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

St. Louis, Missouri
February 28, 2013

A regular meeting of the Board of Directors of the Metropolitan Zoological Park and Museum District was held at
The Clayton Center, 50 Gay Ave, St. Louis, MO 63105 at 12:00 p.m. on Thursday February 28, 2013. The
primary purpose of the meeting was to Review the 2013 Missouri History Museum Budget.

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
Charles E. Valier  Gloria Wessels
Jerome E. Glick  Thomas J. Campbell
Robert G. Lowery, Sr.  Thelma V. Cook

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

Others in attendance included:
• John R. Roberts, Chairman of the Missouri History Museum Trustees;
• Romondous Stover, Chairman of the Missouri History Museum Subdistrict;
• Richard C. Jensen, Chair of the Finance Committee, Missouri History Museum Subdistrict;
• Baynard Clark, Chief Financial Officer, Missouri History Museum;
• Commissioners from the Missouri History Museum Subdistrict;
• Trustees from the Missouri History Museum;
• Frank P. Wolff, Jr., Attorney for the Missouri History Museum - Bryan Cave, LLP;
• Kathryn J. Giddings, Attorney for the Missouri History Museum Subdistrict-The Stolar Partnership, LLP;
• Staff from the Missouri History Museum;
• Dale Singer, from the Saint Louis Beacon;
• Betsy Bruce, Fox 2 News reporter;
• Kevin Killeen, from KMOX News; and
• Several members of the public.

The Chair asked for any public comments from those in attendance.

Approval of Minutes – The Chair called for the approval of the Minutes from the January 30, 2013 regular Board
meeting. Mr. Valier requested that approval of the minutes be deferred to allow additional time for review.

Mr. Stover addressed the Board and explained that the History Museum is bigger than just one land deal, bigger
than the accomplishments of one man and asked that the District, History Museum Trustees and History Museum
Subdistrict Commissioners work together to improve the institution. Mr. Stover said that we must be united in
our goal to preserve the reputation and accomplishments that so many people worked so hard over the years to
create. Mr. Stover further stated that both the Museum and the District must be intentional on refocusing the
community’s attention on the successes of the Museum and all that it has done - is doing - and will continue to do
in the future. Mr. Stover referenced the cultural outreach programs and various activities that the Museum
participates in and the many unique culturally relevant exhibits and activities created by the Museum. Mr. Stover
informed the Board that the Missouri History Museum has won numerous awards for its exhibits and has earned
tits place as one of the finest cultural institutions in the St. Louis area.
Mr. Stover explained to the Board that he was planning to present a PowerPoint presentation of recent exhibits and highlights of events at the Museum, but in the interest of time he will defer, so all questions posed by the Board can be answered.

Mr. Roberts stated that the tax dollars that are received are an essential component in helping to bring the Museum’s mission to a broader audience. Mr. Roberts addressed the new relationship between the Trustees and the Subdistrict Commissioners of the Museum as a model of a true public-private partnership. Mr. Roberts stressed that they are working together to ensure that all funds – whether public or private, that are made available are wisely spent with proper controls and oversight. Mr. Roberts stated that the Trustees are the stewards of all money received by or committed to the Museum, regardless of the source. Mr. Roberts also explained that under the old contract and going forward with the new contract, the Subdistrict Commissioners have full access to the books, records and facilities of the Museum at all reasonable times.

Mr. Clark then presented a PowerPoint presentation with an overview of the 2013 Missouri History Museum’s budget information:

- Positive variance in operating revenue due to additional ZMD support with slightly less total other revenue.
- Positive variance in operating expenses due in part to less IT expense and lower development and overhead expenses.
- Capital Campaign receipts under budget by $5 million, and the Capital Campaign is on hold as of the fall of 2012.
- The goal for 2013 for the Capital Campaign is set at $14 to $15 million.
- Total pledges received to date are $11,237,350 and include restricted pledges of $8,202,500 and unrestricted pledges of $3,034,850.
- The Museum is attempting to diversify their source of revenue beyond the support of the ZMD.
- Investment portfolio totals $35 million, and the overall assets in 2012 total $71,212,611 including accrued liabilities of $1.6 million.
- In 2013 public support through ZMD tax support, regular memberships, contributions and bequests, and the Thomas Jefferson Society is anticipated to show no significant change.
- The Museum Shop modest amount of net income of $9,000 reflects a substantial amount of ‘write down’ of inventory.
- The restaurant and catering facilities are contracted out for a fee, and revenues are gradually increasing.
- Capital Campaign Project Expenses include: IT & Digitization Initiative, St. Louis Story Studios, Special Exhibition Initiatives, Reutilization of Spaces and Capital Campaign.
- Major Expense categories listed were: Salaries and Benefits have seen modest increases over the last several years and comprise 55% of the total budget. Utilities, Insurance and Depreciation continue to show upward pressure.
- Significant Capital Expenditures include: Dielman Leasehold - five year lease in an industrial park to store artifacts ($60,000); Tuck pointing ($50,000); Flooring ($45,000); Shelving ($30,000) and Contingencies ($125,000).
- Employee profiles as of September 2012 includes: 121 full-time and 50 part-time employees. The 2013 budget is based on a staff salary increase that averages 2.5%. Increases for employees earning more than $30,000 will begin July 1 and staff members earning less than $30,000 will begin January 1.
- As of September 2012 approximately 36% of the Museum’s employees and 20% of the volunteers were members of minority groups.
- New Program in Community Education & Events include: Talking Circles; The Delmar Divide; Leisure Programs and Avenue of Activism.
- Changes in Museum Service include: Improvements in storage, in processing and digitization activities.
- New 2013-2014 exhibits include:
  - Question Bridge: Black Males
Mr. Roberts reported that the History Museum acted as curator of the Zootennial Exhibit in cooperation with the Saint Louis Zoo. In addition, Mr. Roberts stated that attendance through the virtual museum has shown a substantial increase. Mr. Roberts offered a comparison on attendance with select other urban History Museums. When comparing actual attendance on a per capita basis to Chicago History Museum, Heinz History Center (Pittsburgh), Atlanta History Museum and New York Historical Society, the Missouri History Museum is extraordinary.

Mr. Lowery requested the approval of the January 30, 2013 Regular Board Meeting minutes. Mr. Powell seconded the motion. Mr. Valier stated that he was following the presentation, and has still not had time to review the minutes. Mrs. Wessels asked that the minutes reflect a correction on page 5 paragraph 7...“Mr. Campbell explained that there has been Audit Committee meeting conducted in secret; ...” Mrs. Wessels asked that the minutes be amended to state ‘alleged secret’ meetings. Mrs. Wessels stressed that the meeting held on December 3, 2012 was not an Audit Committee Meeting. A discussion ensued. Mr. Campbell stated that he stands by his comments. The motion to approve the minutes as presented was approved with Mr. Campbell, Mr. Lowery, Mrs. Cook, Mr. Uchitelle and Mr. Powell voting ‘aye’ and Mr. Valier, Mr. Glick and Mr. Wessels voting ‘no’.

Mr. Campbell questioned the spike in virtual attendance, it was reported that it was a reflection of the Zootennial Exhibit. Mr. Campbell asked how the morale of the staff at the Museum is doing. Mr. Stover and Mr. Roberts stated that frequent contact with Museum staff has remained positive and optimistic.

Mr. Glick remarked that as reported in the Agreed-upon Procedures Report preformed by Kerber, Eck & Braeckel, a comparison rankings report indicated out of 10 comparable institutions the History Museum ranks: 11th in Revenue, 11th in Employees, 3rd in Attendance and 5th in CEO Compensation. Mr. Glick questioned how Museum management plans to control CEO Compensation going forward.

Mr. Roberts indicated that the new operating agreement allows for Commissioners and Trustees to be equally represented on the Compensation Committee that sets the compensation for the CEO. He further indicated that the Museum anticipates hiring a less experienced and less well known nationally individual to fill the position. Mr. Roberts indicated that Wayne Goode and Steve Ehlmann will serve on the Executive Compensation and Personnel Committee. Mr. Roberts indicated that any additional positions at the Museum will be filled following the President’s position being filled.

Mr. Uchitelle asked for clarification on the location in the budget of the funds allocated for Dr. Archibald’s consulting contract and what expectations are expected from the contract. Mr. Roberts indicated that the funds are being charged against his salary line in the budget and being paid on a month to month basis. Mr. Roberts further stated that due to Dr. Archibald’s unexpected departure that continued communication was essential to the success of the Museum. Mr. Roberts stated that Dr. Archibald assistance with fundraising would more than compensate for his consulting contract.

Mr. Valier questioned the distinction between funds being paid via salary rather than contract labor. Mr. Roberts explained that payment is for services that he would have ordinarily preformed. Mr. Valier remarked that the consulting contract is for more than 50% of the budgeted amount for 2013 for the office of the President. Mr. Roberts explained that the budgeted amount did not include additional benefits that Dr. Archibald is no longer
receiving. Mr. Roberts added that as of now no additional legal, travel or secretarial expenses have been incurred. Mr. Roberts stated that Dr. Archibald has not returned to the Museum since his resignation in December, he has however consulted with Dr. Archibald on the phone.

