MEMBERS PRESENT
Sheryl Manning  Oregon Zoo Bond Citizens' Oversight Committee
Jacqueline Bishop  Roberts Kaplan LLP
Steve Bloom  Portland Japanese Gardens
David Evans  The ODS Companies
Greg Gahan  NW Construction Management, Inc.
Gary Gamer  Oregon Coast Aquarium
Ann Gravatt  Renewable Northwest Project
Jim Irvine  The Conifer Group, Inc.
Benjamin Jackson  Clackamas High School
Tony Jones  Metropolitan Contractor Improvement Partnership
Deidra Krys-Rusoff  Ferguson Wellman Capital Management
Carter MacNichol  Shiels Obletz Johnsen, Inc.
Kelly Peterson  Humane Society of the United States
Penny Serrurier  Stoel Rives LLP
Michael Sestric  Private Practice Architect
Bob Tackett  Northwest Oregon Labor Council

MEMBERS ABSENT
Marcela Alcantar  Alcantar & Associates
John Mohlis  Portland Development Commission
Carol Welch  Nike, Inc.
Ray Phelps  Allied Waste Services

GUESTS
David Bragdon  Metro Council President
Suzanne Flynn  Metro Auditor
Andrew Ferguson  Oregon Zoo Foundation, OR Zoo Bond Advisory Group

STAFF
Scott Robinson, Craig Stroud, Lee Campbell, Doug Strickler, Jim Mitchell, Linnea Nelson,
Annie Von Burg
OPENING

Metro Council President David Bragdon welcomed the committee members to the first Oregon Zoo Bond Citizens’ Oversight Committee meeting. President Bragdon briefly outlined the committee’s purpose and thanked members for their attendance and future contributions. He stated that the committee does not work for the Council, but rather represents the public.

Chair Sheryl Manning welcomed the group and expressed her gratitude for committee member participation and service. Chair Manning informed the committee that future meetings will be discussion-based, but to educate committee members about the bond program, the first meeting was structured to convey background information to the members.

1. **INTRODUCTIONS**

Chair Manning led introductions by sharing her background. Committee members, guests and staff introduced themselves.

2. **DESCRIPTION OF OREGON ZOO BOND GOVERNANCE**

Metro Deputy Chief Operating Officer Scott Robinson reviewed the Oregon Zoo Bond Governance handout. Mr. Robinson described the relationships between the various groups within the bond governance structure and explained each group’s focus, scope, reporting relationship, deliverables and duration.

The three points of focus for the Oversight Committee are to:
1) Assess bond program progress
2) Annually report on program governance and external audit results
3) Recommend project modifications, if needed, due to inflationary cost increases in excess of original project target cost estimates

In addition to this committee’s oversight of the bond program, the program reports quarterly via program and financial reports to the Metro Council. The annual external audit of Metro’s Comprehensive Annual Financial Report includes a specific scope of work for the external auditor to sample and review bond program expenditures. The external audit contract is managed by the Metro Auditor.

Metro will provide funds for the Oversight Committee to hire an independent writer to draft an annual Oversight Committee report that will be delivered to the Metro Council and local newspapers for publication.
3. **REVIEW OF ZOO CONSTRUCTION AUDIT**

Metro Auditor Suzanne Flynn provided a summary of the Zoo Capital Construction audit released in November 2009. Ms. Flynn described the three construction projects evaluated during the audit and explained the reasoning behind choosing those specific projects. Ms. Flynn discussed the audit’s conclusion that at the time of the audit, the Zoo was not prepared to manage the bond program due to lack of institutionalized practices, a history of unrealistic project budgeting, and the uncertainty of roles and responsibilities. She noted there was poor tracking of schedules and expenditures resulting in significant cost overruns along with inaccurate reporting. Ms. Flynn closed by stating the audit was timely in identifying issues for correction early in the bond program. She added that management has been extremely responsive to addressing the audit’s recommendations.

Chair Manning asked committee members to read the audit report and management’s response and consider watching the audit report delivery to the Metro Council on the Metro website.

President David Bragdon shared his gratitude to Ms. Flynn for the audit and encouraged the committee to exercise its oversight role to ensure the bond program is successful.

4. **OVERVIEW OF BOND PROJECTS**

Interim Zoo Director Mike Keele briefly described the approaches that zoos have taken in the past in regards to exhibits and animal welfare. He explained animal management theory improvements due to advancements of science and knowledge. Between now and completion of the individual bond projects, zoo animal management staff will continue to actively manage animal welfare. Mr. Keele explained the Association of Zoos and Aquariums (AZA) accreditation process and that the Oregon Zoo is currently under accreditation review.

