

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

St. Louis, Missouri
March 29, 2017

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 Wednesday March 29, 2017. The primary purpose of the meeting was to review and approve the 2017 preliminary non-binding tax rates, and to review the Independent Accountants’ Report on Agreed-upon Procedures and Advisory Comments pertaining to the internal controls utilized by the Zoological Park Subdistrict; the Art Museum Subdistrict; the Science Center Subdistrict; the Botanical Garden Subdistrict and the Missouri History Museum Subdistrict.

Tom Campbell, Chair of the Metropolitan Zoological Park and Museum District (“District”), called the meeting to order. Upon roll call, the following Board members were present:

Christine A. Chadwick	Darnetta Clinkscale
Thomas C. Mummert	Thomas J. Campbell
Robert E. Eggmann	Michelle Harris

Robert Lowery was absent. Others attending the meeting included: Mike Chivell from Armstrong Teasdale LLP, the District’s legal counsel, Rick Gratz and Rachel Stern District Auditors from Kerber, Eck & Braeckel, LLP and District employees: J. Patrick Dougherty and Sharon L. Wilcutt.

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

Mr. Campbell addressed the Board and explained the mission and goal of the Board of Directors of the Metropolitan Zoological Park and Museum District is to be good stewards of tax payer funds, maintain the public trust and to assist the Subdistrict institutions in sustaining, growing and achieving the highest possible level of excellence.

Mr. Gratz presented a summary of internal controls utilized by the respective Subdistrict institutions. The analysis of internal controls was performed in accordance with the attestation standards established by the AICPA. The scope and objective for the analysis included: code of ethics; executive compensation; professional services – the RFP process; and internal controls. The scope also included the duties of the Assistant Treasurer at the Botanical Garden and the Duties of the Internal Accountant for the History Museum. A discussion ensued.

Some of the finding, recommendations and management advisory comments included:

- All Subdistricts had well designed and effective internal controls; with no material weakness;
- Some opportunities were found to enhance each Subdistrict’s current system of internal controls and to implement some industry best practices; and
- A suggestion for the District to take the lead on implementing an e-procurement system.

Approval of Minutes – The Chair called for the approval of the Minutes from the December 13, 2016 regular Board meeting. Ms. Chadwick moved that the minutes be approved and Mr. Eggmann seconded the motion. Upon a motion duly made and following a roll call vote, the December 13, 2016 minutes were approved with all members voting ‘aye’.

Mr. Campbell reported that the District is required to submit preliminary non-binding tax rates to the City and County of St. Louis. Property tax revenues are based on two factors: assessed values of property and tax rates.

A motion was made by Ms. Chadwick to set the 2017 preliminary non-binding tax rate for the Art Museum Subdistrict as follows:

Art Museum Subdistrict	- 7.54 cents on each \$100 of assessed valuation of taxable property in the District
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Ms. Clinkscale seconded the motion.

Following a roll call vote, the motion was unanimously approved with all members voting ‘aye’.

A motion was made by Ms. Chadwick to set the 2017 preliminary non-binding tax rate for the Botanical Garden Subdistrict as follows:

Botanical Garden Subdistrict	- 3.79 cents on each \$100 of assessed valuation of taxable property in the District
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Ms. Harris seconded the motion.

Following a roll call vote, the motion was unanimously approved with all members voting ‘aye’.

A motion was made by Ms. Chadwick to set the 2017 preliminary non-binding tax rate for the History Museum Subdistrict as follows:

History Museum Subdistrict	- 3.79 cents on each \$100 of assessed valuation of taxable property in the District
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Ms. Harris seconded the motion.

Following a roll call vote, the motion was unanimously approved with all members voting ‘aye’.

A motion was made by Ms. Chadwick to set the 2017 preliminary non-binding tax rate for the Science Center Subdistrict as follows:

Science Center Subdistrict	- 3.79 cents on each \$100 of assessed valuation of taxable property in the District
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Ms. Harris seconded the motion.

Following a roll call vote, the motion was unanimously approved with all members voting ‘aye’.

its meetings due to the requirement that a quorum consist of a majority of the authorized membership of the Board. Since the authorized membership is eight Board members, this requirement becomes problematic when there are less than eight duly appointed Board members. Mr. Campbell asked Mr. Chivell to draft a proposed amendment to the Bylaws to address this matter. Mr. Chivell presented a memorandum to the Board addressing the matter in more detail and suggesting a proposed amendment to the bylaws to help with the issue. A copy of the memorandum is attached hereto as **Exhibit II** and made a part hereof (“Memorandum”)

Following discussion, Mr. Eggmann moved that pursuant to section 1.6(b) of the bylaws the Board waive the provisions of Section 1.6(a) requiring the Board to wait at least one meeting prior to amending the District bylaws. Mr. Mummert seconded the motion. Following a roll call vote, the motion was unanimously approved with all members voting ‘aye’.

Ms. Harris moved that Section 1.4(d) the District bylaws be amended as provided in the memorandum presented to the Board by Mr. Chivell. Ms. Clinkscale seconded the motion. Following a roll call vote, the motion was unanimously approved with all members voting ‘aye’.

Old Business: No old business.