Mr. Valier asked for the consulting contract parameters and questioned the basis on which the compensation amount was arrived. Mr. Roberts reported that the consulting agreement compensation was based on the amount that Dr. Archibald might have received as the President of the Museum.

Mr. Roberts then stated that it was his understanding that if they wanted to get the Museum back on track – Dr. Archibald needed to go. He further explained that Dr. Archibald is now gone, the Museum is on to a new day. Since September of 2012 Dr. Archibald gave up a three year contract and later a one year contact, and he is now reduced to a six month consulting contract.

Mr. Valier stated that Dr. Archibald also received over $566,000 worth of vacation pay in addition to a 457(f) deferred compensation plan (non-contributory) payment of $468,000. Mr. Valier then asked about a 401(a) defined contribution plan that all full time employees including Dr. Archibald participated in. Dr. Archibald contributed to a 403(b) plan that was also managed by TIAA CREF. Mr. Roberts stated that all plans that Dr. Archibald participated in have either been paid to or transferred to Dr. Archibald’s control.

Mr. Valier asked specifically about the $22,000 that was included in the budget for the President’s office. Mr. Clark explained that the $22,000 is the sum of all contributions that is made to the various pension plans for the staff in the President’s office.

Mr. Campbell questioned whether any of the funds that are to be paid to Dr. Archibald under his current contract will be submitted via a ‘voucher’ for reimbursement to the District. Mr. Roberts stated that they will not. Mr. Campbell then asked if any of the funds that were paid to Dr. Archibald for severance or vacation pay be submitted to the District to be reimbursed. Mr. Roberts stated that they will not.

Mr. Uchitelle asked for illumination on how the contract was working out. Mr. Stover explained that the Commissioners and the Trustees of the Museum have gone above and beyond to work in good faith. The new management has held additional meetings, additional joint meetings and they have a commitment to carry on for the benefit of the staff and the taxpayers.

Mr. Valier asked for the status of additional items that were requested several weeks earlier by Mr. Dougherty with regards to the 2013 budget. Mr. Clark explained that he misunderstood that the request were to be answered in writing. Mr. Clark will prepare the responses and submit them to the District office.

Mrs. Wessels asked if the History Museum Subdistrict Commissioners feel an allegiance or responsibility to the taxpayers or the ZMD Board through which the taxpayer money flows. Mrs. Wessels stated that the nine Commissioners signed the Danforth agreement with the Trustees that replaced an agreement that dated back to 1988. Mrs. Wessels stated that the Danforth agreement should have been brought to the ZMD Board for review and for a better understanding of the agreement. She explained that while on the surface it appears that the Commissioners have additional duties and more of an equal share of responsibilities; there is language in the document that actually weakens the Subdistrict Commissioners position. Mrs. Wessels emphasis that some specific areas need to be addressed in the document; and she asked if the Museum would clarify the steps that need to be taken, if the Subdistrict Commissioners choose not to renew the contract under the Danforth agreement.

Mr. Stover stated that if there is no contract renewal, and the taxpayer funds were collected, the Subdistrict Commissioners would have to start their own Museum. Mr. Stover reminded the Board that the Danforth agreement is less than three months old and it is an evolving agreement. A discussion ensued.
Mr. Chivell explained that there is a process in place in the agreement if the Subdistrict Commissioners choose not to renew the agreement. Specific deadlines need to be met and steps to be taken in order to terminate the agreement. Mr. Chivell explained that timing is important in order to meet the deadlines included in the document and that the new agreement provides for a period of mediation to attempt to resolve any disputes prior to termination.

A recess was called. Within a few minutes, Mr. Uchitelle called the meeting to order.

Mr. Valier commented on recommendation made in the Agreed-upon Procedures Report. Under the: Advisory Comments – Conflict of Interest section, Mr. Valier asked if all key employees have disclosed annually any interests that could rise to conflicts. Mr. Clark replied that they have, and copies will be forwarded to the District.

Next, Mr. Valier asked about Advisory Comments – Volunteer Service Recognition and inquired why the volunteer service was reported in the same manner as prior years and will the Museum evaluate and implement procedures to evaluate the volunteer service in accordance with FASB ASC 958-605-25-16. Mr. Roberts replied that a review of the procedures is underway with the Auditors, and plans to comply are in place, with the exception that a footnote will be in the financial statements for consistence purposes and also to recognize the numerous hours that other volunteers contribute to the Museum.

