



Oregon Zoo Bond
Citizens' Oversight
Committee Meeting
Nov. 4, 2015
Minutes

Oregon Zoo Bond Citizens' Oversight Committee

Oregon Zoo – Skyline Room
Wednesday, Nov. 4, 2015
3 to 5 p.m.

MINUTES

MEMBERS PRESENT

Bill Kabeiseman (Chair)
Noah Bishop
Linda S. Craig
Sharon Harmon
Susan Hartnett
Mickey Lee
Robyn K. Pierce
Mike Schofield
Ruth Shelly
Kevin Spellman
Dick Stenson
Tom Turnbull
Karen Weylandt

AFFILIATION

Garvey Schubert Barer
Bishop Bankruptcy Law, LLC
Retired CPA; nonprofit treasurer
Oregon Humane Society
Spectator Facilities and Development, City of Portland
MPower Oregon
Pierce, Bonyhadi & Associates
Gresham-Barlow School District
Portland Children's Museum
Spellman Consulting, Inc.
Retired healthcare executive; community volunteer
OpenSesame Inc.
Providence Health & Services

MEMBERS ABSENT

Tony Butchart
Deborah Herron
Daniel Morris

AFFILIATION

Hummingbird Homes
Walmart
Our Oregon

GUESTS

Jon Gramstad
Courtney Scott
Barbara Spears

AFFILIATION

Free the Oregon Zoo Elephants
Free the Oregon Zoo Elephants
Free the Oregon Zoo Elephants

ELECTED OFFICIALS AND STAFF

Shirley Craddick
Amy Cutting

Teri Dresler
Caleb Ford
Jim Mitchell
Joel Morton
Linnea Nelson
Heidi Rahn
Scott Robinson

Metro Councilor
Oregon Zoo Curator of Marine Life and North America;
Temporary Curator of Africa
Oregon Zoo Interim Director
Oregon Zoo Budget and Finance Manager
Oregon Zoo Bond Construction Manager
Metro Senior Attorney
Oregon Zoo Bond Program Coordinator
Oregon Zoo Bond Program Director
Metro Deputy Chief Operating Officer

A. Welcome / Introduction

Bill Kabeiseman, Oregon Zoo Bond Citizens' Oversight Committee Chair, opened the meeting at 3:08 p.m.

B. Committee Leadership

Chair Kabeiseman announced that he is appointing Ruth Shelly to serve as vice chair of the Oregon Zoo Bond Citizens' Oversight Committee ("Oversight Committee" or "the Committee"). With two years of experience on the committee, she can assist with leadership responsibilities. Chair Kabeiseman and Sharon Harmon have agreed to serve on the Committee until April when the annual report is completed. Tony Butchart changed jobs and is now a general contractor, and has decided not to continue as an Oversight Committee member for his second term. All other seven members who were appointed in December 2013 are willing to serve for a second two-year term. They will be recommended for reappointment by the Metro Council in the spring. This will complete resetting all the member terms to start and end in the spring, allowing experienced members to assist with the report preparation.

C. Approval of Sept. 9, 2015, Oversight Committee meeting minutes

Members approved the minutes of the Sept. 9, 2015, meeting with one correction (two guests' affiliation was incorrectly listed, and will be changed to "Free the Oregon Zoo Elephants"), and the minutes of the Oct. 13, 2015, special phone-in meeting.

D. Zoo Update

Teri Dresler, Oregon Zoo Interim Director, gave an update on recruitment for a new zoo director. Several other high level zoo or zoo-related positions across the country are also under recruitment, creating competition. The recruitment team is conducting interviews and is close to naming finalists that would be introduced for wider consideration.

A ZooLights preview will be open to Metro employees and their families on Monday, Nov. 23 at 5 p.m., and Oversight Committee members and their families are invited to attend. On this special night only, the new Elephant Lands Forest Hall will be open with the elephants.

