managed locally. Mr. Martinez stated it was not local, but handled remotely. Director Saladino thanked Mr. Martinez for his time. Mr. Martinez thanked the committee for receiving his presentation.

Chair Report: Director Saladino stated that he would differ his report for the 2017 Budget presentation after the financial report.

Review financial report: CFO Goldman reviewed the 2016 October Financial report with the committee. CFO Goldman stated the self-generated revenue was \$8,513,132, compared to budgeted revenue of \$7,127,983. He also mentioned that they have a surplus of \$2,705,190 compare to budgeted surplus of \$277,816. The total personnel expenses are 7.9% under budget and total expenses are 4.5% under budget as of 10/31/2016. Director Saladino asked why the sponsorships and donations showed past 60 days. CFO Goldman stated that a few of the line items in that section were for committed donations, payable over several years. Director Saladino stated that these items should not be included until they are received. CFO Goldman stated he would put them as a separate footnote for future discussions. Director Rainwater asked what the large surplus of giraffe feedings are from. CEO Barton stated the new giraffe feeding platform has a lot to do with the increase. Director Rainwater asked if we promoted selling memberships as a potential holiday gift. CEO Barton stated we do advertise that through memberships. Director Saladino asked if guests could purchase memberships at the ticket booth when they arrive. CEO Barton stated that they could. CFO Goldman stated the zoo is switching health care providers. The new provider will have two options for employees to choose from. Director Saladino made a motion to accept the financial report as presented and for recommendation to the Board. Director Dougherty so moved. Director Valentino seconded. All in favor. None opposed. Motion carried.

Review, Discuss and Consider FCZC Finance Committee Contract Questions: CFO Goldman asked the Finance committee if the zoo needs to get approval for contracts that pertain to the operating budget, for example an insurance contract. CEO Barton stated if we could exclude the insurance for these approvals for timing purposes. Director Saladino stated he does not believe the insurance contract qualifies as a capital contract that would need approval from the Board. That type of contract is operational.

Review, Discuss and Consider FCZC 2017 Budget: CFO Goldman stated the projected 2017 attendance will be 950,000. This is close to what the zoo will reach in 2016. CFO Goldman stated the self-generated revenue will be increased by \$1,530,000 over 2016. CEO Barton stated that the budget is flat compared to 2016. CFO Goldman stated the Visitor Services department will resume selling combo tickets for giraffe feeding and Stingray Bay admissions. Adults save \$1.00 and children/seniors save \$1.50 over the total price of admission. CFO Goldman stated they are increasing the giraffe feeding price to \$3.00. This is the first increase in over ten years. Currently, guests are purchasing two pieces of lettuce for \$2.00. Now, they will receive three pieces of lettuce for \$3.00. CFO Goldman stated the total operating expenses will increase to \$1,740,000, about 13.6% more than 2016. The personnel expense has been increased to \$910,000 and other expenses will increase to \$835,000 compared to 2016. CFO

Goldman stated the contract services line item covers contracts such as the Bird Show and SSA. Director Saladino advised that the Board may want to consider creating an ad hoc committee to discuss the usage of Dr. Koenig in the future. CFO Goldman discussed the operating budget for 2017. CEO Barton stated the expense line item for supplies increase pertains to medical needs for elephant Amy. CEO Barton stated there have been issues with Amy's knee and believes this was a preexisting condition. He also stated that we need to request the full medical records from her previous owners. Director Saladino stated he would like this concern brought up at the next full Board meeting. Director Saladino asked what the zoo is doing to become more self-sustaining and environmentally conscientious. CEO Barton stated the zoo has already partnered with Fresno State University for a few solar projects and will be one of the first sites in Fresno to use reclaimed water. Director Saladino stated he would like the zoo to have 3 new green initiatives for 2017. CEO Barton stated he would have these new ideas ready for presentation at the February 2017 Board meeting. CFO Goldman discussed the personnel expenses for 2017 with the committee. He stated they would also like to add seven full time staff and six part time positions, as well as convert two current full time positions to a manager post. This would increase the total full time positions to 143 and 88 part time positions for 2017. Director Saladino stated the HR manager position is very similar to a payroll job description. CEO Barton stated it the position is designed for the payroll clerk, who would transition into a manager. Director Rainwater asked what the purpose of having two human resources managers would be. CHRO Laura Martina, stated the position would allow an alternate route of communication for staff. Director Saladino stated that this position should not be changed into a human resources manager as its main job duties are for payroll purposes. Director Saladino asked that the zoo come back to the Board with the suggested staff changes for the 2017 budget presentation. CFO Goldman presented the 2017 budget for capital request. He stated they are only requesting for what is needed. Director Rainwater stated the cameras seemed slightly expensive. CEO Barton stated he would look into the cost associated with the camera system. Director Saladino stated all capital expenditures should be explained. Director Saladino called for a motion to approve for recommendation to the Board for the 2017 budget, with the exception of the personnel compensation requests. Director Rainwater so moved for approval. Director Dougherty seconded. All in favor. None opposed. Motion carried.

Finance Committee Members questions and comments: Director Rainwater asked what was the current status of the deputy director selection process. CEO Barton stated he did extend an offer to a potential candidate, but the candidate declined due to a circumstantial complication. Director Saladino asked if CEO Barton gave the candidate a salary range. CEO Barton stated he did not but knew that the decision was not related to salary. CEO Barton stated he would contact the candidate again for further discussion. Director Rainwater stated she would like to assist with recruiting the candidate.

Public comments: None.

Meeting Adjourned: at 6:27 pm

Respectfully submitted by: Jessica Revis, Executive Assistant to CEO/Zoo Director
Fresno's Chaffee Zoo Corporation