

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

St. Louis, Missouri  
December 11, 2014

A regular meeting of the Board of Directors of the Metropolitan Zoological Park and Museum District was held on Thursday December 11, 2014 at noon in Room B, Second Floor, 7733 Forsyth Blvd. The primary reasons for the meeting included the presentation of the Agreed-upon Procedures Report related to the District sponsored engagement at the Zoological Park Subdistrict and the continued review and discussion of the proposed Code of Ethics for the Metropolitan Zoological Park and Museum District.

Thelma Cook, Chair of the Metropolitan Zoological Park and Museum District ("District"), called the meeting to order. Upon roll call, the following Board members were present:

|                   |                    |
|-------------------|--------------------|
| Ben Uchitelle     | Thelma Cook        |
| Charles E. Valier | Thomas J. Campbell |
| Gloria Wessels    |                    |

Robert Powell, Michelle Harris and Robert Lowery, Sr. were absent.

Thirty-five other persons attended the meeting. The individuals' names and affiliated organizations are listed on Exhibit I of the minutes which is attached hereto and made a part hereof.

The Chair called for public comments. There being no comments, the Chair then moved forward with the meeting agenda.

Approval of Minutes: The Chair called for the approval of the minutes from the regular Board meeting held on October 29, 2014. Mr. Campbell moved that the minutes from the October 29, 2014 meeting be approved. Mr. Uchitelle seconded the motion. No discussion resulted. Upon a motion, duly made by Mr. Campbell and seconded by Mr. Uchitelle, the minutes were unanimously approved with all members voting 'Aye'.

Executive Director's Report – Pat Dougherty reported that, as of December 10, 2014, the balances in the various District controlled bank accounts totaled approximately \$7.7 million and included:

| <u>Account for the benefit of:</u>   | <u>Amount</u>   |
|--------------------------------------|-----------------|
| Zoological Park Subdistrict          | \$ 947,270.77   |
| Art Museum Subdistrict               | \$ 1,676,390.46 |
| St. Louis Science Center Subdistrict | \$ 372,635.81   |
| Botanical Garden Subdistrict         | \$ 1,075,576.61 |
| Missouri History Museum Subdistrict  | \$ 1,734,969.24 |
| District Operating Fund              | \$ 1,940,978.88 |

He then presented the District's October 2014 internal financial statements. No discussion resulted. A tentative schedule of 2015 ZMD Board meetings was then submitted by the Executive Director. A discussion ensued. Several suggestions were made to revise the schedule. It was recommended that the meetings tentatively scheduled for noon on Thursdays should be changed to 12:30 p.m. on Wednesdays. It was also suggested that one of the tentatively scheduled Subdistrict budget meetings should be held earlier in the calendar year.



Finance/Audit Committee Report: Tom Campbell presented the Audit Committee report. Proposals for District audit services were received from the following firms: CliftonLarsonAllen LLP; McGladrey LLP; Hochschild, Bloom & Company LLP and Kerber, Eck & Braeckel LLP.

The Committee determined that the following criteria would be considered in its evaluation of each proposal:

- The firm's ability to effectively complete the District's audit engagement;
- The firm's professional qualifications as well as those of the staff members expected to be assigned to the District's engagement;
- The firm's audit approach to be utilized during the District's engagement;
- The firm's independence of and freedom from conflicts of interest with the District;
- The firm's experience with similar governmental engagements;
- The firm's 2014 engagement fee along with proposed fee increases for 2015 and 2016; and
- The firm's client references.

The members of the Audit Committee unanimously recommended the acceptance of the Kerber, Eck & Braeckel LLP proposal for conducting the District's audit engagement for the calendar years 2014, 2015, 2016 and 2017. The Committee members also recommended that the ZMD Board request proposals for auditing services every four years. The next request for proposals would involve audit services for the years 2018, 2019, 2020 and 2021.

Tom Campbell moved that, based on the recommendation of the Audit Committee, the Board engage Kerber, Eck & Braeckel LLP for the District audit for years 2014, 2015, 2015 and 2017. The motion also stated that the District will request proposals for auditing services every four years thereafter. Ben Uchitelle seconded the motion. A discussion ensued. Following discussion, the motion to engage Kerber, Eck & Braeckel LLP to conduct the annual District audit for years 2014 through 2017 and for the District to request auditing proposals every four years thereafter was unanimously approved with all members voting 'Aye'.

