



Oregon Zoo Bond Citizens' Oversight Committee

Oregon Zoo – Conservation Hall
Wednesday, Feb. 13, 2019
3 to 5 p.m.

Oregon Zoo Bond
Citizens' Oversight
Committee Meeting

Feb. 13, 2019

Minutes

MINUTES

MEMBERS PRESENT

Susan Hartnett (Chair)
Dan Aja
Heidi Goertzen
Daniel Hauser
Jill Mellen
Javier Mena
Chin See Ming
Katherine A. Porras
Dick Stenson
Emma Stocker
Christine L. Taylor
Karen Weylandt

AFFILIATION

Spectator Venues, City of Portland
Banfield Pet Hospital
Confluence Wealth Management
Oregon Center for Public Policy
Research Biologist
Affordable Housing Manager, City of Beaverton
Smith Freed & Eberhard
Meyer Memorial Trust
Retired healthcare executive; community volunteer
Emergency Management, Portland State University
Miller Nash Graham & Dunn
Retired from Providence Health & Services

MEMBERS ABSENT

Naomi Bishop
Laurel Brown
Cynthia Johnson Haruyama
Nan Heim
Robyn K. Pierce
Kevin Spellman

AFFILIATION

California State University, Northridge (professor *emerita*)
Facilities and Property Management, Portland State University
Oregon Japanese Garden
Nan Heim Associates; Oregon Zoo Foundation Board of Directors
Pierce, Bonyhadi & Associates
Spellman Consulting, Inc.

GUESTS

None

AFFILIATION

ELECTED OFFICIALS AND STAFF

Shirley Craddick
Scott Cruickshank
Julie Fitzgerald
Caleb Ford
Kate Giraud
Sarah Keane
Jim Mitchell
Don Moore
Joel Morton
Linnea Nelson
Heidi Rahn
Staci Pfau
Marcia Sinclair
Ruth Walkowski

Metro Councilor
General Manager, Metro Visitor Venues
Oregon Zoo Foundation Executive Director
Metro Assistant Finance Director
Oregon Zoo Bond Project Manager
Zoo Administration and Finance Program Director
Oregon Zoo Bond Construction Manager
Oregon Zoo Director
Metro Senior Attorney
Oregon Zoo Bond Program Coordinator
Metro Asset Management and Capital Planning Program Director
Oregon Zoo Bond Project Manager
Oregon Zoo Marketing
OZF Director of Finance and Operations

A. Welcome / Introduction

Susan Hartnett, Oregon Zoo Bond Citizens' Oversight Committee Chair, opened the meeting at 3:02 p.m., and members and staff introduced themselves.

Chair Hartnett announced that she is retiring in April, but returning to work part-time in May. She will continue to serve as chair of the Oversight Committee. Christine Taylor has returned to Miller Nash as an attorney, and Heidi Goertzen announced she will be moving to Becker Capital Management soon. Emma Stocker has agreed to serve as vice chair of the Committee, and is willing to cover a meeting if Chair Hartnett is gone.

Heidi Rahn introduced some new staff roles: Staci Pfau is the new zoo bond project manager who started in January, replacing the position vacated by Wayne Starkey, who moved to the private sector. Sarah Keane is now the zoo finance and administration program director, overseeing the administrative portion of the bond program since December 2018. As the former Finance Manager for the zoo, she provides a seamless transition. As the bond program winds down, Linnea Nelson's position as program coordinator was reduced to half time in January, and her skills leveraged to support half time another construction group at Metro Regional Center. Ms. Rahn will continue to oversee the construction portion of the zoo bond program.

B. Approval of Nov. 14, 2018, Oversight Committee meeting minutes

Members approved the minutes of the Nov. 14, 2018, Oregon Zoo Bond Citizens' Oversight Committee ("Oversight Committee" or "the Committee") meeting.

C. Program Status and Financial Information at a Glance

Chair Hartnett thanked members who participated in the email vote recommendation to the Metro Council to allocate existing contingency funds for Polar Passage/Primate Forest/Rhino Habitat (PPR) project and administrative costs. The Metro Council approved the budget reallocation via Resolution 19-4960 on Feb. 7, 2019, after testimony from Ms. Rahn, Don Moore and Chair Hartnett.

Ms. Rahn reviewed the spreadsheet showing the budget allocation. When the initial bids were received for PPR in December, staff knew that put the budget in Scenario B that had been reviewed with the Committee at its meeting in November 2018. Savings were taken from project budgets that had extra money -- Interpretives and Art -- and applied toward the reallocation. Updated forecasted interest earnings provided additional revenue, partly because the program hasn't spent much money since it has not been under construction lately. Caleb Ford explained that when Metro sold \$30 million in bonds, it was at very low interest rate. Metro is still holding some money from the interest earnings to pay the federal government for arbitrage, if needed, but was able to release some of the interest earnings for reallocation.

All of this added almost \$1 million to the unallocated resources. The budget reallocation added \$3.2 million to PPR and \$1.65 million to Administration. The intent was to make sure to leave projects whole, and the zoo in a good position to operate the bond-funded facilities. With \$844,000 left in the Close-out project fund, the bond program and the zoo are in good standing. The bond program has \$153 million for total program investments and is fortunate to have this good financial position. The guiding principles the Oversight committee set up were important for making the reallocation decision, and the Metro Council was supportive. The program is making sure to invest bond-restricted funds first, and leave funding from the Oregon Zoo Foundation until last, to have more

flexibility at end of the program. Any budget changes would have to go through Metro Council approval.