Mr. Valier addressed the recent appraisal report performed by Hotle Appraisal Company and the impairment of the Delmar property. Mr. Clark presented a letter addressed to the Commissioners and Trustees of the Museum explaining their position on the property. Mr. Valier asked why the letter was silent on the impairment of the property. Mr. Roberts stated that property purchased in 2007 is not worth what it is appraised as in 2012. A discussion ensued. Mr. Roberts explained that the Museum will take a substantial 'write-down' on the Delmar property in 2012.

Mrs. Wessels asked Mr. Jensen if any minutes are kept from the Subdistrict Budget Committee Meetings. Mr. Jensen responded that minutes are not kept. Mrs. Wessels inquired why one meeting is held to discuss revenue and a second meeting is held to discuss expenses. Mr. Jensen stated that having one meeting on revenue allows the Committee to concentrate on the revenue stream, and the following meeting to focus on expenses.

Mr. Valier commented on Section 10 of the Amended and Restated Operating Agreement – Special Expenditures: Acquisitions of Real Estate Property and “that unbudgeted expenditures made by MHM in excess of Three Hundred Thousand shall be brought to the Commission for its approval prior to the expenditure being made.”

Mr. Valier asked if that specific provision was going to be changed or amended. Mr. Roberts stated that when the agreement is renegotiated at the end of 2013 that provision is one that may be changed or amended.

Mr. Valier commented on Section 4 of the Amended and Restated Operating Agreement – Compensation: states that “The funds which are received by MHM from the Subdistrict pursuant to the Agreement shall not be used for any purpose inconsistent with the proper operation of a history museum, library and research center.” Mr. Valier asked for clarification and explanation on MO Statute 184.352 paragraph 9.

Mr. Wolff explained that MO Statute 184.352 paragraph 9 defines what the Missouri History Museum Subdistrict must have, or that it can contract with a person that has all of the listed characteristics. It is not, in his opinion a limitation on what the Subdistrict or with whom they contract an obligation that the Subdistrict carry out all of the provisions included in the statute. Mr. Wolff acknowledged that Mo Statute 184.352 applies to both the Subdistrict and the Missouri History Museum.
Mr. Campbell asked at this point, that the Chair request that any Board Member that still has additional questions direct them to the District office and that those questions be sent to the Museum for response. Mr. Lowery concurred. Mr. Uchitelle allowed Mr. Valier and Mr. Wolff to continue, and asked that they keep it brief.

Mr. Valier asked about contractual services; he asked for clarity on payments made to Fleishman Hillard and to Lou Hamilton. Mr. Roberts stated that Fleishman Hillard is no longer under contract to the Museum and Mr. Hamilton has not been compensated by the Museum.

Mr. Valier stated that the Museum’s gift shop has been a marginal operation and asked for additional comments on the long term plans. Mr. Clark explained that the gift shop enhances the visitor experience and gross sales in 2012 were approximately $450,000 and net contribution to the Museum was $9,000 after $26,000 of inventory was written down.

Mr. Valier asked questions concerning the process and the criteria of the Nominating Committee. Mr. Roberts informed him that nominations are based on judgments of the current committee members.

Mrs. Wessels thanked the Museum for including the 990’s in the budget packet. Mrs. Wessels mentioned that two of the Trustees are employed with Commerce Bank; she asked what percentage of the endowment Commerce Bank handles. Mr. Roberts informed the Board that Commerce Bank manages approximately 35% of the endowment, and most of the investments are fixed income accounts.

Mr. Campbell commented that it has been a long five months of self-examination and a great deal has transpired and been said about the History Museum, and enough is enough.

Mr. Campbell explained that a lot of major adjustments have occurred regarding governance of the History Museum and the adjustments have been lost in the rhetoric and inflammatory accusations that have been made in the media and by some individuals, some of which sit on the ZMD Board. He further stated that it is not pleasant to have your integrity, motives and reputation attacked by idle speculation, misinformation and inflammatory language which serves only to marginalize the important role this cultural institution plays in our community. Mr. Campbell further stated that the actions taken by the management of the History Museum is all that the people – the taxpayers can ask; accountability, dedication and a commitment to move forward in a positive fashion and to grow this cultural institution.

Mr. Campbell stated that he commends the management of the History Museum, explaining that management has not taken the bait, they have not responded with disrespectful and inflammatory language. Mr. Campbell explained that the high-road is always the better road, even though it is sometimes the longer road. Instead, the History Museum management has collaborated to ensure that this public/private partnership works in the public’s best interest. Mr. Campbell remarked that the collaboration is something that has gone unnoticed and without acknowledgement and that the History Museum is a public/private institution. Mr. Campbell reported that as Mr. Roberts has stated, anyone that has been around for the last five years will realize that this is the way that a lot of things are going to start happening in this country; a public/private collaboration.