Attendance at the zoo in recent months has been strong, with strong spending in addition to admission. This represents an improvement over the first few months of the fiscal year when the weather was quite hot and attendance was low.

Education center construction is underway. Elephant Lands Grand Opening will be Tuesday, Dec. 15 at 9:30 a.m. in Elephant Plaza, and Oversight Committee members are invited to attend.

E. Polar Bear research and partnerships at the Oregon Zoo

Amy Cutting, Oregon Zoo Curator of Marine Life and North America, and Temporary Curator of Africa, reported on polar bear research and partnerships at the Oregon Zoo. A copy of her presentation is included with the record. As the bond program prepares for constructing a new polar bear habitat, it will be helpful for the Oversight Committee to understand more about the polar bear program and the momentum with partner organizations. Two-thirds of the world's polar bear population is predicted to be lost by the end of the century if current warming trends continue. The polar bears at the zoo provide a direct connection for visitors to the impacts of global warming and the loss of habitat. The zoo delivers a key conservation message to its 1.6 million visitors each year about the causes and impacts of global warming, as well as what they can do in their daily lives to

reduce carbon emissions and create a better future for polar bears. In addition, The Oregon Zoo has a role to play in answering researchers' questions about where the remaining one-third of the bears will live and how they will interact with their habitat

Polar bear research at the zoo also enhances the animal's welfare at the zoo. They benefit from increased interaction with keepers. Keepers developed creative techniques using a special crate that allows them to give the bears eye drops for diagnostics and treatment without anesthetizing them. Similarly, keepers were able to take an x-ray of a problem bear foot without anesthesia. It was discovered that the bear had allergies, and was treated with allergy injections and topical foot treatment.

Almost all the large cats at the zoo are trained for voluntary blood draws without anesthesia, but the zoo was the first known to take voluntary blood draws from the polar bears. One keeper feeds the bear while another administers the treatment. When the bears are being treated, the door from the crate to the rest of the habitat is open, so that the animal can exit at any time, if desired. The Oregon Zoo Foundation provided funding to build a custom crate with an extended head cage, and removable doors and sections. In addition to enabling keepers to interact with the bears for voluntary treatments, it also allows keepers to treat with anesthesia, when necessary, and not have to remove the bear from the crate. The zoo has sent its unique bear crate design to several different facilities that requested it. The bears like to hang out in the crates on their own, enjoying the 360-degree view and interaction with keepers.

The voluntary blood draws opened the door for more research. The United States Geological Survey has been researching polar bears for 25 years, and the United States Fish and Wildlife Service regulates them. USGS wanted to know what bears in the wild are eating in good and bad ice years, by analyzing isotopes in hair and blood. USGS designed research with the Oregon Zoo polar bears eating a terrestrial diet for five weeks and then switched to an all-marine diet. Zoo staff worked with the researcher to ensure that the bears maintained their high quality care. Isotopes provide a signature that is used to estimate the diets of free-ranging bears. The data collected at the zoo enabled researchers to examine long-term trends in the diet of two polar bear populations using blood and hair samples banked as far back as the 1980s.

A second research project with USGS involved putting a collar with an accelerometer on the zoo's female bear and videotaping her actions to determine her minute-to-minute activity. This will help researchers remotely identify polar bear behaviors in the wild and quantify energetic costs, which will help determine the effects of declining sea ice on polar bears. They can correlate the data collected from bears in the wild that have collars, and better understand their activity. The Oregon Zoo trained the bears to voluntarily wear the collars, but other zoos that participated in the study had to use anesthesia. The Oregon bears were featured in national Nature magazine report on using accelerometers to study animal behavior.

