A. Welcome / Introduction

Bill Kabeiseman, Oregon Zoo Bond Citizens’ Oversight Committee Chair, opened the meeting at 3:04 p.m., and members and staff introduced themselves.
B. **Approval of Feb. 10, 2016, Oversight Committee meeting minutes**

Members approved the minutes of the Feb. 10, 2016, Oregon Zoo Bond Citizens’ Oversight Committee (“Oversight Committee” or “the Committee”) meeting.

C. **Committee Membership**

On April 21, the Metro Council is scheduled to confirm the reappointment of seven of the Oversight members to serve a second two-year term: Noah Bishop, Deborah Herron, Mickey Lee, Daniel Morris, Mike Schofield, Ruth Shelly and Tom Turnbull. The resolution also appoints Ruth Shelly as the chair of the Committee. Bill Kabeiseman will continue to serve until the end of 2016 as the past chair, to assist with the leadership transition.

Since Ms. Shelly will be serving as Chair, she decided not to serve a second term on the Oregon Zoo Public Art Advisory Committee, but instead give another member a chance. Susan Hartnett will be the new Oversight representative. She has experience with public projects, and will help OZPAAC select the commissioned artist for the Polar Bear project, the last of the three major art commissions.

This is Sharon Harmon’s last Oversight Committee meeting, having served more than four years and two terms as a member. Metro Councilor Shirley Craddick awarded her a certificate of appreciation and thanked her for her years of service and her diligence in focusing on animal welfare.

Councilor Craddick also awarded a framed gift to Bill Kabeiseman, since this is his last meeting to serve as Chair. She thanked him for serving for more than six years: more than a year as Chair and four years on the Committee, as well as two prior years on the Oregon Zoo Bond Advisory Group. She cited the key role he played in helping the program navigate and obtain its land use permits, and for his leadership in delivering an impressive Committee annual report to the Council in March.

Councilor Craddick thanked the whole Committee for their service, saying that the Metro Council depends on their oversight. She is very proud of the bond program that delivers projects on time and on budget, and it is her pleasure and honor to serve with the Committee members.

Heidi Rahn will be recruiting for two new members, and especially looking for someone with animal expertise and to increase the diversity of the committee.

D. **Zoo Update**

Dr. Don Moore, new Oregon Zoo Director, introduced himself and gave a zoo update. He started at the zoo on Feb. 29, and cited a variety of reasons for his move from the Smithsonian and the National Zoo in Washington, D.C. He has cousins in the Portland area, and recognizes that since the 1960s the community has been supportive of the Oregon Zoo, more so than in most other places in the U.S. He has a master’s degree in public administration, a doctorate in wildlife management and conservation biology, and 40 years of experience in the zoo field. This includes working with the Association of Zoos and Aquariums to increase animal welfare standards. He worked at the Smithsonian’s National Zoo for 10 years, and cited some similarities to the Oregon Zoo, including a new elephant habitat that opened there a few years ago. He is excited to work with the Oregon Zoo’s highly credible polar bear team to build a new habitat. He appreciates the Oversight Committee for representing and reporting to the community.

E. **Committee Annual Report**

Chair Kabeiseman and Vice Chair Ruth Shelly presented the Committee’s annual report to the Metro Council at its March 8 meeting at the zoo. Councilors thanked Oversight members for their help in
preparing the report, which was a team effort. This year’s report has a change in format, with an overview of five initiatives at the beginning: animal welfare, conservation education, infrastructure and sustainability, diversity in contracting and program governance. Each ongoing project and projects completed this past year also have a focus on the areas mandated by the bond measure – animal welfare, conservation education, infrastructure and sustainability – as well as diversity in contracting.

This year’s report also closes the loop by reporting on what was done in response to last year’s recommendations. Next year the report will similarly report an update on this year’s recommendations. This process will be made easier by recording the updates throughout the year as each recommendation is addressed. Ms. Shelly and Ms. Rahn have charted out the recommendations over the meeting agendas for the coming year. Ms. Shelly requested that each member bring their copy of the annual report to each meeting and use it as a guide.

Councilor Craddick praised Chair Kabeiseman and Ms. Shelly for their presentation to the Metro Council, and said she received much positive feedback about it.

F. Bond Program Finances
Caleb Ford was promoted from zoo finance manager to Metro assistant finance director, but will continue to support the zoo bond program in his new role. He reported on the recent zoo bond sale on March 10, when Metro sold $30 million of the remaining $40 million in bonds. Metro took several months to prepare for the sale, and was awarded AAA ratings from both Moody’s and S & P, which is very rare. Arbitrage rules require that Metro spend 85 percent of the bond proceeds within three years, or else proceeds become taxable income. For this reason Metro had to wait to sell the remaining $10 million, which will be combined with the Metro Natural Areas bond sale to minimize bond issuance costs. Metro sells its bonds to an underwriter, who sells them to investors.

