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

St. Louis, Missouri
November 19, 2013

A regular meeting of the Board of Directors of the Metropolitan Zoological Park and Museum District was held in the District office, 7733 Forsyth Blvd., Suite 550 at 12:00 p.m. on Tuesday November 19, 2013. The primary purpose of the meeting was to review the process for the awarding of the Art Museum's Agreed-upon procedures contract.

Mr. Ben Uchitelle, 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	Robert A. Powell
Gloria Wessels	Thelma V. Cook
Jerome E. Glick	Thomas Campbell
Charles E. Valier	
Robert G. Lowery, Sr. – via phone	

Other persons attending the meeting included Michael Chivell from Armstrong Teasdale LLP, the District's legal counsel, and District employees: J. Patrick Dougherty, Sharon L. Wilcutt and LaQuana S. Dilworth.

Other persons attending included:

Mary Ellen Ponder, Deputy Chief of staff to Mayor Slay;
Matt Hathaway, Communications Department, Saint Louis Art Museum; and
David Hunn, St. Louis Post Dispatch.

Mr. Uchitelle asked for public comments from those in attendance.

Mr. Uchitelle called for the approval of the minutes from the regular Board meeting held on September 30, 2013. Mr. Powell moved that the minutes be approved and Mrs. Cook seconded the motion. Mrs. Wessels asked that the September 30, 2013 minutes be amended to include a portion of the meeting that was recorded under 'Old Business' between Mrs. Wessels and Mr. Campbell and transcribed in full. Mrs. Wessels suggested that the transcription be inserted on page eight following paragraph seven.

Mr. Campbell emphasized that the minutes should consist of action items and decisions that were made by the Board. The minutes should not be a transcript of each meeting. A discussion ensued.

Mr. Valier amended the motion and requested that the September 30, 2013 minutes include the two page transcript prepared by Mrs. Wilcutt to reflect a specific conversation between Mr. Campbell and Mrs. Wessels that transpired during the September 30, 2013 meeting. Mr. Powell accepted the amended motion.

The September 30, 2013 minutes were unanimously approved, pending revision, by all members voting 'aye'.

Mr. Uchitelle addressed the process for awarding of the Art Museum's Agreed-upon procedure contract. Mr. Uchitelle asked Mr. Dougherty to review a time-line from January 2011 to November 2013 of actions taken by the Board.

Mr. Dougherty presented a summary of Board minutes, beginning with the District Board establishing a "District-controlled internal audit program" at the January 27, 2011 Board meeting. Mr. Dougherty reviewed the numerous meetings and motions involved with the Science Center and History Museum completed agreed-upon procedures reports. Mr. Dougherty reported on the current time-line for the Art Museum's agreed-upon procedure engagement.

Mr. Uchitelle reviewed various e-mail communications' he had with the full Board, with reference to the timing and course of action on the Agreed-upon procedure at the Art Museum.

Mrs. Cook inquired as to the justification or rationalization of changing auditors at this point. Mrs. Cook stressed that the current auditors (Kerber, Eck & Braeckel, LLP) have provided satisfactory service.

Mrs. Wessels explained that changing auditors is not necessarily the goal of the Audit Committee. Mrs. Wessels stressed that a review of the process of awarding the contract to Kerber, Eck & Braeckel, LLP is in question. In addition, the option of offering an RFP (Request for proposal) for an alternative auditor is an issue. Mr. Dougherty explained that, if the District expected to receive realistic proposals from an RFP related to the engagement at the Art Museum, it was necessary to present the proposing firms with a schedule of the procedures to be completed.

Mr. Valier inquired about the time-line for the Agreed-upon procedures at the Science Center and the History Museum. Mr. Valier asked if an engagement letter was signed prior to KEB starting work at the Science Center and the History Museum.

Mr. Dougherty stated that on both the Science Center and the History Museum's Agreed-upon procedures, there was a signed engagement letter prior to the beginning of work.

Mrs. Wessels explained that if the engagement for the Art Museum was time sensitive, the Audit Committee would have met following the September 30, 2013 Board meeting and the process could have followed the two prior engagements course of action.

Mr. Campbell stated that he was not contacted by the Chair of the Audit Committee about the possibility of issuing an RFP for work, or to meet for approval of the engagement that was to be done at the Art Museum.

Mr. Uchitelle explained that an e-mail was sent on October 8, 2013 to all Board members regarding the Art Museum engagement, including a draft proposal of the Agreed-upon procedure, for review and comments by all members. A discussion ensued.

Mr. Glick stated that the procedures for the Art Museum's engagement were changed from the previous two engagements.

Mr. Campbell made a motion to confirm that Kerber, Eck & Braeckel, LLP is authorized to continue and complete the Agreed-upon procedures report for the Art Museum. Mr. Powell seconded the motion. A discussion ensued.

Mr. Valier commented on the process that was followed for the engagement. Mr. Valier suggested that the Board consider issuing an RFP for both the year-end audit conducted at the District office and for future Agreed-upon procedures.

Mrs. Wessels agreed and asked that an RFP also be issued for Legal Services performed at the District.

Mr. Lowery called for the question and asked that a vote be taken on the motion.

Mr. Uchitelle asked if the discussion was finished and if Board members were ready to vote on the outstanding motion.

