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

St. Louis, MO
May 6, 2013

A regular meeting of the Board of Directors was held in the Living World Board Room at the St. Louis Zoological Park, St. Louis, Missouri at 12:00 p.m. on Monday May 6, 2013. The primary purpose of the meeting was to review the Zoo’s 2012 operations and its 2013 budget.

Mr. Ben Uchitelle, Chair of the Metropolitan Zoological Park and Museum District (“District”), called the meeting to order. The following Zoological Park Subdistrict representatives introduced themselves to the Board:

Dr. Jeffrey Bonner, Dana Brown President and CEO of the Saint Louis Zoo;
Cynthia Holter, Vice President of External Affairs of the Saint Louis Zoo;
Wyndel Hill, Vice President of Internal Affairs of the Saint Louis Zoo;
David McGuire, Vice President of Architecture and Planning of the Saint Louis Zoo;
Stephen Barth, Director of Business Operations and CFO of the Saint Louis Zoo;
Jack Grisham, Vice President of Animal Collections of the Saint Louis Zoo; and
Cassandra Ray, Controller of the Saint Louis Zoo.

Upon roll call, the following Board members were present:

Ben Uchitelle
Thelma V. Cook
Thomas J. Campbell

Gloria Wessels
Robert A. Powell
Robert G. Lowery, Sr.

Charles E. Valier and Jerome E. Glick were absent. Other persons attending the meeting included: Dale Singer, from the Saint Louis Beacon; Michael A. Chivell from Armstrong Teasdale LLP, the District’s legal counsel; and District employees: J. Patrick Dougherty and Sharon Wilcutt.

Zoological Park Subdistrict Budget Presentation: Dr. Bonner initiated the budget presentation with an update of past projects, statistical information on strong attendance numbers with comparisons to similar Zoo’s across the country. Dr. Bonner emphasis the strong general membership numbers at the Zoo and a significant increase in members of the Marlin Perkins Society. Highlights from multiple visitor surveys were presented with favorable results. Dr. Bonner presented additional information on recent animal births, AZA benchmarking reports, WildCare institute impact outcome and an abundance of ‘year in review’ information.

Dr. Bonner presented a slide that represented the 2012 tax support as a percent of Net Operations;

- Tax Revenue: 51% - $21 million;
- Support & Fundraising: 22% - $9.1 million;
- Food Service: 11% - $4.7 million;
- Parking Lot: 6% - $2.6 million;
- Railroad: 2% - $1.0 million;
- Carousel: 2% - $0.6 million; and
- Guest Service and Simulator: 1% each - $0.2 million each
Dr. Bonner addressed the $120 million capital campaign and explained that the Zoo is now at 94% of their goal. The Zoo is at 100% of their endowment goal of $35 million. Dr. Bonner presented summaries of the Living Promise Campaign, Endowment History, completed Strategic Projects and information on various studies underway for the south campus.

Dr. Bonner presented a detailed 2012 expense chart of total expenses in 2012. Tax revenue is only used to pay for certain salaries. It was noted that salaries are not funded for employees in fundraising or in revenue producing departments (food service, gift shops).

Dr. Bonner discussed diversity statistics. Of 322 full-time employees - 11% are minorities, of total volunteers - 15% are minorities. Mr. Hill explained that six minority employees hold senior management positions. Mr. Uchitelle questioned the ‘diversity audit’ that was to be performed in 2012. Mr. Hill stated that budget cuts prohibited the audit from being done in 2012. Mr. Hill explained that he is working in partnership with Harris Stowe State University to bring interns onto the staff. The Zoo has committed to hiring two paid interns from Harris Stowe.

Mr. Uchitelle asked if the ‘diversity audit’ can be included in the 2013 budget. Mr. Hill stated that it was planned to be included into the 2014 budget. Mrs. Wessels asked if funds from ZMD ‘excess revenue’ that will be disbursed during 2013 can be allocated for the audit. Mr. Barth explained that ‘excess revenue’ has been included in the 2013 budget. Mr. Uchitelle made a recommendation that the Zoo undertake and fund the “diversity audit” in 2013.

Dr. Bonner presented a five year capital plan including the Rivers Edge expansion that will be opening in 2014. He explained some of the details and framework on the Forest Park Hospital Expansion project. Research is being conducted on use of the existing parking garage, potential options for the use of a gondola system going over the highway and into the park. Mr. McGuire explained that the property consists of thirteen and one-half acres and was originally listed for $18 million. A charitable deduction of $6 million granted to the seller, allowed the Zoo to purchase the property for $6 million.

Mr. McGuire explained that SWT Design, an environmentally conscious planning and landscaping architecture firm, has been retained along with the Lawrence Group to consult on potential options for the buildings, parking facilities and property.

Mr. Uchitelle questioned the percent of salary increase received by employees in 2013. Dr. Bonner informed the Board that general staff received a 3% increase. Mr. Uchitelle explained that in the last several years gross tax revenue has been essentially flat due to the declining property assessments. He further asked if steps have been taken by management to remedy the problems associated with flat revenue and increasing expenses. Dr. Bonner explained that a strong endowment is essential for the long term future of the Zoo. In the short term containing costs requires management to examine areas that can be operated more efficiently.

