



## Oregon Zoo Bond Citizens' Oversight Committee

Oregon Zoo – Skyline Room  
Wednesday, Nov. 9, 2011  
3 to 5 p.m.

Oregon Zoo Bond  
Citizens' Oversight  
Committee Meeting

Nov. 9, 2011

Minutes

### MINUTES

#### MEMBERS PRESENT

Sheryl Manning  
David Evans  
Jim Irvine  
Carter MacNichol  
Deidra Kryz-Rusoff  
Penny Serrurier  
Michael Sestric  
Carol Welch

#### MEMBERS ABSENT

Marcela Alcantar  
Jacqueline Bishop  
Steve Bloom  
Greg Gahan  
Benjamin Jackson  
Ann Gravatt  
Tony Jones  
Ray Phelps  
Bob Tackett

#### GUESTS

Scott Beckstead  
Jackie Beckstead  
Holly Gann  
Mars Green  
Syd Most  
Nancy Newell  
Courtney Scott

#### ELECTED OFFICIALS AND STAFF

Shirley Craddick  
Suzanne Flynn  
Kristin Lieber  
Jim Mitchell  
Joel Morton  
Linnea Nelson  
Margo Norton  
Joanne Ossanna  
Scott Robinson  
Marcia Sinclair  
Craig Stroud  
Cheryl Twete

#### AFFILIATION

Oregon Zoo Bond Citizens' Oversight Committee (Chair)  
The ODS Companies  
The Conifer Group, Inc.  
Shiels Oblatz Johnsen, Inc.  
Ferguson Wellman Capital Management  
Stoel Rives LLP  
Michael Sestric Facilities Planning  
Nike, Inc.

#### AFFILIATION

Alcantar & Associates  
Roberts Kaplan LLP  
Portland Japanese Garden  
NW Construction Management, Inc.  
REAP, Inc.; Clackamas High School  
Climate Solutions  
Metropolitan Contractor Improvement Partnership  
Allied Waste Services  
Northwest Oregon Labor Council

Humane Society of the United States  
Humane Society of the United State  
Student Animal Legal Defense Fund  
Real Friends of Packy  
Real Friends of Packy  
Real Friends of Pack  
Real Friends of Packy

Metro Councilor  
Metro Auditor  
Metro audit staff  
Oregon Zoo Bond Construction Manager  
Metro Senior Attorney  
Oregon Zoo Bond Program Coordinator  
Metro Finance and Regulatory Services Director  
Oregon Zoo Finance Manager  
Metro Deputy Chief Operating Officer  
Oregon Zoo Public Involvement  
A Better Zoo (Oregon Zoo Bond Program) Director  
Metro Senior Development Advisor

**A. Welcome / Introduction**

Sheryl Manning, Oregon Zoo Bond Citizens' Oversight Committee Chair, opened the meeting at 3:01 p.m. and welcomed members. Members and guests introduced themselves.

**B. Approval of Aug. 10, 2011, Oversight Committee meeting minutes**

Members approved the minutes of the Aug. 10, 2011, Oregon Zoo Bond Citizens' Oversight Committee ("Oversight Committee" or "the Committee") meeting.

Craig Stroud discussed the milestone approvals of the Bond Implementation Plan and the Comprehensive Capital Master Plan (CCMP) by the Metro Council. The plans are on the Metro website.

Craig Stroud also informed the committee that bond program team member Doug Strickler finished his CCMP work and is no longer with the program. Lee Campbell is transitioning to work on zoo capital projects for approximately one year. The bond program does not have work to warrant three project managers at this time, and will continue to flex and manage staffing as the program dictates.

**C. Follow-up Audit Results**

Metro Auditor Suzanne Flynn discussed the results of the follow up audit work to the November 2009 audit on zoo capital construction. Kristin Lieber, staff auditor, reviewed three new bond-funded projects: the Veterinary Medical Center (VMC), Penguin Life Support System Upgrade and Water Main Building. The auditors reported that this audit follow up stands out as one of the most impressive responses by Metro to any audit. Metro acted before the audit report was issued and made clear changes immediately, as well as over the past two years.

The 2009 audit placed the bond program in the "maturity model" of project management at level one. The follow up audit placed the bond program at level three, capable of managing individual projects well. Audit staff found that bond costs and schedule are well-managed, and files are clear and easy to access. The only outstanding recommendation to address from the original audit was on reporting at an overall program level, as described in the report.

Michael Sestric asked how one might increase from level three to level four in the maturity model. Ms. Lieber explained that the three projects she examined are discreet, and so she could not make an assessment whether the program could operate at level four. Future projects will become more complex and likely more interrelated, which would provide opportunities for level-four assessment. The auditors only conclude on information they observe, so the comment is not necessarily a deficit or weakness to address – there just were not level four conditions to review and assess in the program's work to date.

