

Zoo Transition Committee Meeting

August 8, 2011 – 4:30 p.m. to 6:00 p.m.

Members Present: Dick Bulkowski, Susan Broman, Marge Byington-Potter, Kyle Irwin, Gary Milligan, Dan Molhoek, Sandi Frost Parrish

Member(s) Not Present: Jim Dunlap, John Helmholdt

Guests: Bert Vescolani, John Ball Zoo Director; Brenda Stringer, Zoo Society Executive Director; Craig Clark and Jennifer Luth, Clark Communications; Amber Holst and Fran Miller, Zoo Society employees

Staff: Assistant County Administrator Mary Swanson, Senior Administrative Specialist Melanie Grooters.

- 1. Chair Sandi Frost Parrish called the meeting to order at 4:35 pm.**
- 2. Public comment – none**
- 3. Approval of July 11, 2011 meeting minutes** – A motion to approve was made by Dick Bulkowski and seconded by Susan Broman. Subsequent to changes proposed by Dan Molhoek, the amended minutes were approved unanimously.
- 4. Governance, Operations I**

Mary Swanson reviewed the work plan's two-step process to address each meeting's focus. At the first meeting, staff will provide information and time for discussion; at a future meeting summarized comments and additional information requested will be brought back for further action. For this meeting, governance information was compiled on a suggested list of zoos from around the country. Overall, most have boards of 20 to 30 members, with only one smaller than 20; many reiterated the importance that members have a connection to the community, a philanthropic connection, and expertise in a desired area, as well as a passion for the zoo. It was suggested that the committee look at the zoo's market area in discussing the governance model/geographic region to be covered. Issues highlighted during the discussion of each comparable facility include the following:

- Fort Wayne Children's Zoo — Most Board members from within the City, some from outside the city limits but still within the County; not significant interest on part of non-City residents to serve on Board.
- Tulsa Zoo & Living Museum—This is the most recently transitioned zoo; current board structure was achieved by using existing non-profit organization designation, but with a different name and new membership. The process required considerable cooperation from all parties, including employee groups, who participated in the discussion. Susan Broman asked if a transition coordinator had been hired. Brenda Stringer said yes, they had hired one. Dick Bulkowski asked how much the City of Tulsa contributes to the budget; Mary Swanson said she has that information and can review it with him, but that

because the focus of this discussion was governance, that information had not been included in the agenda packet.

- Brevard Zoo, FL—Owned by the East Coast Zoological Society. The Board is currently reviewing many of its policies and procedures, including moving away from day-to-day operations and focusing more on policy-level issues and fundraising.
- Fresno Chaffee Zoo—The Zoo is owned by the City but operated by the private, non-profit Chaffee Zoo Corporation since 2006. Chaffee Zoo Corporation receives funding from a transaction and use (i.e. sales) tax administered by a metropolitan Zoo authority. Initial appointment to the Board included the last/most recent Zoo Society president, appointees of the Society, appointees of the City and appointees by the County. Following initial terms, all new directors are nominated by and appointed by serving directors. Dick Bulkowski wondered about financing for JBZ, and if sales tax would be an option. Mary Swanson said that would more than likely require special legislation in Michigan.
- Roger Williams Park Zoo, RI—Before their transition, they shared a director with the Zoo Society; the transition was overseen by a committee similar to the structure being used by Kent County - a team of 8-9 people. The new Board of 30 relies heavily on a 10-member Executive Committee that is very active; Dan Molhoek cautioned that if an executive committee does all the the “heavy lifting” the board becomes disengaged. Roger Williams board members are required to participate at some level in the Society’s fundraising endeavors; this prompted discussion on member expectations for the new zoo management entity, whether participation would be required, and at certain levels. Chair Parrish suggested that it is good to ask for participation at the level at which they are capable. Dan Molhoek indicated that the Society has a board expectation policy.
- Toledo Zoological Gardens— Bylaws require between 3 and 20 members; currently there are 17; 3 are county commissioners; they have monthly/as needed meetings. Chair Parrish asked what percent of sitting commissioners serve on the Zoo Board, and if three constituted the full Commission. Toledo has two millages – a five year operating millage that generated approximately \$7 million annually and a 10 year capital millage that generates \$8.6 million annually. They have 600 employees [159 year round, 46 part-time, 391 seasonal].
- Detroit Zoo—Detroit’s Society began operating the zoo around five years ago because the City could no longer support the zoo; they have a 51-member board; the City transferred the zoo but not the park which they indicated was a problem. It was noted that it is the intent of the County that the park and the Zoo be managed by the same entity. Bert Vescolani said that John Ball Park is integral to zoo operations.
- Houston Zoo—The mayor appoints 20 percent of board members; other members are selected by a Board Nominating Committee; Dan Molhoek asked if the County wants to have the right to appoint a certain number of members; Chair Parrish replied that practitioners advise against this, that the 501(c)(3) should operate the zoo and that all the members of the Board be “equally” vested. It was

