



## Oregon Zoo Bond Citizens' Oversight Committee

Oregon Zoo – Kalahari Room  
Wednesday, May 14, 2014  
3 to 5 p.m.

### MINUTES

#### MEMBERS PRESENT

Deidra Kryz-Rusoff (Chair)  
Bill Kabeiseman (Vice Chair)  
Noah Bishop  
Tony Butchart  
Sharon Harmon  
Deborah Herron  
Mickey Lee  
Carter MacNichol  
Daniel Morris  
Mike Schofield  
Penny Serrurier  
Bob Tackett  
Tom Turnbull

#### AFFILIATION

Ferguson Wellman Capital Management  
Garvey Schubert Barer  
Bishop Bankruptcy Law, LLC  
Neil Kelly  
Oregon Humane Society  
Walmart  
MPower Oregon  
Shiels Oblatz Johnsen, Inc.  
Our Oregon  
Forest Grove School District  
Stoel Rives LLP  
Northwest Oregon Labor Council  
OpenSesame Inc.

#### MEMBERS ABSENT

Ruth Shelly

#### AFFILIATION

Portland Children's Museum

#### GUESTS

Jon Gramstad  
Courtney Scott  
Barbara Spears  
Peggy Thompson  
Gary Thompson

#### AFFILIATION

Gimme Shelter Portland  
Free the Oregon Zoo Elephants  
Gimme Shelter Portland  
Zoo volunteer  
Zoo volunteer

#### ELECTED OFFICIALS AND STAFF

Tim Collier  
Shirley Craddick  
Teri Dresler

Caleb Ford  
Jani Iverson  
Jim Mitchell  
Joel Morton  
Linnea Nelson  
Heidi Rahn  
Scott Robinson  
Grant Spickelmier

Metro Finance and Regulatory Services Director  
Metro Councilor  
Oregon Zoo Interim Director; Metro Visitor Venues General  
Manager  
Oregon Zoo Budget and Finance Director  
Oregon Zoo Foundation Director  
Oregon Zoo Bond Construction Manager  
Metro Senior Attorney  
Oregon Zoo Bond Program Coordinator  
Oregon Zoo Bond Program Director  
Metro Deputy Chief Operating Officer  
Education Curator

**A. Welcome / Introduction**

Deidra Kryz-Rusoff, Oregon Zoo Bond Citizens' Oversight Committee Chair, opened the meeting at 3:04 p.m. and welcomed members.

**B. Approval of Feb. 12, 2014, Oversight Committee meeting minutes**

Members approved the minutes of the Feb. 12, 2014, Oregon Zoo Bond Citizens' Oversight Committee ("Oversight Committee" or "the Committee") meeting.

**C. Oversight Committee 2013 Annual Report – Recap of Metro Council presentation March 20, 2014**

Chair Kryz-Rusoff presented the Committee's 2013 annual report on the zoo bond program to the Metro Council at the Council meeting on March 20, 2014. Overall, the Zoo Bond program has a clear organizational and governance structure, and processes appear to be in place to ensure that Metro will be a good steward of the bond money. The report did not recommend any specific project modifications, but did recommend that the bond program continue with several efforts to ensure that the bond money is spent appropriately. The specific Committee recommendations are outlined in the report. She reported that the Council thanked the Committee for its report and diligence.

Last year some members of the Council had asked for more graphics in the report to show progress, but the Committee has said it is more concerned with getting the information out, and not necessarily spending extra time and money on the graphic presentation. In response to a request to make the report more accessible on the web, zoo bond staff did adjust its web location to be more visible. Also, the staff adjusted the annual report format to more clearly identify recommendations.

Councilor Shirley Craddick thanked the Oversight Committee for their diligent report and ongoing work, and indicated that the Committee gives the Council confidence that Metro is delivering what it promised to voters. Chair Kryz-Rusoff thanked members of the Committee who had assisted with the report preparation, and asked new members to consider assisting with the report next year.