Discussion was concluded and the motion to confirm that Kerber, Eck & Braeckel, LLP is authorized to continue and complete the Agreed-upon procedures report for the Art Museum was approved with all members voting 'aye'.

Mr. Valier then made a motion for the District to issue an RFP for both the accounting services for the District along with accounting service for the Agreed-upon procedures to be done at Subdistricts in the future. Mr. Glick seconded the motion. A discussion ensued.

Mr. Campbell explained the benefit of having the same accounting firm conduct the first series of Agreed-upon procedures at all five institutions. He stressed that the continuity of having the same accounting firm would allow similarity and an identical standard that would be applied to each report.

Mr. Valier questioned the length of time that Kerber, Eck & Braeckel, LLP has conducted the audit for the District.

Mr. Dougherty explained that Kerber, Eck & Braeckel, LLP has worked with the District for ten years. Mr. Dougherty explained that they have prepared three Agreed-upon procedures (Science Center, History Museum and began work on the Art Museum) and five Internal Control Evaluations one each at all five Subdistricts.

Mr. Uchitelle suggested that the motion be divided and a vote on audit work to be done at the District office and audit work at the institutions be taken separately.

Mr. Campbell explained that he is inclined to support a motion to issue a RFP for the audit work to be done at the District, and continue with Kerber, Eck & Braeckel, LLP at the institutions.

Mr. Valier amended his motion to issue an RFP only for the year-end audit work to be done at the District office beginning January 1, 2014. Mr. Glick seconded the amended motion.

The motion to issue a Request for Proposal for audit work to be conducted at the District office beginning January 1, 2014 was approved with all members voting 'aye'.

Mr. Valier renewed his other motion for accounting services to be performed in the future for Agreed-upon procedures at the Subdistricts. Mr. Powell seconded the motion.

Mr. Uchitelle opened the discussion with the possibility of retaining Kerber, Eck & Braeckel, LLP in their capacity to conduct the Agreed-upon procedures at the remaining Subdistricts. A discussion ensued.

Mr. Campbell suggested that the motion be tabled until the December 16, 2013 Regular Board meeting so that the Board can assign enough time for a full discussion.

Following discussion, the Board unanimously decided to table the motion to issue a RFP for accounting services on the Agreed-upon procedures.

Executive Director's Report: Mr. Dougherty reported that, as of November 18, 2013 the balances in the District controlled bank accounts approximated $11.7 million and included:

Account for the benefit of:	Amount
Zoological Park Subdistrict	$ 150,469.42
Art Museum Subdistrict	$ 8,323,338.18
St. Louis Science Center Subdistrict	$ 20,980.48
Botanical Garden Subdistrict	$ 1,370,967.82
Missouri History Museum Subdistrict	$ 292,559.18
District Operating Fund	$ 1,585,029.26

Report of Legal Counsel: Mr. Chivell had no report.

Mr. Valier commented on invoices received from Armstrong Teasdale, LLP. The invoices in question date from February 2013 through October 2013.

Mr. Uchitelle explained that portions of the invoices may need to be discussed in closed session.

Mr. Valier explained that his questions pertain to the 'Report of Legal Counsel' made by Mr. Chivell and or Mrs. Trelz to the Board during the Regular Board meetings.

Mr. Uchitelle suggested that the conversation on the legal issues be tabled until the next full Board meeting. Mr. Campbell made a motion to table the discussion. Mr. Lowery seconded the motion. The vote to defer the discussion until the December 16, 2013 Board meeting passed with Mrs. Cook, Mr. Lowery, Mr. Uchitelle, and Mr. Powell voting 'aye' and Mrs. Wessels and Mr. Glick voting 'no'. Mr. Valier abstained.

Mr. Uchitelle requested the Board consider re-adopting the 'Code of Ethics'. Mr. Valier asked for additional time to review the code of ethics and expressed his opinion that they need to be made stronger before they are readopted by the Board. Mr. Valier further suggested that the Code of Ethics should be reviewed by all Board members prior to voting on it at the December 16, 2013 Board meeting. Mr. Uchitelle asked Mr. Valier to provide Mr. Chivell with his suggested changes.

Mr. Chivell explained that the District has amended its Code of Ethics twice in the last eight years. Mr. Chivell suggested that any comments or suggested changes of Board members be directed to him in order for him to revise the Code of Ethics so that the Board would have adequate time to consider any changes prior to the next Board meeting.

Mr. Uchitelle asked for public comments from those in attendance.

Mrs. Wessels stated that even though the Agreed-upon procedure for the Art Museum has been taken out of the Audit Committees authority – she requested that the Audit Committee meet with the Executive Director to review the engagement and the Agree-upon procedures. Mrs. Wessels suggested that the Board consider expanding the Audit Committee to five Board members.

Mr. Uchitelle acknowledged that the Chair of the Audit Committee can request a meeting for a review of the Agreed-upon procedures. Mr. Lowery agreed.

The Chair announced that the next regular Board meeting would be held in Conference Room B on the second floor on Monday, December 16, 2013 at 11:30 a.m. There being no other business, Mrs. Cook moved that the meeting be adjourned. Mr. Powell seconded the motion, which was adopted unanimously with all members voting "aye." The meeting adjourned at 1:25 p.m.

Respectfully submitted,

Robert A. Powell
Secretary