D. Monthly Project Updates

1. **Education Center** – The zoo is continuing to collect data from operations of the Education Center for a final report, to apply for certification on net-zero energy operations from the International Living Future Institute.

2. **Polar Passage/Primate Forest/Rhino Habitat** – The project is on track with permitting. Just the day before the Oversight Committee meeting, staff spent 2.5 hours with the City of Portland staff regarding permits for the PPR project. Staff expects to receive permits near the first of April [*post meeting, revised to mid-May*]. The project schedule is now showing June for permits, so if permits are received earlier than that, it could shorten the project schedule. While waiting for permits, staff are able to spend a lot of time reviewing the submittals from subcontractors, and it is nice to have time for a thorough review to make sure they will meet specifications. The project team is identifying some civil work that could be done without inspection, or possibly with city courtesy inspections, which the city offered. Jim Mitchell and Kate Giraud have built good relations with the permit staff at the city. Ms. Rahn noted that Mr. Mitchell has done a great job navigating the partnership, and also making the zoo a place contractors want to come to work. Ms. Giraud is helping and doing fantastic with the permits. Staff were able to significantly reduce the items the city had on its life safety check sheet required for the permit.

2. **Interpretive Experience** – No report.

3. **Percent-for-Art** – No report.

4. **Electrical Infrastructure** – The Generator Replacement project was behind schedule some, but combined some trench work on the middle service road with the PPR Early Work Package, which resulted in cost savings for the Generator project. The project is scheduled to be complete this spring.

E. Program Schedule

The bond program is still on schedule to wrap up toward the end of 2020.

F. Committee Annual Report

Chair Hartnett thanked everyone who contributed to the draft report, and acknowledged the subcommittee members:

Projects Subcommittee: Kevin Spellman and Emma Stocker, co-chairs; Chin See Ming; and Naomi Bishop.

Finances Subcommittee: Heidi Goertzen, chair; Daniel Hauser and Javier Mena.

Chair Hartnett reviewed reorganizing of the report, preparing for a comprehensive final product of the Committee at the end of the bond program. The completed projects have been moved to an appendix at the back of the report. Some of those descriptions have been expanded with more detail, and others will be expanded in a future report. A description of the how the bond measure started and an early advisory group has been added to the appendix as well.

The report is tentatively scheduled to be presented to the Metro Council on May 9, 2019. Today the Committee is focusing on the report's draft findings and recommendations, looking at themes and high-level discussion, and making sure the right program items are highlighted.

Ms. Stocker explained that some recommendations relate to past completed projects, but are included as gathered learning to serve for other Metro bond programs. The Committee wants the final document to include lessons learned and kudos.

The Committee proceeded to review the draft reports from the subcommittees, and noted edits to be made. The report is to cover activities for the calendar year 2018.

The Committee discussed some proposed recommendations for Metro regarding the Construction Career Pathways Project that were not specific to the bond program. Joel Morton concurred that this was okay. Councilor Shirley Craddick confirmed that the Metro Council would appreciate such recommendations that may help other bond programs. Metro now has an affordable housing bond oversight committee that has already met once. It is a different program, but has goals to achieve as well. Chair Hartnett added that she has used the zoo Oversight Committee as examples for city oversight committees, especially in terms of the Committee's structure and the orientation notebook and materials provided by staff.

Members discussed the new section covering how the bond measure started. Councilor Craddick felt that section would be applicable for other bond programs. She suggested interviewing the previous Council and OZF board members, to learn the tactics they used at the time to carry the bond effort.

Ms. Goertzen asked if the Committee should prepare a separate memo on this history, so it does not get lost in the report. Chair Hartnett felt that was a great idea to discuss and decide in the next year.

G. Zoo Update

Don Moore, Oregon Zoo director, gave an update. He sent an email to members recently regarding a media story, and clarified items that were misreported. The giraffe feeding platform is mostly paid by OZF, with some zoo operations funding, but no bond funds.

The Oregon Zoo social media consistently ranks as one of the top five zoos in the world.

This week was international women in science week. Two female zoo employees, veterinarian Kelly Flaminio and research and conservation manager Nadja Wielebnowski, received media attention. March will be women's history month, so the zoo plans to do a history focus on women leading zoo science at the Oregon Zoo for the past 50 years. The zoo expects a great following in March as well.

Julie Fitzgerald reported that OZF is feeling good about its fund raising for the bond construction, and is using it as an opportunity to build support for all things at the zoo. She is seeing really good support for the four-year campaign. OZF wants to have 65 percent raised by the end of June. By Dec. 30, the campaign was at 58 percent. Her staff is working on several large donations. Donors are amazed at the science at the zoo. The zoo is giving animals what they really need to thrive, and that gives visitors a chance to learn from it. In May, OZF will be inviting people to a special Zoo Rendezvous event.

H. Adjournment

Chair Hartnett adjourned the meeting at 5:02 p.m.

Upcoming 2019 meeting dates –Wednesdays, 3 to 5 p.m.:

May 8, 2019 Conservation Hall, Education Center, Oregon Zoo

Sept. 11, 2019 Conservation Hall, Education Center, Oregon Zoo

Nov. 13, 2019 Conservation Hall, Education Center, Oregon Zoo