Mr. Campbell inquired how many current business credit cards are being utilized by employees. Ms. Ray stated that there are thirty-eight department and thirty-three individual credit cards maintained. Curators that travel are allowed individual cards; most purchases require approval by department managers. A 1% cash rebate from Commerce Bank is awarded from the use of the department and individual cards.

Mrs. Wessels asked about the role of the Subdistrict Commissioners in the governance of the Zoo. Dr Bonner explained that while the Subdistrict Commissioners give the charter to the Zoo Association, the Subdistrict Commission will approve the budget after the overall budget is completed and approved by the Zoo Association. Ms. Holter explained that the Subdistrict Commissioners meet about eight times a year and attendance is very strong. The eight appointed Subdistrict Commissioners and the Advisory
Commissioners serve on many of the committees. Five of the Committees are chaired by Subdistrict Commissioners; and at least two Commission members are represented on the many of the committees. Mr. Lowery asked if the Subdistrict Commissioners could be invited attend the next Budget Meeting. A request was made to provide the District with a list of all of the Zoo’s current committees and a roster of the current committee members.

Mr. Lowery asked for further explanation of the increase in Workers’ compensation premiums. Mr. Hill explained that six years ago the premium was about $780,000; by hiring a Safety Director and Risk Management Director, the premiums were reduced to $250,000. The Zoo now has a standard premium that does not include a rebate option.

Mr. Uchitelle asked about the Zoo’s participation in the St. Louis City’s retirement plan. Dr. Bonner explained that the Zoo and the Art Museum continue to participate in the City of St. Louis ERS (employee retirement system) and state laws prohibit the Zoo from separating from the plan.

Questions with regards to fundraising, attendance of public school students, executive compensation consultants and the possibility of reduced membership rates for the taxpayers of the City of St. Louis and St. Louis County were discussed.

Mrs. Wessels informed the Zoo management that the District is considering a training seminar/orientation class for Commissioners that serve the District’s institutions. Dr. Bonner welcomed the idea.

Upon completion of the budget presentation the meeting recessed. Within a few minutes, Mr. Uchitelle called the meeting to order.

The meeting resumed and a brief discussion of all key information presented ensued.

Mrs. Wessels suggested that the Subdistrict Commissioners should be in attendance at the budget meetings. Mrs. Cook concurred and suggested that an invitation be extended to Commissioners’ to attend a District Board meeting.

Mr. Uchitelle opened the discussion on possibly reducing the amount of paper included in each of the meeting packets. It was suggested that certain information, for example 990’s could be scanned and e-mailed to individuals or have the information available for review at the office or possibly posted to the District website.

Approval of Minutes: The Chair called for approval of the minutes from the regular and closed Board meeting held on April 4, 2013. Mr. Campbell moved that the minutes be approved and Mr. Lowery seconded the motion. The motion to approved both sets of minutes was passed with all members voting ‘aye’

Executive Director’s Report: Mr. Dougherty informed the Board that, as of May 3, 2013, the balances in the District controlled bank and investment accounts approximated $25.9 million and included:

<table>
<thead>
<tr>
<th>Account for the benefit of:</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Zoological Park Subdistrict</td>
<td>$ 245,385.13</td>
</tr>
<tr>
<td>Art Museum Subdistrict</td>
<td>$ 14,398,760.29</td>
</tr>
<tr>
<td>St. Louis Science Center Subdistrict</td>
<td>$ 50,737.45</td>
</tr>
<tr>
<td>Botanical Garden Subdistrict</td>
<td>$ 5,174,987.53</td>
</tr>
<tr>
<td>Missouri History Museum Subdistrict</td>
<td>$ 1,450,184.67</td>
</tr>
<tr>
<td>District Operating Fund</td>
<td>$ 4,635,330.85</td>
</tr>
</tbody>
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Mr. Lowery inquired about the balance in the Science Center’s District maintained account, and further questioned the liquidity of the institution. Mr. Dougherty stated that since the recession, liquidity has been a problem. Mr. Dougherty explained that improvements have been made: staff has been reduced, expenses have been cut, fundraising will resume in 2013 and the goal to be less dependent on the line of credit.

Mr. Dougherty then presented the District’s internal financial statements for the months of January, February and March 2013. There was no discussion regarding the contents of the January, February and March statements.

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

Audit Committee: Mrs. Wessels informed the Board that a meeting of the Audit Committee along with Mr. Rick Gratza, CPA from Kerber, Eck & Braeckel LLP. (“KEB”) was held April 5, 2013 at the District office. A review of the draft of the Financial Statements and Independent Auditors’ Report and the Report to the Board of Directors that was performed in accordance with Government Auditing Standards was conducted. Mr. Lowery made a motion to accept the District Financial Statements, Independent Auditors Report and Report to the Board of Directors, Mr. Uchitelle seconded the motion and the motion was approved unanimously with all members voting ‘aye’.

Old Business: Mr. Dougherty informed the Board that the meeting for the Missouri Botanical Garden Budget review is set for Tuesday July 9, 2013 at 11:00 am.

New Business: No new business at this time.

The chair called for public comments.

The Chair announced that the next regular meeting will be held at the Saint Louis Science Center on Thursday May 9, 2013. The tour starts at 11:00 a.m. and the budget meeting begins at noon.

There being no further business, Mr. Lowery moved that the meeting be adjourned. Mr. Campbell seconded the motion, which was passed unanimously. The meeting adjourned at 2:20 p.m.

Respectfully submitted,

[Signature]
Secretary