**D. Zoo Leadership Transition**

Interim Zoo Director Teri Dresler introduced herself, and has taken over for former director Kim Smith. Ms. Dresler expects that she will serve in her interim role for at least six months while a new director is recruited. Ms. Dresler is the general manager of Metro Visitor Venues—which includes the zoo—and has worked at Metro for almost 19 years, including more than 10 years at the zoo. She previously served as the zoo interim director before Kim Smith arrived, and earlier in her Metro career as the zoo's business operations manager. She assured the Committee that the zoo's vision and direction will not change under her leadership, and the bond program direction will continue. She will be continue supporting the "talented zoo bond team" to ensure ongoing focus on delivering projects on-time and under-budget.

Metro Deputy Chief Operating Officer Scott Robinson described the unique governance structure of the zoo bond program that reports directly to him. The zoo director provides vision and direction as it relates to animal welfare and visitors, while the Deputy Chief Operating Officer oversees the program schedule, budget and staff to implement the ballot measure commitment. He said the bond program has a great team.

The Committee asked about losing the zoo director that had much history and knowledge of the bond program. Ms. Dresler explained that she will be using the Bond Steering Group, which meets every other week, for executive leadership of the program. That group includes the bond program

director and construction manager; Metro deputy COO; deputy directors from zoo operations and Living Collections; managers from zoo finance, communications, education, guest services, and facilities; Director of the Oregon Zoo Foundation, and a Metro attorney.

Furthermore, the Living Collections (LC) staff are integrated into the design process, ensuring that the designs will be the best for the animals. Bond construction manager Jim Mitchell works closely with the LC staff to make changes in real time as needed during construction. The particular LC staff for the animals in each bond project are very involved throughout the project.

The Committee asked whether Ms. Dresler anticipated that the leadership changes would affect the on-time and under-budget delivery by the bond program. She said no, it would not affect the bond program delivery. Mr. Robinson said that Metro will hire a new zoo director who can deal with change, but who will be well aware coming in of the bond program commitments. When asked about whether a new person might come in with new ideas, he assured the Committee that Metro has projects to deliver and that would not change. The bond program schedule is set for the next several years. If the bond premium reserved in contingency still remained unspent at the end of the program, it may be an opportunity for a zoo director with new ideas to have input.

Carter MacNichol asked about the construction audit that was alluded to in the recent Oregonian media coverage, but not really explained. Mr. Robinson explained that the Metro Auditor did an original audit in 2009 to see if Metro was ready to run a major construction project, and a follow-up audit in 2011. Based on the original audit findings, Metro made changes to its structure to implement the zoo bond. One recommendation was to have staff dedicated to construction and skilled in project management, which is what the zoo bond program has. Having the program report to the Metro Deputy COO was another outcome of the audit. The follow-up audit in 2011 found that the recommendations were being implemented and the bond program was well-positioned to manage project design and construction.

Ms. Dresler does not have a schedule yet for the new director recruitment, but is working on that plan.

#### **E. Sustainability and Diversity targets and outcomes**

Heidi Rahn reviewed the bond program sustainability and diversity goals using a PowerPoint presentation, a copy of which is included with the record. This information helps the Oversight Committee monitor program progress in these areas. Councilor Craddick explained why these are important to Metro. Voters supported efforts to conserve water and energy when they approved the bond measure. Metro is working to reduce its own ecological footprint, and approved green buildings for all new construction. The goal for all bond new construction projects is to be Leadership in Energy and Environmental Design (LEED) Silver certified, or higher certification.

The bond measure calls for improving sustainability, with special emphasis on water. This meant replacing leaky pipes, reducing water consumption in animal enclosures and harvesting and reusing water where possible. Forest Hall in the Elephant Lands project is scheduled to use 60 percent less energy than a standard-code building. It will also emit 45 percent less green house gas emissions than a standard-code building. It will use heat from a campus geothermal loop system that provides for an exchange of heating and cooling with the new Polar Bear habitat (yet to be built).