From this recent sale, Metro received a bond sale premium of $3.48 million, which will yield $3.3 million in proceeds after expenses. Interest on the bonds is under 1 percent, which is good for the taxpayers. Metro’s overall financial status is part of the high ratings that contributed to receiving this high premium. The rating agencies also look at the history of the bond program that has delivered projects on schedule and on budget. The role of the Oversight Committee also is a positive factor. Mr. Robinson reiterated that Metro’s good and prudent fiscal policy made the premium possible, as well as Metro’s diverse income source. Metro’s prudent fiscal policy is also best for protecting taxpayers’ investment.

G. Cost Escalation Review Subcommittee
The zoo bond program now has $12.8 million in unallocated program contingency. The Oversight Committee will form a subcommittee to recommend how to allocate the remaining dollars, and review construction cost escalation. The subcommittee will bring a recommendation back to the full Committee. Staff will take a final allocation plan to the Metro Council for approval.

Chair Kabeiseman reviewed the three major areas of oversight for the Committee: project improvements, monitor spending and recommend project modifications if necessary. Now for the first time the Committee will need to consider possible modifications and cost allocations. Kevin Spellman, Ruth Shelly, Susan Hartnett, Karen Weylandt and Dick Stenson volunteered to serve on the subcommittee, which is expected to meet three times before fall 2016. If any other members are interested, please contact Ms. Shelly or Ms. Rahn. The subcommittee will choose a chair, so participants should think about whether they would like to serve in that role.
H. **Education Center Partnerships, Sustainability and Art**

Brent Shelby, bond project manager for the Education Center, gave an overview of the project partnerships, sustainability and art using a PowerPoint presentation (copy included with the record).

**Partnerships:** He referred members to the recently published *Education Center Partner and Stakeholder Engagement* brochure that was included with the meeting packet. He reviewed the four main educational goals of the project, and the outreach for design and partnerships. Four organizations were selected from 19 respondents to actively participate in the design process: U.S. Fish and Wildlife Serve, The Intertwine Alliance, Metro Parks and Nature and Metro Resource Conservation and Recycling. All respondents were invited to participate in an advisory group that is meeting to discuss interpretation and partnerships.

Key partners have committed resources for the project: The Oregon Zoo Foundation committed more than $1.4 million, USFWS will provide a full-time interpretive ranger, Metro Parks and Nature and Metro Environmental Services will provide $170,000 for interpretive exhibits and their staff have a regular presence, Metro Data Resource Center is helping to create a large interactive map, and the project is an official Intertwine Alliance project. The zoo and partners are moving forward with next steps for Education Center operations, including formalizing partnerships, hiring the interpretive ranger, securing staff funding, and developing partner use plans.

**Sustainability:** One of the core tenets of the bond program has been investing in replacing and improving the zoo’s aging infrastructure and helping the zoo achieve Metro’s agency-wide goals to reduce water use and greenhouse gas emissions. Bond projects have a minimum goal of Leadership in Energy and Environmental Design (LEED) Silver certification, and the Education Center project is tracking for Gold certification. To achieve that level on the project, the zoo is doing a number of things, including: reducing water use by 400,000 gallons per year by capturing and using rainwater; a new campus stormwater infrastructure with planters; bird-friendly design in partnership with the American Bird Conservancy and Portland Audubon; and a 208-kilowatt rooftop solar panel array to achieve net-zero energy operations, generating as much energy as the center will use on an annual basis. The new building will be a building that teaches about sustainability through several components visibly on display. A demonstration garden will provide food for the zoo animals and include a green roof on a Master Gardeners’ shelter.

Members discussed whether the project could attain LEED Platinum level (it might), and whether it would be wise to invest in that, or if it would be better to spend extra dollars on some other items. The Veterinary Medical Center achieved LEED Gold, and Elephant Lands is expected to achieve Gold as well. Other than the solar installation, exorbitant sustainability costs are not expected. Linda Craig asked about quantifying the fiscal impact of the sustainability investments at the zoo. Energy and water efficiency investments will be evaluated as operational data becomes available.

The investment for net-zero energy cost was not originally prioritized for the project in the earlier round of budget reductions, but was provided as an add-alternate. Budget items were evaluated based on program needs, animal needs and investment payback over the long term. Prioritizing for funding is evaluated separately for each bond project based on the nature of the project. For Elephant Lands, the priority was for animal welfare and providing habitat. For the Education Center, it is more about sustainability and a building that teaches.

**Art:** The Education Center project has two art projects. The first is the restoration and reinstallation of the historical Willard Martin mosaic wall titled “Continuity of Lifeforms.” Installed in 1959 at the
original zoo entrance, it greeted millions of visitors until the 1990s when the entrance was moved. Willard Martin was a significant Portland architect that also designed Pioneer Courthouse Square in 1980. The bond program worked with the State Historical Preservation Office and a conservator to remove and store the mosaic panels. They will be reinstalled in late May 2016 on the west wall of the Education Center at the new group entrance and facing the new public drop-off lane. The mosaic will be slightly convex, and the panels will be restored onsite. Funding for the mosaic is provided in part by a grant from the Oregon Cultural Trust and a Schnitzer family private donation. The mosaic is not eligible for one percent-for-art funding because it is not creation of new art. The removal and restoration is also not eligible for bond funding.