noted the consultant's report recommended that the County Administrator/Controller be the County's only appointee. Dick Bulkowski stated that he had the impression that Commissioners wanted to be 'hands off' the zoo, commenting that former board chairs had considered completely removing the zoo from County ownership and funding, as well as operation. Chair Parrish responded to this by stating that the current Board of Commissioners has been, and remains, committed to the successful, sustainability of the Zoo, and that the move to a private non-profit management structure was to enable it to be more entrepreneurial, but it was also understood that the County would need to continue to support the zoo financially unless or until a different funding mechanism was put in place. She noted that the consultant's report also called for funding and support from the County to continue, and noted that the new governance model was being pursued to allow the Zoo to be able to access additional funding.

- Woodland Park Zoo, WA—This Board had three categories of subcommittees: governance/oversight, mission, and resources. Committee members indicated that this type of categorization seemed beneficial. Board member-required affiliation includes three county and three city members; Chair Parrish commented that maintaining historical affiliations and governmental appointments can result in “hanging on” to the old ways of operating.
- Oregon Zoo—The City-owned Zoo has been managed by a private, non-profit since 1971. In 2008, voters approved a \$125 million bond issuance, and a separate, oversight committee was formed to direct capital improvements; progress was stalled but development has now begun to move forward.

Chair Parrish opened the discussion around the recommendations for John Ball Zoo. The first topic was **geographic representation**. Dan Molhoek stated that it is not appropriate to hold a seat for specific location, but representation of market users of the Zoo is needed, e.g., Holland/Zeeland area and/or Grand Haven/Muskegon/Fremont area. Marge Byington-Potter said that she feels it is a good idea to designate seats for specific communities, and that representation should be broadened to include all West Michigan.

Chair Parrish suggested the board should mirror the service area of the Zoo. Gary Milligan added that both geography and diversity of the market area should be considered in board composition.

Chair Parrish asked for comments of the number of directors needed. Dan Molhoek suggested 20 to 24, with attention to areas of expertise as well as connections to the philanthropic community. Marge Byington-Potter said she would like to encourage subcommittees to include others from outside the Board. Kyle Irwin echoed the comment of the Seattle's Zoo Director that it is easier to grow a board than shrink it. Gary Mulligan said the number should be 25, and that the structure and function created will determine the number. Susan Broman added that it is difficult to look at the number until structure is established, and that committees can be valuable to perform some of the work of the board. Dan Molhoek cautioned that committees should not make a lot of 'hands-on' decisions. Dan Molhoek said that the Zoo Society board members make the connections to the philanthropic community and that they have been involved in all significant donations; 10 to 12 of the members bring in most of

the financial donations. Chair Parrish summarized the discussion, stating that it seems that the general consensus is around 20+/-, and that geographic representation should extend beyond Kent County.