Report of Code of Ethics Committee: Tom Campbell presented the report from the Code of Ethics Committee. A revised draft of the Code of Ethics for the Metropolitan Zoological Park and Museum District prepared by Mr. Campbell was submitted to the Board for discussion. Discussion ensued with Charlie Valier stating that he was opposed to the draft, as presented. Ben Uchitelle emphasized that the revised draft will be sent to the St. Louis County Counselor, the St. Louis City Counselor and the District's counsel for review and suggestions prior to its final consideration by the Board. Three outstanding issues discussed were:

- The extent of the financial disclosures required of ZMD Board members;
- A requirement for the adoption of the ZMD's Code of Ethics by the Subdistricts; and
- The consequences that result from a ZMD Board member's conflict of interest.

Tom Campbell moved that the draft of the Code of Ethics for the Metropolitan Zoological Park and Museum District he submitted to the Board remain unchanged and be forwarded to the District's attorney for review. Ben Uchitelle seconded the motion. A discussion ensued.

Gloria Wessels then left the meeting. As a result of Mrs. Wessels' departure the Board lacked a quorum for taking any official action.

The Chair then asked for a roll call vote of Board Members. The following Board members were present:

|               |                |
|---------------|----------------|
| Thelma Cook   | Tom Campbell   |
| Ben Uchitelle | Charles Valier |

Robert Powell, Michelle Harris, Robert Lowery, Sr. and Gloria Wessels were absent.



In the absence of a quorum the motion failed and discussion concerning the District's Code of Ethics continued.

New Business: Thelma Cook presented information on the format and contents of the 2015 Metropolitan Zoological Park and Museum District Report to the Community.

Rick Gratza, CPA, a partner at Kerber, Eck & Braeckel LLP, discussed the contents of the Independent Accountants' Report on Agreed-upon Procedures, the Appendix to the Independent Accountants' Report on Agreed-upon Procedures and Advisory Comments related to the Zoological Park Subdistrict. Mr. Gratza acknowledged the cooperation of the Saint Louis Zoo management and staff in assisting with the agreed-upon procedures engagement. Mr. Gratza presented an executive summary of the engagement which highlighted the following:

- Nature of engagement – to assist the District in its evaluation of Zoo policies and procedures.
- Scope of the engagement included -

|                     |                        |                                |
|---------------------|------------------------|--------------------------------|
| Internal Controls   | Executive Compensation | Transaction testing            |
| Liquidity           | Governance             | Volunteers                     |
| Budgeting           | Prior Recommendations  | Audit management letters       |
| Consulting expenses | Credit cards           | Earned revenues                |
| Contingencies       | Endowments             | Collections                    |
| Supplies expenses   | Security and insurance | Capital projects and expansion |
| Attendance          | Awarding contracts     | Pledge allowance and writeoffs |
| Fringe benefits     | Earned revenues        | Accreditation                  |

- Timing of performing the engagement – from August 7, 2014 through December 2014.
- Engagement Team – Rick Gratza CPA, Partner and Gary Mudd CPA, Manager.
- Recommendations –

|                        |                 |                                   |
|------------------------|-----------------|-----------------------------------|
| Disclosure Statements  | Meeting Notices | Perform Physical Inventories      |
| Executive Compensation | Procurement     | Quarterly Payroll Reconciliations |
| IRS Form 990           |                 | Allowance Doubtful Accounts       |

Following Rick Gratza's presentation, the Honorable James Conway, former Zoological Park Subdistrict Commission Chair, addressed the Board. Mr. Conway reported that the Saint Louis Zoo is a top tourist draw for the St. Louis area. He highlighted the Zoo's conservation efforts; full-time and seasonal employment numbers; regional economic impact; footprint expansion; new preschool administered by Zoo staff; and the development and construction of Zoo Zone attractions and infrastructure. Discussions ensued concerning the recommendations made by Kerber, Eck & Braeckel LLP regarding executive compensation, procurement, IRS Forms 990 and disclosure statements.

Dr. Bonner then addressed the Zoo's participation in the City Pension Plan and the Defined Benefit Plan and issues regarding the filing of disclosure statements from Zoo Commissioners, Advisory Commissioners, Trustees and staff. A discussion followed.

Ben Uchitelle suggested that Dr. Bonner share a copy of the paper authored by Ben Uchitelle; 'Time to Change', which sets forth the facts and the reasons for advocating for the passage of legislation by the Missouri General Assembly which would permit the elective option of charging admission to the Subdistrict cultural institutions for those visitors who reside outside the City of St. Louis and St. Louis County with the Zoo Commissioners and the Zoo Trustees.