Moving forward, researchers with USGS and University of California Santa Cruz want to look at the energy use of polar bears, and what energy it costs the bears to swim further between ice patches as Arctic sea ice contracts. Metabolic chambers with a treadmill can be used to measure changes in oxygen and carbon dioxide during animal activity. The zoo now has a treadmill onsite, fabricated at Washington State University, but is waiting for a research permit from USFWS to be able to use it. The metabolic cost of polar bears swimming has never been measured before. The zoo has a wave room that, with a continuous swim motor, could be used for such research. OZF raised the money to

build the needed swim chamber, and construction is planned to start in December. This will help with measuring the energy polar bears will need to take in and expend in their changing world. Key partners for the research include USGS, Polar Bears International, UC Santa Cruz, KPFF Engineering and OZF.

The new polar bear habitat bond construction project will be designed for the animal's welfare and for continued research with the bears. Partner organizations such as USGS will be a part of the planning. The zoo keepers have a stunning relationship with the bears, and the team is thinking about including a training stage for visitors to better see that interaction up front.

The zoo bears will be cared for by another facility for two years while the new habitat is constructed. Zoo staff are working on identifying where they will go. They want it to be relatively close, so Oregon Zoo staff can go visit the bears and so the transport will not be too long. They also require a good training program and good veterinary staff. The bears are 31 years old, which is considered elderly compared to the median age in the wild of 22 years for females and 23 years for males.

The polar bear team is wrestling with how to best provide natural substrate in the new habitat. Dirt in the wild tundra is relatively dry, but not in Oregon. One option they are considering is a type of paver or gravel with foliage on top that allows drainage. The zoo will be sending a survey to other zoos to gather data on their facilities. Staff will also take trips to other zoos to learn best practices.

Heidi Rahn spoke about the new polar bear habitat project that will be in the same location, adjacent to the Elephant Lands North Meadow. The preschematic design was prepared as part of the Zoo Comprehensive Capital Master Plan. The project will provide a new and larger habitat that will encourage and promote natural behaviors. The bears will have long views, like they do in the wild. The bond team will work closely with the keeper staff for a very innovative design that will bring zoo research to the forefront. The design request for proposals (RFP) will go out in January 2016. Staff will arrange for Oversight Committee members to tour the existing polar bear facility.

F. Minority-owned, women-owned and emerging small business (MWESB) utilization

Heidi Rahn reported on MWESB utilization. Diversity in contracting helps expand economic opportunities for disadvantaged groups, builds capacity of MWESB firms, increases competition and adds different perspectives. The bond program goal is for 15 percent of the contract value to go to MWESB firms. She presented the results of the recent major projects with the Veterinary Medical Center at 17 percent, Penguin Filtration at 6 percent, Condors of the Columbia at 26 percent and Elephant Lands at 10 percent. The Elephant Lands MWESB contract value was \$4.3 million. The upcoming Education Center project is expected to exceed the 15 percent goal. The total bond program MWESB expenditures are about \$6 million. Of that, \$5.4 million was for construction contracts, with a breakdown of 62 percent (\$3.4 million) minority-owned businesses, 20 percent (\$1 million) emerging small businesses, and 18 percent (\$1 million) women-owned businesses. Metro does not have goals for the breakdown of MWESB utilization.

Ms. Rahn reviewed lessons learned in diversity contracting. Using construction management by general contractor (CM/GC) allows the contractor to start recruiting MWESBs earlier and help get them ready by bid day. The education center CM/GC Fortis Construction hosted two workshops on site before bid day. Breaking down the bid packages for subcontractors makes them not too overwhelming for smaller firms to bid. Lease Crutcher Lewis (LCL), the Elephant Lands CM/GC

mentored a minority firm to learn to become a general contractor. Since then, that minority firm has gone on to secure two GM/GC jobs of their own.

Ms. Rahn stressed that data from Metro and the zoo cannot be compared to other agencies, since all use different methods for calculating MWESB utilization. Another way to assist MWESB firms is for the general contractor to pay them quickly, including retainage withheld. LCL paid all of the retainage to its MWESB firms, even though Metro has not yet paid LCL its retainage.

Mickey Lee requested to see the specific breakdown of minority, women and emerging small businesses by each project, and staff agreed to provide it.