Carol Welch, who is an internal audit professional, thanked the auditor for an excellent job and thorough assessment.

Ms. Flynn indicated that she does not usually do another follow up audit on the same program, but she may perform additional work on the program in the future. The Committee thanked the auditor for her work.

#### **D. Committee Membership – Reappointments and New Appointments**

Chair Manning will be following up with Committee members whose term is expiring on Dec. 31, 2011. Bill Kabeiseman from the Oregon Zoo Bond Advisory Group has agreed to serve on the Oversight Committee, subject to Metro Council approval. He is already knowledgeable about the program's work and will be a great addition to support land use activities. The program will ask all members to provide updated biographical information as part of the reappointment process.

#### **E. Land Use Projects Status**

Cheryl Twete, Metro senior development advisor, discussed the land use work and reviewed materials included in the meeting packet. The original conditional use master plan amendment application for the elephant habitat and related infrastructure improvements was submitted to the city on Sept. 23, 2011. On Oct. 14 and 20, 2011, the city issued incomplete letters indicating additional information is necessary for the application to be deemed complete. That information is expected to be submitted to the city on Nov. 16. Once deemed complete by city staff, a hearings officer hearing date will be set, anticipated to be approximately mid-January 2012. Ms. Twete displayed a five-inch binder containing the original application, to provide context on the level of highly detailed work to date that the team has completed. The project is on budget, and she believes that this second submission will provide the city what they need to process the application. If the hearings officer's decision is not appealed, then the decision will become final approximately the end of February or early March 2012.

When asked if she believed it will go smoothly, Ms. Twete indicated she was optimistic. The project team has been meeting regularly with city staff to understand the application's complex requirements. The team will continue those conversations with the staff, and will likely submit another 100 pages of information with the response to the incomplete letter. The project team is working with the city's Bureau of Development Services, the lead bureau. The Bureau of Environmental Services has separate responsibilities, especially for stormwater. The Portland Bureau of Transportation and the Planning Bureau have minor roles. Ms. Twete indicated she has the resources she needs to move forward.

Chair Manning asked about the schedule being a month behind. Ms. Twete said they are shooting for a Jan. 20, 2012 hearings officer hearing and a decision by Feb. 20. The hearings officer has the ability to hold open the record for up to three weeks, and then has up to 17 days to issue a decision.

The second land use application is for a new permit under the new zoo Conditional Use Master Plan (CUMS). The team held a pre-application meeting with the city in June 2011. They had targeted Dec. 1 for application submission, but are now moving it to Jan. 1, 2012. Once city staff receives an application, they have three weeks to review it and let the applicant know if additional information is needed. At this time, the hearings officer hearing is anticipated to be approximately mid-April and a hearings officer decision by the middle of May. If the decision is appealed to city council, that hearing will take place and a decision will be rendered in approximately one to two months.

When asked about major issues that have arisen in conversations with the city, Ms. Twete indicated that for the elephant amendment, the major issues are the expansion into the environmental zone on the northeast side of the exhibit. For the new land use permit, the major issues are transportation management issues for visitors and employees. Metro is discussing these issues with Portland Parks and Recreation, the Washington Park Alliance and the adjacent neighborhood associations. The talks will influence how the team writes the CUMS application. The parking lot

issues are not anticipated to hold up the land use amendment, but the zoo will only be in a position to address matters it controls in the new 10-year plan and new permit. Ms. Twete stated that the project team has taken a very standard transportation analysis approach, with 10-year growth and attendance projections. They documented the background condition without any growth at the zoo and then compared that to the zoo's growth condition.

#### **F. Program Public Relations Activity**

Marcia Sinclair, bond public involvement coordinator, discussed efforts to provide a means for the zoo community to stay informed about the Better Zoo program. The program is proposing changes that affect the adjacent neighborhoods and is keeping the neighbors informed. The process to involve neighbors has been substantial, and the zoo is hosting its third neighbor workshop in the coming weeks in an effort to be clear on zoo plans and to address neighbors' concerns. Transparency, accessibility and accountability have been the program's communication focal points.

Ms. Sinclair reviewed the accomplishments outlined in the worksheet provided in the meeting packet, including the Better Zoo program website, open houses, neighbor workshops, Council presentations, Opt In internet opinion panel, earned media, zoo signage, special events (VMC and Penguins) ZooTracks newsletter articles, zoo volunteer construction talkers, internal staff communications, staff meetings and leadership team briefings. The program has also looked at information sharing needs for the elephant projects.

The Committee discussed the desire to hear more directly about program media stories (TV, radio, print) and Ms. Sinclair will decide how media information can be distributed to Committee members.

#### **G. Comprehensive Capital Master Plan**

Scott Robinson commended staff for the great work to complete the Comprehensive Capital Master Plan, which was approved by the Metro Council on Nov. 3, 2011.

