

# Audubon Commission Minutes

September 24, 2020

12:00 PM

Video Conference

Attending: Kelly Duncan, Bruce Hofer, Beth Lambert, Field Ogden, Sally Shushan, Brent Wood, Ashley Francis, Lex Kelso, Gayle Benson, Storey Charbonnet, Frances Fayard, Daniel Conwill, Charles Teamer, Xavier Angel, Norma Jane Sabiston, Minh Nguyen, Catherine Morrell

Excused: Coleman Ridley, Dolfinette Martin, Victor Jones, Freddie King, Leila Eames, Boysie Bollinger

Commission President Kelly Duncan called the meeting to order at 12:00 PM. He explained that in response to the Public Health Emergency declared for COVID-19, Executive Orders of the Mayor and the Governor limit gatherings of groups, which would otherwise prohibit the Audubon Commission from meeting in person. Section 4 of the Governor's [Proclamation 30 JBE 2020](#) and Section 4(E) of [Proclamation 41 JBE 2020](#), however, allow public boards and commissions to provide for attendance at meetings via video conference. Notice requirements must still be met, and Audubon posted notice of the meeting on its website, the City's calendar, and on the door of the Zoo Wednesday, September 23. We also allowed for public comment via email.

The minutes of the previous meeting were distributed for review prior to the video conference. A motion to approve the minutes was unanimously accepted.

He then verified that no public comments had been submitted prior to the meeting. There were members of the public present who did not make any comments.

## **Finance Report**

Mr. Duncan then introduced Ms. Laurie Conkerton, EVP and CAO for Audubon Nature Institute. Ms. Conkerton gave a financial update and reviewed the August year-to-date financial dashboard below. She reminded everyone that Audubon's business model of annually having large net positives during March through July which sustain the operations through the rest of the year. The pandemic hit right at the start of the busy season, causing the loss of most of the entire season due to closures. The Zoo reopened in June and the Aquarium reopened in July. Expenses were cut by over 50%. Net operating loss through August was \$5.4M. Net operating loss through the end of the year is on track to be about \$8-9M. Ms. Conkerton explained that the budget process for 2021 is just beginning and would look much different than years past. Attendance is projected to be in the range 60-70% of normal visitation.

As a background for the bond sale motion to be presented, Ms. Conkerton reminded everyone of the upcoming capital projects including moving the Insectarium to the Aquarium. Because there is state capital outlay funding available for these projects and because visitation is low, now is the time to move forward on these. Related to this project is a motion for a bond issue that will help support planning and other non-construction fees. It will also support our capital projects staff and improvements to other facilities. The bond is related to the new parks and recreation millage that was passed last year. That millage starts in 2021 and Audubon's portion is 1.95 mils which is projected to generate approximately \$7M a year for the next 20 years. Audubon is requesting to bond out \$9.5M which would create a debt service of about \$650K a year. This is significantly less than the \$3.8M paid for the debt service on the Aquarium bonds. The bond issue has already gone through a thorough approval process. Ratings and pricing will be available shortly and the hope is to be in a position to sell the bonds later this fall.

The bond sale resolution and CEA with Board of Liquidations were shared with the Commission before the meeting. Ms. Conkerton requested two separate motions:

A motion to authorize the sale of the bonds passed unanimously (Wood/Kelso). A motion to enter into a CEA with the Board of Liquidations to receive and distribute the millage proceeds passed unanimously (Benson/Kelso).

AUGUST YTD 2020 FINANCIAL DASHBOARD (AMOUNTS IN THOUSANDS)						
NET OPERATING RESULTS BY FACILITY:						
FACILITY	YTD ACTUAL 2020	YTD BUDGET 2020	BUDGET VARIANCE	YTD ACTUAL 2019	PRIOR YEAR VARIANCE	TOTAL BUDGET 2020
Aquarium/EGST	\$1,568	\$8,024	<b>(6,456)</b>	\$6,723	<b>(5,155)</b>	7,492
Zoo & Park	(\$5,949)	(\$2,728)	<b>(3,221)</b>	(\$3,712)	<b>(2,237)</b>	(6,344)
Butterfly Garden & Insectarium	(\$552)	\$491	<b>(1,043)</b>	\$493	<b>(1,045)</b>	368
FMASSC	(\$286)	(\$422)	<b>136</b>	(\$514)	<b>228</b>	(615)
Louisiana Nature Center	(\$180)	(\$373)	<b>193</b>	(\$201)	<b>21</b>	(551)
<b>NET OPERATING RESULTS</b>	<b>(\$5,399)</b>	<b>\$4,992</b>	<b>(\$10,391)</b>	<b>\$2,789</b>	<b>(\$8,188)</b>	<b>\$350</b>

Excludes capital revenues and expenses.