Chair Parrish then asked for discussion on needed qualifications/associations, job descriptions. It was stated that having someone with a passion for the Zoo and connections to the philanthropic community is important. Chair Parrish said that she has an asset mapping matrix to help determine the skills needed, connectivity, and demographics, which will help ensure a good balance of members. Bert Vescolani suggested that the West Fulton Business Association be a participant; Brenda Stringer stated that a Zoo Society staff member is on the Association board; Bert Vescolani is also on the neighborhood committee. Marge Byington-Potter said that the Zoo should be viewed as an economic driver for West Michigan, and that starting with that focus would be a good way to begin the discussion.

Chair Parrish asked for input on the appointment/selection process, and length of term. It was suggested that the Transition Committee make recommendations and the initial appointments. Chair Parrish indicated she is familiar with a matrix/mapping tool that might be useful. Mary Swanson said that the matrix would be useful to determine desired qualifications; and would show what areas still need to be filled. The length of term was discussed; it was noted that most terms were three years, which is consistent with the Zoo Society. It was suggested that there be a limit of three terms and a ‘one year off’ provision to allow for additional needs and additional members to be identified. For the initial board, terms should be staggered – some at one year, some two, and some three years. Marge Byington-Potter asked if there are any exceptional Society members that should be kept on the new board. Gary Milligan agreed that it is important to keep those who are passionate about the Zoo. Marge Byington-Potter also said it is important to give exceptional people a place to be involved. Chair Parrish said that this Transition Committee needs to look at the bigger picture, assess best practices, and keep what is exceptional. She stated that the finances and operations of the new entity will be different than what currently exists, and the goal is to move the zoo to the next level. Dan Molhoek suggested that the Society has a structure which should be reviewed by the Committee, as well.

Chair Parrish directed the discussion to the relationship of new entity to the County/Society. She commented that the makeup of the new board membership may not necessarily include County Commissioners but rather should be the best people with the best skills to fill the needs of the new board. Mary Swanson noted the consultant’s report calls for the Administrator/Controller to be a member of the Board, and asked if the Committee would want to consider any Commissioners or the Administrator as ex-officio members, so they would have all the information first hand, but no voting rights. Dan Molhoek stated that he does not like the concept of a non-voting member. Gary Mulligan suggested annual reporting to the County, providing audited annual reports and tax returns, with a summary of the previous year. It was noted that *Right Place* and *Experience Grand Rapids* are both funded by the County and provide annual reports to the County, and that staff and Commissioners may also have seats on their Boards. Dick Bulkowski stated that the County will continue to own the property so will always be engaged to some extent. Gary Mulligan said that the County may request that a representative be present at meetings. Chair Parrish said that it can be problematic having the largest donor on a board because it unofficially carries more weight. Gary Mulligan said that seats should not be designated on the board but rather the board makeup should represent the community at large.

Chair Parrish summarized the ongoing process by saying that literature and compiled research on a meeting's topics will be reviewed, a synopsis will be brought back to the Transition Committee at the next meeting; the general ideas generated may not necessarily be the end product, rather, it will be a fluid process that will take into consideration existing organizational structure and recommendations from the consultant and other sources. Dan Molhoek cautioned that the process to establish a 501(c)(3) can be lengthy. Dick Bulkowski commented on establishing a new 501(c)(3) versus use the existing Society entity, and inquired about timing. Chair Parrish said the transition will likely take place in February of 2013.

Susan Broman asked about long-term financial support from the County. Chair Parrish replied that the County funds both mandated and non-mandated services; of the non-mandated, for the Board of Commissioners, a couple high priority items are first the County's Prevention Initiative, and the Zoo, as well as Parks. The Zoo is being funded in the County's 2012 budget, and the Commissioners remain committed to ensuring the success and sustainability of the Zoo.

Mary Swanson introduced Craig Clark and Jenny Luth of Clark Communications, who were selected to assist with communication. She stated that as part of the County's commitment to be able to be responsive and to disseminate information accurately, consistently, and in a timely manner, it was determined that outside resources were required. Craig Clark added that they are eager to begin work identifying the key audiences, learning more about the Zoo, the Society, and the transition process so as to help people understand the process and the intended outcome.

The meeting was adjourned by Chair Parrish at 6:05 p.m.