

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF THE
METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT**

St. Louis, Missouri
January 26, 2016

A regular meeting of the Board of Directors of the Metropolitan Zoological Park and Museum District (the "District") was held at The Pierre Laclede Center, 2nd Floor – Conference Room A, at 12:00 p.m. on Tuesday January 26, 2016. The primary purpose of the meeting was the discussion of the Independent Accountants' Report on Agreed-upon Procedures and Advisory Comments pertaining to Missouri Botanical Garden and Missouri Botanical Garden Subdistrict.

Thelma Cook, Chair of the Metropolitan Zoological Park and Museum District ("District"), called the meeting to order. She welcomed those attending from the Missouri Botanical Garden and Missouri Botanical Garden Subdistrict. She then welcomed other individuals who were attending the meeting. The names and affiliated organizations of attendees are listed on Exhibit I of the minutes which is attached hereto and made a part hereof.

Upon roll call, the following Board members were present:

Thelma V. Cook	Thomas J. Campbell
Michelle Harris	Christine Chadwick
Robert E. Eggmann	Robert G. Lowery, Sr.
Darnetta Clinkscale	Thomas C. Mummert

Other persons attending the meeting included: Mike Chivell from Armstrong Teasdale LLP, the District's outside counsel, Rick Gratza, Gary Mudd and Amber Hardesty from Kerber, Eck & Braeckel LLP ("KEB"), the District's accounting firm, and District employees J. Patrick Dougherty, Sharon L. Wilcutt and LaQuana S. Dilworth.

Thelma Cook called for brief public comments from citizens in attendance.

Lelia Farr, President, Botanical Garden Board of Trustees began the presentation by reviewing the history of the Botanical Garden and some of the exceptional events and programs that are offered throughout the year. She further explained that the community outreach and educational programming is vital to the growth of the Garden locally and internationally.

Thelma Cook welcomed Thomas Mummert who was appointed to the District Board by Mayor Slay to serve as a Director through December 31, 2019.

Ms. Cook then asked Rick Gratza, CPA from KEB to begin his presentation. He acknowledged the cooperation of the Botanical Garden's management and staff in assisting with the agreed-upon procedure engagement. Mr. Gratza presented an executive summary of the engagement. He began by explaining that the engagement is made of three components:

- (1) Nature of engagement – Agreed-upon procedures – Botanical Garden.
 - o Objective – assist the District in its evaluation of Garden's policies and procedures;
 - o Engagement performed in accordance with attestation standards established by the AICPA;
 - o Sufficiency of the procedures is solely the responsibility of the District; and

- Agreed-upon procedures do not constitute an audit or examination; therefore KEB does not express an opinion as a result of this engagement.

(2) Scope of engagement:

- Internal Controls; Executive Compensation; Receipts, Disbursements, Payroll; Liquidity; Governance; Volunteers; Budgeting; Prior Recommendations; Procurement; Credit Cards; Earned revenues; Contingencies; Endowments; Supplies; Pledge Allowance and Write-offs; Capital Projects; Attendance; Grants and Contracts and Fringe Benefits.

(3) Timing of engagement:

- Introductory meeting on July 30, 2015 and November 30, 2015;
- Fieldwork began December 7, 2015; and
- Draft reports delivered to ZMD and Art Museum on January 19, 2016.

Mr. Gratza then summarized the three reports being reviewed:

- The agreed-upon procedures report listing the procedures performed and resulting findings;
- Appendix to the Independent Accountants' Report on Agreed-Upon Procedures; and
- Advisory Comments.

Mr. Gratza explained that fourteen recommendations resulted from the agreed-upon procedure engagement along with four prior recommendations:

- Executive Compensation; IRS Form 990; Credit Card Policy; Credit Card Approval; Credit Card Reports; Sick Leave Accrual; Review of Payroll Registers; Purchasing and Procurement; Purchasing Policy; Disclosure Statements; Meeting Notices; Operating Contract between the Garden and Subdistrict; Whistleblower Policy; and Public Bidding of Endowment Fund Custodial Services.
- Increase Utilization of Lockboxes; Expand Financial Reporting; Accounts Payable and Purchasing Duties and Segregate the Preparation and Mailing of Checks.

Kathy Giddings, Attorney for the Garden Subdistrict offered an explanation on State Ethics Forms that were submitted to the State of Missouri, Marcia Mellitz, Chair of the Missouri Botanical Subdistrict addressed the Board to clarify issues with regard to the renewal of the Operating Contract between the Botanical Garden and the Botanical Garden Subdistrict.

Peter Wyse-Jackson, President of the Botanical Garden stated that the Garden welcomed the opportunity to implement the recommendations resulting from the Agreed-Upon Procedures Report and to ensure that all policies and procedures are transparent and in line with best-practices.

Comments and questions resulting from the reports included positive comments with regards to robust internal controls at the Garden and favorable reports from neighbors and businesses in the area surrounding the Garden.

A discussion ensued.

Ms. Cook thanked the members of KEB and the Botanical Garden for the presentation and response to proposed recommendations. The Chair called for a brief recess. Within a few minutes, Ms. Cook called the meeting to order.