However, the job is not complete and the business of growing the History Museum is not back to normal. Alderman Roddy’s Alderermanic Committee will presumably continue to investigate various issues. Circuit Attorney Jennifer Joyce’s office continues to look at various issues. The History Museum has a major challenge in finding a new CEO/President. Mr. Campbell stated that the management at the History Museum has continued to move forward in a positive fashion. Mr. Campbell said that speaking just as a ZMD Board Member
and a taxpayer; he commends and thanks the Subdistrict Commissioners and the Trustees of the History Museum for their efforts and time in trying to make this institution an even grander cultural asset to this community. 

Mr. Lowery agreed and mentioned that it is time to begin to build up the History Museum.

Executive Director's Report – Mr. Dougherty reported that, as of February 27, 2013 the balances in the various District controlled bank accounts totaled approximately $42.8 million and included:

<table>
<thead>
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<th>Account for the benefit of:</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zoological Park Subdistrict</td>
<td>$3,123,707.22</td>
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<tr>
<td>Art Museum Subdistrict</td>
<td>22,947,644.11</td>
</tr>
<tr>
<td>Science Center Subdistrict</td>
<td>1,288.06</td>
</tr>
<tr>
<td>Botanical Garden Subdistrict</td>
<td>7,414,239.69</td>
</tr>
<tr>
<td>History Museum Subdistrict</td>
<td>4,700,514.16</td>
</tr>
<tr>
<td>District Operating Fund</td>
<td>4,701,109.72</td>
</tr>
</tbody>
</table>

Mr. Lowery expressed his concern about the diminishing balance in the account maintained for the Saint Louis Science Center. Mr. Dougherty explained that a review of the Science Center’s budget is to be scheduled in the next few weeks. A discussion ensued. Mr. Lowery suggested that the Science Center be the next budget meeting scheduled.

Report of Legal Counsel – Mr. Chivell had no report at this time.

Audit Committee - Mrs. Wessels reported that a ‘Request for Proposal’ was published and the District has received six inquiries, none have been in writing.

Old Business – Mr. Campbell asked that the motion that was passed at the January 30, 2013 meeting be renewed. Mr. Lowery seconded the motion. The vote to approve and continue the motion that until the Board of Alderman, and the Circuit Attorney complete their investigation and ZMD conducts another Board meeting, the ZMD shall suspend any further written requests on ZMD letterhead for information or documentation from or communication on ZMD letterhead with the Missouri History Museum unless authorized by the ZMD chair. The motion was passed with Mr. Powell, Mr. Uchitelle, Mr. Campbell, Mrs. Cook and Mr. Lowery voting ‘aye’, Mr. Vallier, Ms. Wessels voting ‘no’ and Mr. Glick abstaining.

Mr. Glick informed the Board that while visiting the Subdistricts, he often conducts an ‘informal survey’ to explore the level of knowledge of each institution’s employees with regard to the District and the tax revenue received by each institution. Recently, while visiting the Science Center, he asked five employees/volunteers about how the Science Center remains free to all. Only one of the five employees/volunteers had the correct answer. Mr. Glick made a motion to remind the Board that we need to remind each institution that they ought to inform all employees and volunteers that it is taxpayer support from the City and County of St. Louis that helps each institution remain free to visitors. Mr. Lowery seconded the motion.

Mrs. Wessels recommended that the membership solicitation offered at each Subdistrict offer a reduced membership rate to taxpayers of the City and County of St. Louis. Mrs. Cook suggested that promotional material and informational brochures from each of the Subdistricts contain information about the District. Mr. Lowery suggested that the Commissioners from the District receive business cards to promote better awareness of the District. Mr. Uchitelle asked that the Executive Director summarize the suggestions and present them to the Board at a later date.
New Business – No new business.

Mr. Uchitelle stated that a meeting wizard will be sent to all members to schedule the next meeting.

Mr. Uchitelle asked if there were any additional comments from the public.

Closed Session: Mr. Uchitelle then called for a motion to close the meeting pursuant to RSMo. § 610.021 (3) and (13) to discuss personnel matters. Mr. Powell seconded the motion with all members voting “Aye”. Minutes from the closed session were prepared by Mr. Chivell and will be filed at the office of Armstrong Teasdale LLP.

The closed session was adjourned and the regular meeting was then reopened to the public.

There being no other business, Mr. Campbell moved that the meeting be adjourned. Mr. Lowery seconded the motion, which was adopted unanimously with all members voting “aye.”

The meeting adjourned at 2:55 p.m.

Respectfully submitted,

[Signature]
Secretary