#### **H. Oversight Committee Annual Report**

The Committee has an annual report due to the Metro Council in February 2012. The 2011 report reviewed three major items, and the new report will follow the same format. Last year, subcommittees reported on each area. The new subcommittee volunteers to date:

1. Assessment of Progress: Deidre Krys-Rusoff (chair), Penny Serrurier and Michael Sestric.
2. Report on Spending Trends and Cost Projections: Dave Evans (chair), Carter MacNichol and Sheryl Manning.
3. Follow up on Auditor's Report: Carol Welch (chair) and Sheryl Manning.

The rough draft will be prepared for the Feb. 8, 2012, Committee meeting for the full committee to review. Chair Manning will send an email to members to solicit additional subcommittee volunteers.

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

##### **1. Veterinary Medical Center Project**

Some days have been added to the Veterinary Medical Center schedule to finish in mid-December. The building systems will be "flushed" over the Thanksgiving break to qualify for LEED certification.

## **2. Penguin Life Support System Upgrade Project**

Penguins are still residing in the Polar Bear exhibit. Project work has been focusing on the many mechanical aspects and controls. The new filtration system has been running for a week now without any problems. The project is significantly off schedule, but the contractor is picking up the extra costs, and the project remains on budget. The project should be within a week or two of completion. The penguins will go back when Living Collections staff determines everything is ready.

Carter MacNichol said it doesn't seem like it should show "red" for the schedule in the monthly report. Mr. Stroud explained that it was to reflect the project situation. The contractor completed the scope and work to specifications, and the city provided a temporary certificate of occupancy. Schedule slippage has not impacted the budget or the birds, so it is really just an inconvenience. The program predicted schedule slippage months ago, and pushed for a quality product knowing the contractor was struggling to meet the agreed-to schedule. Mr. MacNichol advised developing talking points to explain why the project is finishing behind schedule.

## **3. Elephant Habitat and Related Infrastructure**

Metro received three proposals to design the new elephant habitat and related infrastructure. Eight reviewers are assessing the proposals. The elephant Construction Management General Contractor (CM/GC) Request for Proposals will be issued Nov. 15.

## **4. Interpretive Design**

Interpretive Experience design work is moving forward. It will include all signage and guest experiences for each new bond program project. A Request for Proposals will be issued to select a consultant.

## **5. One Percent for Art**

The Metro Council directed the program to implement one percent-for-art at a program level instead of project by project. Under this approach, the program will plan the approximately \$750,000 of required art installations associated with the bond program's remaining capital improvements using a comprehensive approach. Brent Shelby is heading that work for the program.

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

Mr. Stroud has been researching best practices for presenting program-level scope, schedule and financial information to the Committee. He would like to provide example presentations to the Committee on how to replace the current "At a Glance" document.

Mr. MacNichol noted that the program has used a third of the Program Administration budget, but is not a third of the way through the program's duration. Mr. Stroud explained that in the future most staff costs will be direct billed to the remaining projects. Much of the program's administrative costs have been front loaded in the overall program duration to support planning and coordination activity. The completion of the Comprehensive Capital Master Plan has provided the planning information for budget allocations for the remaining program activities.

Mr. Stroud also informed the Committee that Metro asked The Oregon Zoo Foundation to raise \$5.2 million to support the remaining projects in the bond implementation plan. The Foundation graciously agreed to provide the funds and pledged their existing reserves to meet the commitment. These funds are in addition to the \$125 million of bond funds and are intended to support all the remaining program projects.

The program maintains a monthly cash flow forecast and is planning a bond sale next year. The program will use Seattle Northwest and K&L Gates to advise on the sale's timing and structure.

**K. Consolidated Oregon Zoo Bond Program Schedule**

Mr. Stroud indicated that the land use submission dates had a few changes since the last report. He asked the Committee members about level of detail they desired in the schedule. The Committee agreed the current Gantt chart summary schedule is providing adequate detail.

**L. Open Discussion/Questions**

The website for the Thanks to You a Better Zoo (bond) program is available at [www.oregonmetro.gov/betterzoo](http://www.oregonmetro.gov/betterzoo). Committee members can also find it by searching for "Thanks to you a better zoo."

**M. Adjournment**

Chair Manning adjourned the meeting at 4:22 p.m.

**Meeting dates for 2012 –Wednesdays, 3 to 5 p.m.:**

Feb. 8 Room 370A/B, Metro Regional Center, 600 NE Grand Ave., Portland, OR  
May 9 Room 370A/B, Metro Regional Center, 600 NE Grand Ave., Portland, OR  
Sept. 12 Skyline Room, Oregon Zoo, 4001 SW Canyon Rd., Portland, OR  
Nov. 14 Skyline Room, Oregon Zoo, 4001 SW Canyon Rd., Portland, OR