### President's Report

Mr. Ron Forman, President and CEO of Audubon Nature Institute, was introduced to give his report. He gave a brief overview of the Governor Nicholls/Esplanade Wharves project and CEA with the City, NO&Co., and the Convention Center. There is about \$15M in an escrow account for this project. Of that money, \$4M came from Audubon, \$9M from the Convention Center, and \$2M from NO&Co. This project is an investment in economic development, but it is currently on hold. Audubon is asking to borrow \$10M of that money to be paid back by February 2023. This borrowing is necessary because Audubon is projected to post an \$18M loss by the end of 2021. All parties have to agree to let Audubon borrow the money. NO&Co. has already approved, and the Convention Center would like some questions answered before they make a decision. After some discussion, Mr. Duncan asked Ms. Dietz to introduce the motions below with the addition of each requiring approval by the President of the Commission.

Motion authorizing the President of the Audubon Commission to execute a second amendment to the Cooperative Endeavor Agreement between Audubon Commission and the City of New Orleans for the Governor Nichols/Esplanade Wharves redevelopment as approved by Audubon's General Counsel and the President of the Commission. (Ogden/Sabiston/Unanimous)

Motion authorizing the President of the Audubon Commission to execute a first amendment to the Cooperative Endeavor Agreement between Audubon Commission, the New Orleans Convention Center and New Orleans & Company for funding the Governor Nicholls/Esplanade Wharves redevelopment as approved by Audubon's General Counsel and the President of the Commission. (Benson/Francis/Unanimous)

Ms. Rebecca Dietz, Executive Vice President of Public Affairs and General Counsel, requested permission to introduce Mr. Jason Akers, Audubon's bond counsel. He brought to our attention that an additional resolution may be needed. It was decided to move this new business up in the agenda.

Mr. Akers explained that the borrowing of the \$10M may be considered a borrowing for state law purposes, and, if so, would require state bond commission approval. Mr. Akers presented a resolution authorizing the filing of an application with the state bond commission for approval of the borrowing. It is drafted in a way to allow the President of the commission to direct the filing of the application. After some discussion, it was requested that the word “reasonable” be added to describe in part, Audubon’s repayment obligation in section 1. With that addition, a motion was made to approve the resolution. Motion carried unanimously (Kelso/Francis).

### **Public Affairs Update**

Ms. Dietz then gave the group some updates on advocacy and fundraising. The Commission has seen a small amount of money come in through the CARES Act emergency funding. However, as COVID numbers in New Orleans go down, funding is reduced as well. Audubon continues to work daily on advocacy for large zoos and aquariums and is currently part of a group that is working on a federal grant program that would take our request for funding out of the political fight taking place in Washington. Audubon will continue to work hard to raise funds and will keep everyone posted on our efforts.

As for fundraising and development, Ms. Dietz thanked everyone who has contributed to our recovery fund. To date, we have raised over \$375K new dollars, and \$894K that has been redirected from other pledges or sponsorships. We will continue to solicit foundations throughout the year. We also have an exciting new partnership with Rouses. In addition to them donating food for our animals, customers will be able to donate to Audubon during checkout. The campaign starts next week, and the theme is “Feed Audubon Animals”. We will also expand this partnership into the holiday season and hopefully have an adopt an animal program. Finally, the year-end giving campaign is kicking off in October and run until the end of the year.

### **Facilities Update**

Dr. Kyle Burks, Executive Vice President & Chief Operating Officer, gave a brief update on facilities and operations. Despite the ongoing pandemic, conservation work continues with important breeding programs. There have been several births to report, including giraffes, cownose rays, and salamanders. He then talked about the birth and heartbreaking death of our baby gorilla. It was an amazing effort by many dedicated staff and outside professionals. He also gave an update on our education programs and how they have adapted to give virtual live presentations to schools. The Coastal Wildlife Network also continues to rescue stranded marine mammals, especially this time of year when storms are causing many animals to be washed ashore.

Mr. Forman asked Ms. Dietz to introduce the CMAR contract motion. She and Ms. Conkerton explained the CMAR process for the state funded project. The DOA has already approved and RFQs are due today.

Motion to authorize the President of the Audubon Commission or the CEO of the Audubon Nature Institute to enter into a Construction Manager at Risk (CMAR) contract with the firm chosen by the RFQ selection committee, as determined consistent with Louisiana Public Bid Law, for the Audubon Aquarium of the Americas Lobby, Exhibits and Audubon Butterfly Garden and Insectarium project passed unanimously (Lambert/Wood).

Mr. Duncan asked for any old business. A question was asked about the OIG’s second audit report. Ms. Dietz said they found no fraud or misuse of funds. The third and final report is due out soon. Mr. Forman and Mr. Duncan then recognized the Audubon team for all their hard work and dedication. Mr. Forman also thanked Mr. Duncan and board members for all their support.

After thanking everyone for attending the meeting, Mr. Duncan adjourned the meeting at 1:10 PM.