The Veterinary Medical Center received LEED Gold certification and features solar tubes, solar panels, daylighting and rainwater capture and use. The new Penguin Filtration project saves the zoo 6.2 million gallons of water a year, since the 160,000-gallon pool water is filtered instead of dumped. In addition, the Metro Council sought public feedback and approved an alteration to the bond project list to build a new exhibit for rhinos instead of hippos, in part because of the huge amounts of water and energy required for hippos and the threatened status of the rhino population.

Carter MacNichol said he hopes that the sustainability elements in the education center can be visible to children. Most green roofs are not visible. The green roof for the education center envisioned in the schematic design was not planned to be open to the public, but that will likely change since the building design is being modified to stay consistent with the budget, and is still not final. Staff will engage kids in the education center design process.

### **Diversity**

Part of growing sustainable communities means supporting a diverse community. Metro and the zoo have a commitment to diversity. Metro's diversity philosophy is built on its commitment to creating, establishing and maintaining a diverse and inclusive culture. Metro has adopted a Diversity Action Plan with one of the primary focus areas being on procurement. The aspirational goal for the bond-funded construction projects is for 15 percent of construction contract value to be with minority-owned, women-owned or emerging small businesses (MWESB). This aligns with Metro's overall agency goal of 15 to 18 percent MWESB utilization.

Much of the zoo's construction is highly specialized work for animals – services not necessarily available from MWESB firms. For bond projects to date, the estimated MWESB usage is 10 to 17 percent. The Elephant Lands project has more than \$4 million going to MWESB firms. Bond project Request for Proposals call for MWESB experience and a focused project plan. Twenty percent of the RFP evaluation points are for the contractor's diversity plan. Successful MWESB usage is partially dependent on building relationships and connecting with MWESB firms. Diversity is an agenda item at the weekly contractor project meetings.

The Construction Management General Contractor (CMGC) hired for the education center, Fortis Construction aims to get to 21 percent MWESB utilization. All three firms interviewed said they could get to at least 20 percent. The education center is not as specialized a building as many other zoo bond projects, and therefore is more likely to find qualified MWESB firms. Specialized work that isn't offered by any MWESB firms – such as animal enclosures –will be removed from the utilization equation.

Staff reviewed CMGC as an alternative procurement process that does not use the low-bid process. It requires approval by the Metro Council for each project. CMGC is best for challenging projects in which it is beneficial to bring in a general contractor at the beginning of the design process. As the design is finalized, the contractor assists with constant value engineering, providing a better gauge of the budget—more of a cooperative team effort to reach a final, buildable design and guaranteed maximum price. It is also a chance for a general contractor to draw in additional MWESB firms and apprenticeships. On Elephant Lands, the CMGC Lease Crutcher Lewis did much work before sub bids to assist MWESB firms, since the plans on such a huge project are daunting for small firms and can prevent them from bidding. LCL has been a very good partner in delivering on MWESB goals as well as managing projects to lessen the impact on the visitor experience. (They even carry zoo maps and

help visitors when they walk around campus.) Mr. MacNichol noted that it is huge to not deteriorate the visitor experience.

Heidi Rahn asked members to let her know if they have suggestions for sustainability and diversity. Mickey Lee said she has experience with equity and procurement and can share that expertise in her role on the Committee. She would like to see more diversity on the Oversight Committee, and she would like to see a breakdown of utilization of minority-owned, women-owned and emerging small businesses. Staff agreed to prioritize Committee diversity going forward (also see item F. below) and provide a final accounting of MWESB usage to date, with each usage type broken out.