Mr. Keele continued with a presentation of the bond projects and the need for the improvements. The projects that were presented were:

- The on-site elephant exhibit
- The veterinary medical center and quarantine facility
- The polar bear exhibit
- The primate exhibit
- The conservation campus
- The condor exhibit
- The hippo exhibit
- The penguin water filtration upgrade
- Water and energy saving improvements
5. **OVERVIEW OF LAND USE PLANNING**

Bond Program Manager Craig Stroud outlined a plan district zoning designation that the zoo is currently discussing with stakeholders and the city of Portland for zoo campus land use. Mr. Stroud presented the complexities to achieve the plan district designation. An aggressive timeline estimate of two years is expected to complete the process. Concurrently with the plan district designation process, there are several bond projects underway, such as the veterinary medical center and the penguin water filtration upgrade. While these projects move forward, there are many considerations to balance for animal welfare, construction efficiency and visitor experience.

Mr. Stroud discussed the need for development of a capital improvement master plan. This plan will provide increased detail around project scope, sequencing, sustainability initiatives, and general campus infrastructure improvements. To create the plan, the bond program team is developing a request for proposals targeted for release at the end of March 2010.

Mr. Stroud distributed an example financial and project information report using the handouts *Project Status and Financial Information at a Glance* and the *Zoo Bond Program Capital Construction Project Phase Descriptions*. He asked the committee to review the example and identify changes or different presentations that would meet their program oversight needs.

6. **STATUS OF VETERINARY MEDICAL CENTER**

Bond Project Manager Jim Mitchell gave an update on the status of the veterinary medical center project. Mr. Mitchell described how the project planning had unfolded and required value engineering due to estimates that exceeded the target budget. The Oregon Zoo Bond Advisory Group provided assistance on value engineering and resiting considerations during November and December 2009. On January 5, 2010, the zoo bond team presented the Veterinary Medical Center project status and posed a set of project options to the Metro Council at a work session. The Council concurred with the team’s first recommendation to move the project forward (see agenda packet item H for complete background and options presented). The construction plans are nearly complete with the value engineering changes incorporated and will be delivered to the city of Portland for construction permit review within two weeks. Groundbreaking is expected in early summer.

Chair Manning asked the bond team if there were specific lessons learned through the veterinary medical center project planning. Mr. Stroud responded that the program team had learned to better control scope creep, avoid changing a project’s manager during a project, and to proactively involve project stakeholders in the design processes early and often. Design considerations become more expensive when executed as change orders or punch list corrections. Making frequent communications to stakeholders to explain scope and design during schematic design and design development will help minimize expensive changes.
It was asked by a committee member that if overall detail master planning for all projects had not been completed prior to the bond measure passage, how was the amount of $125 million determined? President Bragdon said the zoo management and Council first developed a long list of priorities based upon the inventory of deferred maintenance and staff knowledge of structures and other facilities which were deficient. This list of potential projects was weighed on the basis of priorities of animal welfare, infrastructure improvements and energy efficiency. Ultimately, this longer list was trimmed to include only the top priorities which could be covered by a $125 million bond measure, which was the total amount the Council in its political judgment estimated the voters could most reasonably be expected to approve.

Chair Manning suggested that a member of the Zoo Bond Advisory Group attend the next committee meeting and describe how that group had supported the bond program and veterinary medical center project since formation.

7. CLOSING

Chair Manning thanked members for attending and identified items to be addressed at the next meeting, including:

- Bond management to update the committee on steps to address the Zoo Capital Construction internal audit recommendations.
- Request an Advisory Group member to discuss the group’s involvement in the bond program.
- Create a communications protocol so committee members know how to respond to contacts from media about committee and program activities.
- Finalize the committee charter.
- Distribute committee member contact information among committee members.
- Request the Metro Procurement Officer provide the committee background about Metro’s procurement processes and MWESB programs.
- Discuss the proposed “Project Status and Financial Information” Report.
- Update on status of the Master Planning process/RFP.

General announcements:
- The next meeting agenda and supporting materials will be distributed prior to the next committee meeting.
- The next zoo campus tour with Bond Program Manager Craig Stroud and Interim Zoo Director Mike Keele is scheduled for Feb. 16 from 1 to 3 p.m. Meet outside at the zoo main gate.
- Zoo Bond Program Manager Craig Stroud issued a standing invitation for committee members to request a personal tour of the zoo campus and bond projects if unable to attend the group tour.
- There was general discussion about the committee meeting more frequently than quarterly in the next several months. It was decided to keep the quarterly meeting schedule.
• Committee members are invited to attend a bond program status presentation to the Metro Council scheduled for Feb. 23 from 2 to 4 p.m. in the Zoo Sunset room.

• Future committee meeting dates were announced as:
  o May 12, 2010, Zoo Cascade Crest Building, Skyline Room
  o Aug. 11, 2010, Zoo Cascade Crest Building, Sunset Room
  o Nov. 10, 2010, Zoo Cascade Crest Building, Sunset Room
  o Feb. 9, 2011, Zoo Cascade Crest Building, Sunset Room
The start time has changed to 3 p.m. for all meetings.