



Audubon Nature Institute
Celebrating the Wonders of Nature

September 22, 2020

The annual meeting of the Audubon Nature Institute Board was held on Tuesday, September 22, at 8:00 AM by video conference, Chairman Poco Sloss presiding.

In attendance: Poco Sloss, Chris Bardell, Willard Dumas, Caroline Calhoun, Leslie Gottsegen, Tommy Westfeldt, Ludovico Feoli, Hunter Cazes, Mark Romig, Nolan Marshall, Quentin Messer, Bernard Van der Linden, Susu Stall, Anne Long, Bart Farris, Deirdre Hooper, Peter Moss, Qi Wiggins, Joe Jaeger, Wil Jacobs, Steve Perry

Excused: Julie Quinn, Nathalie Simon, Cleveland Spears, Vincent Palumbo, Ransdell Prieur, Leah Brown, Steve Kupperman, Angus Cooper, John Nickens, Dennis Lauscha, Henry Coaxum

The minutes of the July 2020 meeting were unanimously accepted as distributed (Feoli/Moss).

Mr. Sloss then introduced Mr. Tommy Westfeldt, Nominating Committee Chairman, to give the nominating committee report. Mr. Westfeldt reported that the terms of Cleveland Spears, Deirdre Hooper, and Angus Cooper are expiring. Ransdell Prieur has moved away and leaves a vacancy. The terms of Anne Long, Chris Bardell, Bernard Van der Linden, Joe Jaeger, and Bart Farris are up for renewal. The nominating committee met in March, and it was their unanimous recommendation that the following be elected to four-year terms: Chris Bardell, Bernard Van der Linden, Joe Jaeger, Bart Farris, Anne Long, Linda Baum, John Payne, Beau Box, and Edgar Chase IV. The board unanimously elected the proposed slate (Nominating Committee/Dumas). There was a total of 262 proxy votes cast for the proposed slate. Mr. Sloss then thanked the outgoing board members for their service and introduced Ms. Laurie Conkerton, EVP and CAO, to give a financial report.

Ms. Conkerton shared the August YTD financial dashboard below. The revenue generating facilities obviously saw a huge loss due to closure from March to June. Net operating results from all facilities are down \$10M from budget and down \$8M from last year. By year end there is usually a \$350K net positive. Overall revenue is down 59% from budget and 54% from last year. Overall expenses are down 39% from budget and 35% from last year. She reminded everyone that we had two normal operating months which is the why the expenses for the year are not lower. Expenses have been cut by 55% since March. Admissions revenue is down 69% from budget and 67% from last year. The Zoo and Aquarium are only open five days a week with only two categories of tickets and limited capacity. There are no groups or field trips and no special events that would normally drive greater revenue.

The tax millage is not far off from what was expected, only being down 6% from budget. Salaries are also down 36% from budget because of cuts that have been made since March. Some revenue generating positions such as cashiers have been brought back and others in the organization are helping by taking front-line position shifts. Membership is also down, largely because memberships were extended, and the direct mail was dropped in July instead of earlier in the year. There have not been special events since March. If government guidelines allow, special events could resume in October. The sales team has been busy booking events for 2021, and it looks to be on par with what was originally booked in 2020. Concessions and Gift Shop are related to attendance, so those numbers are down. However, Gift Shop is doing better than expected. Total projected loss for the month of August was \$841K but only had a \$667K loss.

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	(6,456)	\$6,723	(5,155)	7,492
Zoo & Park	(\$5,949)	(\$2,728)	(3,221)	(\$3,712)	(2,237)	(6,344)
Butterfly Garden & Insectarium	(\$552)	\$491	(1,043)	\$493	(1,045)	368
FMASSC	(\$286)	(\$422)	136	(\$514)	228	(615)
Louisiana Nature Center	(\$180)	(\$373)	193	(\$201)	21	(551)
NET OPERATING RESULTS	(\$5,399)	\$4,992	(\$10,391)	\$2,789	(\$8,188)	\$350

Excludes capital revenues and expenses.

As for financing, we were able to draw down another \$2M from a line of credit from Hancock Whitney Bank. We have also had an advance from the Zemurray Foundation that is helping tremendously. We are about to do a bond issue on the new millage, and we are looking to secure \$9.5M dollars to help us complete the renovations to downtown facilities. The budget process also begins this week.

Ms. Conkerton then presented the state match motion. She explained that Audubon has an obligation to match state funds at a rate of 25% and must certify this annually. The following resolution was unanimously passed:

Be it resolved that The Audubon Nature Institute Board certifies that \$73,027,273 in private, federal or city funds has been spent on Audubon 2020 projects as of June 30, 2020. The State of Louisiana provided \$22,620,228 as of June 30, 2020. Non-state funds represent 76.35% of the Audubon 2020 project, which totals \$95,647,502 through June 30, 2020. The Audubon Nature Institute Board further certifies that the state matching funds requirement of 25% has been exceeded.

Mr. Sloss then introduced Mr. Ron Forman, President and CEO to give his report. Mr. Forman gave a brief overview of Audubon's history. He went on to explain that just like after Katrina, Audubon hopes to come out of this crisis better than ever. Using capital money, we will be transforming our downtown facilities to create an exciting new campus that is scheduled to open in 2022. There are several upcoming projects to look forward to both uptown and downtown. We are projecting about an \$18M operating loss by the end of 2021. At this point, we have received no government aid. So far, we have received about \$3M from various foundations and donors to help toward that loss. However, another possible source of money is the Governor Nicholls/Esplanade Wharves project escrow. There is \$15M in that account not being used since the project is on hold (\$9M came from the Convention Center, \$4M from Audubon, and \$2M from NO&Co.). Audubon is asking to borrow \$10M. This would need to be approved by all parties including City Council and the Mayor. Mr. Sloss then asked for a motion to approve this plan to borrow \$10M from the Wharves escrow account. Motion passed unanimously (Farris/Messer).

Ms. Rebecca Dietz, EVP of Public Affairs and General Counsel, was introduced to give her public affairs and fundraising updates. There has not been much movement in the way of federal funding or government assistance. However, they continue to work daily on advocacy for large zoos and aquariums. They are currently

part of a group that is working on a federal grant program that would take our request for funding and move it to Fish and Wildlife. Also, because New Orleans' covid numbers are getting better, funding has decreased for Orleans parish. We will continue to work hard and keep everyone posted on our efforts.

As for fundraising and development, thank you to 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. The goal is to reach \$75K and achieve 100% giving from board and commission members. We will also be putting together a capital campaign for the downtown project.

Dr. Kyle Burks, EVP and COO, gave a brief update on all Audubon facilities. There have been several births to report, including giraffes, cownose rays, and salamanders. He also gave an update on our education programs and how they have adapted to give virtual live presentations to schools. Conservation work continues with important breeding programs. 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. Dr. Burks then talked about the birth and heartbreaking death of our baby gorilla. The entire team was more than prepared for the birth. It was an amazing effort by many dedicated staff and outside professionals, and they are still looking into the cause of death.

Mr. Forman then recognized the executive team for all their hard work and dedication and thanked the board for their continued support. Finally, he gave a short statement on the status of the OIG reports. He stated that Audubon has been cooperating with the IG for several years and no misconduct or misuse has been found. The third and final report will be released soon.

There being no further business the meeting was adjourned at 8:52 AM.