New Business: Mr. Dougherty presented a calendar of the 2018 board meetings. Mr. Dougherty requested that Board members review their 2018 calendars for any possible conflicts.

Mr. Campbell asked for any public comments from those in attendance. No comments resulted.

Mr. Campbell then asked for a motion to close the meeting. Ms. Harris moved to close the meeting pursuant to Section 610.021 (2), (3) and (13), Revised Statutes of Missouri, relating to leasing, real estate, personnel information, and negotiation of contracts pursuant to Section 610.021 (12) RSMO. Mr. Eggmann seconded the motion. A roll call vote to approve the motion was taken:

Michelle Harris – voted “Yes”	Christine Chadwick – voted “Yes”
Robert Eggmann – voted “Yes”	Darnetta Clinkscale – voted “Yes”
Thomas Mummert – voted “Yes”	Thomas Campbell – voted “Yes”

The Board meeting reconvened at 1:45 p.m. with Mr. Campbell reopening the public portion of the meeting, pursuant to a roll call vote of the Board with all members voting “aye”.

At that time, Mr. Campbell asked if there was any further business. Ms. Clinkscale asked that there be some follow up on the Agreed-upon procedures with each of the Subdistricts since a number of recommendations had been made by KEB for each of them. Ms. Chadwick suggested that a letter be sent to each Subdistrict in the near future thanking them for their cooperation with KEB in its performance of the procedures and letting them know that the District would be following up with them in approximately six months to see what steps they had taken to evaluate and implement recommendations made in the Agreed-upon procedures report. Mr. Campbell moved that letters be sent now and in the future to each of the Subdistricts concerning these matters. Ms. Chadwick seconded the motion which was unanimously approved.

Mr. Eggmann then addressed the proposals the Audit Committee had received and evaluated for the Information Technology Security engagement (“IT Engagement”) and the engagement for Shared Services and Joint Purchasing (“Shared Services Engagement”). The Committee has agreed that the District should move forward with proposals from BDO for the IT Engagement and RSM for the Shared

Services Engagement, however he had a concern with respect to the proposal from BDO. He felt that BDO's proposal was acceptable provided that an assessment of the ZMD be included in the proposal without amending the proposed price for the proposed scope of services. He then moved that with this change the BDO proposal be accepted by the District. Ms. Chadwick seconded the motion which was unanimously approved. Mr. Eggmann then moved that the Board approve the RSM proposal as submitted to the District. Mr. Campbell seconded the motion which was unanimously approved.

There being no further business of the Board, Ms. Chadwick moved to adjourn the meeting. Mr. Eggmann seconded the motion which was unanimously approved. The Board meeting adjourned at 1:55 p.m.

Respectfully submitted,

Vice Chair

EXHIBIT II

Donna Hughs

From: Donna Hughs on behalf of Michael Chivell
Sent: Wednesday, March 08, 2017 11:51 AM
To: J. Patrick Dougherty (metzoodist@sbcglobal.net)
Cc: 'tcampbell@polsinelli.com'
Subject: Amendment to Bylaws [IWOV-iDocs.FID47446]

Pat,

I am writing to you in response to your message concerning a proposed change to the quorum requirements of the District's bylaws. Currently the bylaws provide that a quorum shall be defined as: "at all meetings of the Board, whether annual, regular or special, a majority of the authorized membership of the Board shall constitute a quorum for the transaction of business." Section 1.4(d) of the Bylaws.

In order to address the issue of having enough Board members to achieve a quorum when there are one or more openings on the Board, I would suggest that this section be amended as follows:

"At all meetings of the Board, whether annual, regular or special, a majority of the then duly appointed members of the Board under RSMo. 184.354 shall constitute a quorum for the transaction of business."

The result of this change would mean that if there was one opening on the Board, a quorum could be achieved by four members of the Board being in attendance at a meeting. The same result would apply if there were two openings on the Board.

Section 1.1(a) of the Bylaws provides that the "Board shall consist of eight (8) members..." We may want to consider changing the language of this section to address instances when an opening(s) on the Board has not yet been filled.

Pursuant to the bylaws, the bylaws may be amended pursuant to 1.6(a). That section provides that the bylaws "... may be amended or repealed by the Board; provided, however, that any such amendment or repeal must be lodged in writing with the Board at least one meeting prior to the meeting at which such amendment or repeal is to be put to a vote." This provision would allow the proposed amendment to be presented for consideration at the next Board meeting, but would put off a vote on the amendment until the following meeting.

The need to put off the vote to adopt the amendment may be waivable pursuant to 1.6(b) of the Bylaws. This provision provides that "any Bylaw...may be waived or suspended, unless otherwise prohibited in these Bylaws...by the unanimous vote of all members of the Board present at the meeting at which such waiver or suspension is proposed." I do not believe that Section 1.6(a) prohibits waiver in this instance. Therefore, if we have a quorum at the March 29 meeting, and all of the members in attendance at the

meeting vote to waive the provisions of Section 1.6(a) delaying the vote for an amendment to the bylaws, the amendment could then be adopted at the meeting.

Please let me know if you have any questions or want to discuss any of the foregoing.

Best,

Mike



Armstrong Teasdale LLP

Michael A. Chivell | Chairman

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