Agency-wide, Metro is looking at how to encourage workforce diversity. It has not established specific targets for the diversity of the workforce on the job. Some contractors are already focusing on enhancing workforce diversity. It is important to look at the supply of the diverse workforce in specific contracting fields, because in some it is quite limited. In some cases, it is best to look at what is the best role to build and foster the *pipeline* for a diverse workforce. Scott Robinson, Metro deputy chief operating officer, spoke about the fundamental disconnect of apprentices entering and exiting programs. Sustaining a diverse workforce pipeline will take a collaborative effort with unions, contractors, agencies, educators and community partners. It is a systemic issue, not a project-by-project issue, of how to increase diversity in the trades, with living-wage jobs.

Ms. Lee referred to a market study conducted by the City of Portland. The City has set targets for workforce diversity and will charge a penalty to the contractors if they are not met. She noted that we need to be clear that focusing on apprentice programs is good, but doesn't address the full workforce. Also, she noted that a firm can be certified as MWESB, and not have a diverse workforce.

Robyn Pierce asked if the zoo bond CM/GCs had met their goals. Ms. Rahn answered that all of them know the bond goal is 15 percent. For Elephant Lands, 25 percent of the bids were MWESB, but not all of them were the low bid. Subcontracts were awarded to the lowest qualified bidders.

Mr. Robinson explained that the VMC was a more traditional building than Elephant Lands, which is very specialized, including special caging and glass from out of the country. The education center will be a more traditional building, and the project will likely be able to get more MWESBs.

Ms. Pierce emphasized that it is important for the zoo to hold contractors accountable to the project goals. It is her experience at Portland State University, that when University project management staff worked closely with the contractor, better results were achieved. For example, on the Lincoln Hall restoration project, JELD-WEN and other subcontractors were able to fabricate and assemble over 300 windows for the building locally using MWESB-certified firms. Ms. Rahn said the zoo did push hard on LCL, and LCL submitted an extensive report on their MWESB outreach, mentoring, apprentice work and subcontract bids.

Ms. Lee said she understands the difficulty of MWESB utilization with low bids and providing living wage jobs. Many of the MWESB firms can't afford to be the lowest bidder. She gave kudos to LCL for their fronting the retainage for the MWESB subcontractors.

Kevin Spellman encouraged the zoo to look at the language Portland Community College used in its RFP that encouraged the contractor to incorporate an MWESB into the proposal. Hoffman

Construction submitted with Pacific Mark Construction, and mentored Pacific to manage an \$8 million portion of the contract. It builds capacity for the future. The subcontractors of Pacific could also be counted toward the MWESB utilization. All proposers on that project brought an MWESB into the proposal.

Jim Mitchell noted that LCL did that on their own with Elephant Lands, even though it was not required. They mentored R & R General Contractors, which did all the work on Tiger Plaza. Oftentimes drywall is a trade that utilizes MWESBs, but Elephant Lands had low amounts of drywall. The MWESB percentages directly reflect the style of the building. Ms. Rahn said the team will look at PCC's language. She asked members to let her know if they have other suggestions.

G. Preparing Oversight Committee's 2016 annual report to the Metro Council

Chair Kabeiseman discussed the procedure for preparing the Oversight Committee's annual report to the Metro Council. The report will be submitted to the Metro Council in February or March, after the February Committee meeting. This is an important role of the Committee, and a chance to tell the Council how the program is doing. Members volunteered to serve on two subcommittees to meet over the next few months to prepare the two areas of the report:

Reporting Item #1 on progress of projects: Ruth Shelly, Tom Turnbull, Robyn Pierce and Susan Hartnett.

Reporting Item #2 on finances: Bill Kabeiseman, Noah Bishop, Kevin Spellman and Linda Craig.

Daniel Morris was not in attendance, but volunteered to help. A third committee is not needed since there have not been project modifications to review.

Heidi Rahn mentioned that she will be working on preparing a bond mid-program report in January and February.