**EXHIBIT I**

| <b><u>NAME</u></b>     | <b><u>AFFILIATED ORGANIZATION</u></b>                      |
|------------------------|--|
| Jeffrey Bonner         | President and CEO Saint Louis Zoo                          |
| F. Holmes Lamoreux     | Chair, Saint Louis Zoological Park Subdistrict Commission  |
| Stephen E. Barth       | Representative from the Saint Louis Zoo                    |
| Cynthia Holter         | Representative from the Saint Louis Zoo                    |
| Ginnie Westmoreland    | Representative from the Saint Louis Zoo                    |
| Cassandra Ray          | Representative from the Saint Louis Zoo                    |
| Eric Miller, DVM       | Representative from the Saint Louis Zoo                    |
| Jack Grisham           | Representative from the Saint Louis Zoo                    |
| Wyndell Hill           | Representative from the Saint Louis Zoo                    |
| David McGuire          | Representative from the Saint Louis Zoo                    |
| James Buford           | Representative from the Saint Louis Zoo                    |
| Virgil Van Trease      | Representative from the Saint Louis Zoo                    |
| Patrick Williamson     | Representative from the Saint Louis Zoo                    |
| Jim Madison            | Representative from the Saint Louis Zoo                    |
| Ken Bower              | Representative from the Saint Louis Zoo                    |
| Susan Gallagher        | Representative from the Saint Louis Zoo                    |
| Louise Bradshaw        | Representative from the Saint Louis Zoo                    |
| Honorable James Conway | Representative from the Saint Louis Zoo                    |
| Dusty Deschamp         | Representative from the Saint Louis Zoo                    |
| Amy Niedbalski         | Representative from the Saint Louis Zoo                    |
| Matthew W. Geekie      | Representative from the Saint Louis Zoo                    |
| Kathryn Giddings       | Attorney, The Stolar Partnership                           |
| Katie O'Sullivan       | Botanical Garden Representative                            |
| Rick Angevine          | Vice President Finance, Botanical Garden                   |
| Matthew Hathaway       | Communications Department, Art Museum                      |
| Everette Dietel        | Director of Communications, Missouri History Museum        |
| Laura Taylor           | Managing Director Finance, St. Louis Science Center        |
| Ed Rataj               | Managing Director CBIZ Human Capital Services              |
| Tom Curran             | St. Louis County Director of Intergovernmental Affairs     |
| Willis Arnold          | Reporter St. Louis Public Radio                            |
| Rick Gratza            | CPA, Kerber Eck & Braeckel, LLP                            |
| J. Patrick Dougherty   | Employee, Metropolitan Zoological Park and Museum District |
| Sharon L. Wilcutt      | Employee, Metropolitan Zoological Park and Museum District |
| LaQuana S. Dilworth    | Employee, Metropolitan Zoological Park and Museum District |
| Michael A. Chivell     | Armstrong Teasdale LLP, District's Legal Counsel           |



Upon completion of the review of the agreed-upon procedures engagement, associated with the Zoological Park Subdistrict, the meeting recessed and all Zoo representatives exited the meeting. Within a few minutes, Thelma Cook called the meeting to order.

The Chair called for public comments. There being none, the agenda continued.

Robert Lowery, Sr. joined the meeting via telephone.

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

|  |                              |
|--|------------------------------|
| Thelma Cook – voted “Aye”                      | Tom Campbell – voted “Aye”   |
| Ben Uchitelle – voted “Aye”                    | Charles Valier – voted “Aye” |
| Robert Lowery, Sr. – voted “Aye” via telephone |                              |

Robert Powell, Michelle Harris and Gloria Wessels were absent.

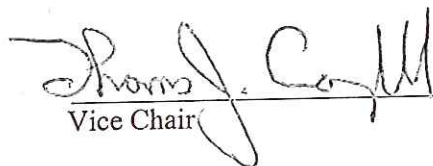
The closed session was adjourned and the regular meeting was then reopened to the public at 3:15 p.m.

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

There being no other business of the District, Tom Campbell moved that the meeting be adjourned. Ben Uchitelle seconded the motion which was adopted unanimously with all members voting “Aye.”

The meeting adjourned at 3:17 p.m.

Respectfully submitted,

  
Vice Chair