Amber Hardesty, Senior Auditor from KEB presented information relating to the 2015 audit at the District. The scope of the audit is to prepare the financial statements in conformity with GAAP for the year end December 31, 2015. In addition, a proposal to prepare a consolidated component report (Comprehensive

Annual Financial Report) to include the Primary government and the Subdistricts. The fieldwork and timing of the audit is scheduled for the week of March 7th.

A discussion ensued.

The Chair called for the 2016-2017 Board officers.

Ms. Cook made a motion to nominate Tom Campbell to serve as Chair of the District for a two year term. Mr. Lowery seconded the motion. Following a roll call vote the motion passed with Ms. Cook, Mr. Campbell, Mr. Eggmann, Ms. Harris, Mr. Lowery, Ms. Chadwick, Ms. Clinkscale and Mr. Mummert voting 'Aye'.

Ms. Cook made a motion to nominate Christine Chadwick to serve as Vice Chair of the District for a two year term. Ms. Harris seconded the motion. Following a roll call vote the motion passed with Ms. Cook, Mr. Campbell, Mr. Eggmann, Ms. Harris, Mr. Lowery, Ms. Chadwick, Ms. Clinkscale and Mr. Mummert voting 'Aye'.

Ms. Cook made a motion to nominate Robert Eggmann to serve as Treasurer of the District for a two year term. Ms. Chadwick seconded the motion. Following a roll call vote the motion passed with Ms. Cook, Mr. Campbell, Mr. Eggmann, Ms. Harris, Mr. Lowery, Ms. Chadwick, Ms. Clinkscale and Mr. Mummert voting 'Aye'.

Ms. Cook made a motion to nominate Robert Lowery to serve as Secretary of the District for a two year term. Mr. Campbell seconded the motion. Following a roll call vote the motion passed with Ms. Cook, Mr. Campbell, Mr. Eggmann, Ms. Harris, Mr. Lowery, Ms. Chadwick, Ms. Clinkscale and Mr. Mummert voting 'Aye'.

Ms. Cook made a motion to nominate Darnetta Clinkscale to serve as Assistant Secretary of the District for a two year term. Mr. Campbell seconded the motion. Following a roll call vote the motion passed with Ms. Cook, Mr. Campbell, Mr. Eggmann, Ms. Harris, Mr. Lowery, Ms. Chadwick, Ms. Clinkscale and Mr. Mummert voting 'Aye'.

Mr. Lowery and Mr. Campbell acknowledged the great job and many accomplishments that Ms. Cook completed the past two years as Chair. Mr. Campbell recommended that the Board purchase a Brick at the Missouri History Museum to thank Ms. Cook for her service to the District.

Mr. Campbell then appointed the following members of the Board to the 2015-2016 Audit Committee: Mr. Eggmann, Chair; Ms. Harris and Ms. Cook. He then appointed the following members of the Board to the 2015-2016 Compensation Committee: Mr. Campbell, Chair; Ms. Clinkscale and Ms. Cook.

Approval of Minutes – The Chair called for the approval of the Minutes from the October 29, 2015 regular Board meeting. Ms. Chadwick moved that the minutes be approved and Ms. Cook seconded the motion. Upon a motion duly made, the October 29, 2015 minutes were approved with all members voting 'aye'.

Executive Director's Report: Mr. Dougherty reported that as of January 25, 2016 the balances in the District controlled bank accounts approximated \$54.1 million and included:

<u>Account for the benefit of:</u>	<u>Amount</u>
Zoological Park Subdistrict	\$ 5,874,063.81
Art Museum Subdistrict	\$ 11,729,088.37
St. Louis Science Center Subdistrict	\$ 1,317,800.36
Botanical Garden Subdistrict	\$ 6,639,530.94

Missouri History Museum Subdistrict	\$ 6,721,504.14
District Operating Fund	\$ 3,923,965.33
District Clearing Account	\$ 17,947,827.19

A discussion ensued.

Mr. Dougherty then presented the District's internal financial statements for the months of October, November and December 2015 and a schedule of 2015 Operating Expenses as a Percentage of Budget. No discussion resulted.

Audit Committee Report: Mr. Eggmann asked that Mr. Dougherty explain the District's position on the completed Agreed-upon Procedures Report that has been done at all five Subdistricts and what options are available for future engagements.

Mr. Dougherty suggested that in 2016 an Internal Control Study be performed at each Subdistrict. The study will highlight controls within each institution to ensure the integrity of the financial statements and any additional areas that are of concern. The five Subdistricts internal control work could be accomplished during the summer of 2016.

A discussion ensued.

Report of Legal Counsel: Mr. Chivell reminded the Board that a copy of the *Acknowledgement and Board Member Certifications – Code of Ethics ("Certification")* was mailed and e-mailed to all members of the Board. The information is required to be prepared and delivered by each Board member annually to the District by January 31, 2016. The Certifications will be kept at the District office as provided in the District's Code of Ethics.

A discussion ensued.