**F. Metro Diversity Action Plan demographic committee survey**

Heidi Rahn explained that Metro recognizes that committee service is valuable to ensure effective decision-making and service delivery to residents of the Portland metropolitan region. In order to best serve and represent the region's communities and encourage diverse participation on decision-making or advisory bodies, Metro is asking members to complete a brief, anonymous demographic survey. Member participation will allow Metro to understand who is currently serving on Metro committees as a first step toward a goal of ensuring that committees represent the diversity of the region. All information is anonymous and participation is voluntary. Demographic indicators will be reported on aggregate to ensure that no personally identifiable information will be reported in analysis. The survey link will be sent in an email later this week. Metro appreciates members' help in incorporating diversity and cultural competence in carrying out its mission.

**G. Education center project vision and coordination**

Zoo education curator Grant Spickelmier introduced himself and spoke about his passion for zoo education and his nearly 20 years of experience in the field. The PowerPoint he used for his presentation is included in the record. He reviewed the overall scope of the current zoo education program, and spoke about the vision for the new education center, as the project sponsor. Every person who comes into the zoo and visits the zoo website is an education participant. The education program is working to connect people to the outdoors, and uses the draw of the zoo to get people to explore wildlife in a natural setting and to take actions outside of the zoo.

The vision for the education center is "inspiring conservation action by connecting people, the zoo and the natural world." The Insect Zoo will be in the education center. The building will teach in and of itself, with cut-aways showing building pipes and sustainability features, green roof access, and demonstrations of practices people can apply in their own life. Metro is partnering with many organizations to introduce people to sustainable tools, and then send them out to use them. Partnering with other organizations and fostering people-to-people connections is one of the most powerful ways to effect real behavior change, so the new center will create spaces for people to connect. Incentives may be built in for people to interact and participate, particularly in the Conservation Action Center of the building.

The Oregon Zoo and the Portland region are a great match to actually do what many zoos "say" they want for conservation action, but don't really deliver (some become wedding centers). Mr. Spickelmier is supported by a great staff, project team and partners, and is very excited to sponsor the project. The project kick-off is May 20 with a design meeting.

When asked about the education center preschematic design in the Oregon Zoo Capital Master Plan, Mr. Spickelmier explained that that design has 30,000 square feet of building, but Metro cannot

afford it. Opsi/Jones & Jones was recently selected as the design team, and they are thinking about it more as a possible piazza that could be more than one building with indoor and outdoor spaces integrated with the landscape. Brent Shelby will be the zoo bond project manager. Construction is scheduled to launch in the fall of 2015 and finish in the spring of 2017.

Carter MacNichol felt that if the design has a green roof, it should be maintained and accessible to visitors. Jim Mitchell said the green roof design is not intended for the general public given budget and safety requirements. Deborah Herron suggested the possibility of partnering with Portland State University. Metro already has worked with PSU to have a sample green roof on display in the zoo entryway. Mr. Spickelmier will receive stakeholder feedback at the planned design charettes.

Mr. MacNichol wants the education center to be able to accommodate growth of the education program. The zoo currently has 3,000-4,000 kids in its summer camp program each year, one of the largest day camps in the state, and is considering expanding that with the new center. Also, Metro may rent space in the new center to some outside groups. Zoo staff have done tours to other education facilities and have seen that simpler designs and finishes seem to work better to accommodate a variety of uses over time.

#### **H. Bond program administrative costs**

Heidi Rahn introduced zoo finance and budget manager Caleb Ford and Metro Financial and Regulatory Services Director Tim Collier, who are helping to support the zoo bond program. In response to the Oversight Committee's request, Metro will be preparing a report this summer about the administrative costs of the bond program. The program pays for Metro services support, such as procurement, human resources, payroll, legal, etc. Metro is re-doing the method of allocation for those services, and will have estimates at the next Committee meeting.

#### **I. Monthly Project Updates**

##### **1. Elephant Lands**

The Elephant Lands project is under budget and on schedule, with completion planned for the fall of 2015.