H. Monthly Project Updates

1. Elephant Lands

Jim Mitchell, construction manager, gave an update on the Elephant Lands project. He showed a photo of the new elephant pool, which is 12 feet deep. The bridge was poured today, and the interpretive are mostly in place. The South Habitat is being finished with boulders, trees, and mulch with grass seed, and is planned for the elephants to enter by the end of the month. The building is commissioned and the elephants have been occupying it. The zoo is working through the punch list with the architect and contractor, and the project is on time and budget.

Krista Swan with zoo Marketing presented on the Elephant Lands marketing plan. The staff preview is set for Monday, Nov. 23, and the grand opening for Tuesday, Dec. 15, 2015. After that, it will be open to the public. Metro is not mounting a big media campaign for December, since the zoo is busy with ZooLights and Forest Hall will not be open for ZooLights (except for the staff preview night on Nov. 23). Instead the zoo will focus on advertising in January and February leading up to an Elephantastic celebration Feb. 13-15, 2016, over Valentines and the Presidents' Day weekend.

She presented pictures of the current MAX train wraps announcing “This is going to be huge!” and the 7,500 square-foot billboards near the Moda Center with “Home is where the herd is.”

2. Education Center

The education center project is progressing well. On Oct. 20 the Metro Council indicated it will re-allocate \$975,000 from the unallocated bond premium for the project. That decision will be formalized at the Nov. 19 Metro Council meeting as part of the Metro budget.

3. Interpretive Experience

Elephant Lands’ interpretives are installed and looking good. The zoo is getting ready to install new wayfinding in early 2016.

4. Percent-for-Art

Rob Ley of Urbana Studio has been selected as the second major commissioned artist, in conjunction with the education center project.

5. Remote Elephant Center

The REC Task Force appointed by the Metro Council and including three Oversight Committee members, is still meeting and scheduled to make a recommendation to the Metro Chief Operating Officer by the end of the year.

I. Program Status and Financial Information at a Glance

The education center budget will be updated next month with the reallocation of funds upon Metro Council approval. Budgets for Polar Bear, and Primates/Rhinos will be recalculated based on new market conditions. The project budgets were originally set in 2011 when the Master Plan was prepared. Since then, some of the start times have changed and construction costs have escalated more than originally estimated. The program does have unallocated funds available to address such needs, and approval is needed by the Metro Council to adjust the project budgets. Elephant Lands had 3 percent escalation and Polar Bear Habitat was figured at 6 percent, as well as Primates/Rhino. The education center was calculated at 4.5 percent cost escalation. These estimates will be updated with actual and projected cost escalation rates to ensure the remaining projects will be appropriately budgeted.

Sharon Harmon expressed concern about having enough funds for all the projects and whether value engineering had over-compromised a project. Scott Robinson assured the Committee that Metro is confident it will deliver all projects within the bond funding. The Oregon Zoo Foundation has done fundraising for enhancements that are incremental to the projects, including equipment for the Veterinary Medical Center and zoo teen program funding for the education center. Susan Hartnett noted that the region may be coming to the end of the construction escalation cycle, and there could be a downturn before the end of the bond program. The remaining project budgets will be recalibrated and staff will report on them at the February Committee meeting.

J. Program Schedules

The program will transition to showing the Polar Bear project in upcoming schedules. Chair Kabeiseman noted that the program is now two-thirds of the way through the bond projects, and amazing changes have happened at the zoo since he started with the program in 2010.

K. Adjournment

Chair Kabeiseman adjourned the meeting at 4:45 p.m.

Upcoming 2016 meeting dates –Wednesdays, 3 to 5 p.m.:

Feb. 10, 2016 Skyline Room, Oregon Zoo
May 11, 2016 Kalahari Room, Oregon Zoo
Sept. 14, 2016 Skyline Room, Oregon Zoo
Nov. 9, 2016 Skyline Room, Oregon Zoo