Old Business: No new business.

New Business: Mr. Dougherty informed the Board that the meeting dates for the year have not been established. He asked all Board members contact him with any possible conflicts prior to setting the Subdistrict Budget Meetings for 2016.

Mr. Campbell asked for any public comments from those in attendance.

Ben Uchitelle addressed that Board and commended Ms. Cook on her performance as Chair of the Board for the past two years.

Mr. Campbell then asked for a motion to close the meeting to discuss matters as provided under Section 610 of the Revised Statutes of Missouri. Mr. Eggmann moved to close the meeting pursuant to RSMo. § 610.021 (3) and (13) to discuss personnel matters. Ms. Chadwick seconded the motion. A roll call vote to approve the motion was taken:

Thelma Cook – voted "Yes"	Robert Lowery – voted "Yes"
Michelle Harris – voted "Yes"	Christine Chadwick – voted "Yes"
Robert Eggmann – vote "Yes"	Darnetta Clinkscale – voted "Yes"
Tom Campbell – voted "Yes"	Thomas Mummert – voted "Yes"

The Board went into closed session at 1:20 p.m.

The closed session of the meeting adjourned and the regular meeting was reopened to the public at 1:26 p.m.

Minutes from the closed session of the meeting will be prepared by Mr. Chivell and filed at the office of Armstrong Teasdale LLP.

There being no further business of the Board, Ms. Harris moved that the meeting be adjourned. Mr. Eggmann seconded the motion which was unanimously approved.

The meeting adjourned at 1:29 p.m.

Respectfully submitted,


Chair

NOTICE OF REGULAR MEETING

METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT

Pursuant to Section 610.020 of the Revised Missouri Statutes, notice is hereby given that a Regular Meeting of the Metropolitan Zoological Park and Museum District Board will be held as follows:

Date: January 26, 2016

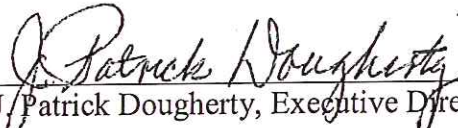
Time: 12:00 P.M.

Place: Pierre Laclede Center
7733 Forsyth Boulevard
2nd Floor – Conference Room A
St. Louis, MO 63105

Agenda:

1. Presentation of the Independent Accountants' Report on Agreed-upon Procedures and Advisory Comments pertaining to the engagement with the Missouri Botanical Garden Subdistrict and the Missouri Botanical Garden.
2. Election of the 2016 – 2017 Board officers
3. Committee Reports.
4. Report from the Executive Director concerning District Matters.
5. Old Business and such other business that comes before the District.
6. The Board may also hold a closed session, with a closed vote and record, as authorized by Section 610.021 (1), (2) and (3), Revised Statutes of Missouri, related to legal issues, real estate and/or personnel, negotiation of a contract pursuant to 610.021 (12) RSMO, proprietary information pursuant to Section 610.021 (15) and/or confidential or privileged communications with our auditor pursuant to (17).

Further information may be obtained at the District Office, 7733 Forsyth Blvd., Suite 550, Clayton, Missouri 63105, (314) 862-4222.

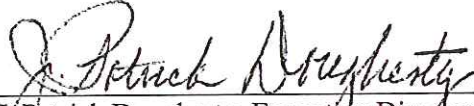

J. Patrick Dougherty, Executive Director

C E R T I F I C A T E

I, J. Patrick Dougherty, do hereby certify that the attached Notice of Regular Meeting was published in accordance with the provisions of Section 610.020 of the Revised Missouri Statutes, posting said Notice at least twenty-four hours in advance of the date of said meeting in a prominent place easily accessible to the public at the Pierre Laclede Center Building, 7733 Forsyth Boulevard, Suite 550, and Conference Room A 2nd Floor in Clayton, Missouri, 63105; In addition the Public Notice is posted on the District's website and mailing and/or e-mailing a copy of said Notice by ordinary mail to:

- David Hunn
- Stephen Deere
- St. Louis Business Journal
- Riverfront Times
- Susan C. Thomson
- Mark Schlinkmann
- Betsey Bruce
- Patrick Brown
- Jeff Rainford
- Sable Campbell
- Pat Westhoff
- Nancy Fowler
- Eric Miller
- Marcia B. Mellitz
- Alex Heuer
- Jerry L. Kent
- Barbara B. Taylor
- Michael F. Neiforff
- Lelia J. Farr
- Richard Jensen
- Laura Taylor
- Diane Toroian Keaggy
- Deborah Peterson
- Elsie Glickert
- Charlene Prost
- Erin M. Nolan
- Odester Saunders
- Tonya Sinkovits
- Tom Curran
- Matthew Hathaway
- Rachel Lippmann
- St. Louis Public Radio
- Barb Boyle
- Matthew W. Geekie
- Donna Wilkinson
- Harry Rich
- Benjamin C. Washington
- Gloria Wessels
- Willis Arnold
- Ben Uchitelle
- Robert Powell

Signed this 26th day of January 2016


J. Patrick Dougherty, Executive Director