##### **2. Condors of the Columbia**

Condors of the Columbia is opening May 22. The habitat is complete and the birds adapted well to it. The project was on schedule and under budget by at least \$300,000. That surplus will go back into the general bond contingency. Carter MacNichol congratulated the bond staff for the cost savings. The habitat and condors are currently visible from the zoo boardwalk, where a bond program information station is now on display.

##### **3. Education center**

Opsi/Jones & Jones was selected as the design team for the education center. Opsi is a Portland firm, and Jones & Jones is the landscape architect. Fortis Construction, also a local company, was selected as the Construction Manager General Contractor. They have some prior zoo experience. A contract will be awarded once the appeal period is over. The education center project will also be replacing the eastern half of the infrastructure down the center ("spine") of the zoo. Elephant Lands includes construction of the other half of the spine infrastructure upgrade.

#### **4. Interpretive Experience Design Services**

Metro received a \$25,000 grant from the United States Fish and Wildlife Service for interpretive videos at the Condors of the Columbia. Staff is working on the zoo wayfinding, which needs upgrading, and an elephant identification station and electronic application to track elephants' locations in Elephant Lands.

#### **5. Percent-for-Art**

The second of three major bond-funded art commissions is coming up this summer, for the west hub and education center. The Public Art Advisory Committee will be assisting with the selection. Ruth Shelly serves as the Oversight Committee member on that committee. Deborah Herron asked about having a mentorship with a smaller local artist, as part of the MWESB effort. Metro puts all its solicitations on the Oregon Procurement Information Network, which sends notices to all qualified and registered MWESB firms. In addition, Metro contracts with the Regional Arts and Culture Council for art commission solicitation.

#### **6. Remote Elephant Center**

Metro continues to look for funds for ongoing operations of a Remote Elephant Center. Staff continue to do due diligence on the Roslyn Lake property, where one challenge is to keep elephants out of the stream that bisects the property. Property owner Portland General Electric has been a cooperative partner.

### **J. Program Status and Financial Information at a Glance**

In this month's financial report, a line was added for donations, grants, rebates, etc. Staff continues to track bond and non bond expenditures and revenues, and can provide that detail if requested.

Sharon Harmon asked about the recent press reports that Elephant Lands is over budget. The Elephant Lands budget was approved and adopted by the Metro Council, and the project is on budget. As shown in the financial report, the bond program has a \$138 million budget and \$143 million in resources. Metro has a AAA bond rating, which allowed it to get a \$10.7 million premium when it sold bonds. This amount increased the overall budget.

Carter MacNichol said Metro needs to develop a sound bite so the public can understand the premium. Mr. MacNichol said the alternative is to give the premium money back to the taxpayers, but staff indicated that the amount to individual taxpayers would be very small. As a person who works with bonds, Chair Kryz-Rusoff offered to meet with anyone who wants more explanation about the premium.

Ms. Harmon asked if the bond projects expanded to fill the premium amount. When Metro first received the premium, the first \$5 million was approved by the Metro Council to cover additional costs associated with geotechnical challenges. The rest was put into contingency, and at the end of the program, if that money has not been spent, the Oversight Committee would have a say in how it should be spent. Metro retained bond counsel and determined it is legal to use the premium. Each project has "adds," or enhancements that have the option to be added to the base project if funding is available.

### **K. Program Schedules**

The Elephant Lands schedule was delayed approximately four months due to City of Portland permitting and value engineering. The program has also found that procurements are taking longer than originally anticipated. The Committee asked about changes in schedule accounting for inflation.

The project budgets based on the preschematic design estimates do include a 3 percent escalation for inflation.

**L. Adjournment**

Chair Krys-Rusoff adjourned the meeting at 4:41 p.m.

**Meeting dates for 2014 –Wednesdays, 3 to 5 p.m. at the Oregon Zoo:**

Sept. 10, 2014 Skyline Room, Oregon Zoo

Nov. 12, 2014 Kalahari Room, Oregon Zoo