The second art project is a new artwork by artist Rob Ley from Los Angeles and is one of three new major percent-for-art commissions the bond program is delivering as part of Metro’s 1 percent-for-art requirement (based on direct construction costs). The genesis of Mr. Ley’s art concept was the Education Center theme of “Small Things Matter,” and he was especially interested in some of nature’s smallest items -- rhizomes. This inspired him to design a 13-foot sculpture in a new shape that starts out solid at the base and gradually breaks apart and becomes more textural and transparent as it rises. To emphasize the theme and show that many small things in aggregate can have a big impact, the sculpture is composed of 2,500 smaller stainless steel scales with 10,000 angled bends and 15,000 rivets that turn all these separate pieces into a monolithic form. The scales will be tumbled to a pearlescent finish on the exterior and painted yellow on the inside for contrast. A video demonstrated the artist’s fabrication using equipment he retrofitted with custom computer controls and software. Mr. Ley will fabricate the sculpture in Los Angeles, and it is scheduled to be installed mid-October in a plaza planter between the Education Center and Tiger exhibit.

I. Proposed Budget Amendment

Mr. Shelby discussed an opportunity to fund some add-alternates and renewable energy investments for the Education Center project, which were detailed in a memo dated April 11, 2016 (included with the record). The proposed budget amendment is to add $475,000 in additional scope that adds value to the visitor experience and sustainability, and to add $755,000 to complete the funding gap for solar installations that will make the center net-zero energy use. The total of $1.23 million would be funded by the $3.48 million unallocated 2016 bond premium, leaving $11.5 million in total unallocated funds remaining in bond program contingency. This amount is adequate to cover the remaining three bond projects, including estimated cost escalation.

The state requires that Metro invest 1.5 percent of capital construction cost in renewable energy, which is $204,000 for the Education Center. The Energy Trust of Oregon will provide $127,000 in incentives and Solar World will provide materials at wholesale cost ($97,000 value). Metro is applying for a grant from Portland General Electric to pay for some of the solar installation, but a decision on that grant will not be made until October. Commitments to fund the solar construction are needed now, however, to keep the project on schedule. If PGE later provides some funding, that amount would go back into program unallocated contingency. Metro plans to ask the PGE Foundation for at least $755,000. The Oregon Zoo Foundation has been working with PGE for the last year on this project. PGE likes that the project has good visibility and that the zoo is putting in some of its own funding.

Members discussed the list of add-alternates, and a concern that some “premium finishes” are not durable and not easy to maintain. Staff indicated that the add-alternates are durable and good investments. Decisions about which add-alternates to fund were made with zoo Operations staff. The bike parking for staff is one of the zoo’s core values to promote bike commuting and sustainability. The additional storage will save operating costs later when Catering does not have to
haul supplies from another building for each event. The solar installation is expected to save more than $30,000 per year in energy costs.

Linda Craig suggested an idea for additional funding from the Oregon Clean Power Cooperative, which allows individuals to form a community investment in solar. Tax credits from the project benefit for-profit entities.

| Vote: | All members present voted in support of the proposed budget amendment of $1.23 million for additional scope to the Education Center project, funded from the $3.48 million unallocated 2016 bond premium. Robyn Pierce and Mickey Lee indicated their support of the budget amendment via emails in advance of the meeting. |

It will be considered by the Metro Council on April 21, 2016.

J. Monthly Project Updates
1. Elephant Lands: Jim Mitchell, construction manager, said he plans to suspend the Elephant Lands monthly reports for a few months until he has some final progress to report. The contractor is finishing up the list of punch-list items.
2. Education Center – Reported in item I above.
3. Polar Bear Habitat: For the Polar Bear project, the zoo has two strong finalist design teams, led by CLR and Opsis Architecture, and will select one next week. The Construction Management by General Contractor (CM/GC) proposals are due next week.
4. Interpretive Experience – No report.
5. Percent-for-Art – No report.

K. Program Status and Financial Information at a Glance
Next month the financial report will show the $33.4 million from the recent bond sale and premium.

L. Program Schedules
Projects are currently on schedule. Staff are closely watching the competitive construction environment (in which resources may not be available when desired) and flagging it as a risk for the future.

M. Other
Heidi Rahn indicated that in the coming weeks staff would be preparing a memo with a breakdown on diversity in contracting usage on the current bond projects.

N. Adjournment
Chair Kabeiseman adjourned the meeting at 4:30 p.m.

Upcoming meeting dates –Wednesdays, 3 to 5 p.m.:
Sept. 14, 2016 Skyline Room, Oregon Zoo
Nov. 9, 2016 Skyline Room, Oregon Zoo