



May 19, 2020

A meeting of the Audubon Nature Institute Board was held on Tuesday, May 19, at 8:00 a.m. by video conference, Chairman Poco Sloss presiding.

In attendance: Poco Sloss, Chris Bardell, Caroline Calhoun, Leslie Gottsegen, Steve Kupperman, Tommy Westfeldt, Wil Jacobs, Ludovico Feoli, Dennis Lauscha, Hunter Cazes, Mark Romig, Nolan Marshall, Quentin Messer, Steve Perry, Henry Coaxum, Bernard Vanderlinden, Susu Stall, Qi Wiggins, Anne Long

Excused: Joe Jaeger, Angus Cooper, Julie Quinn, Nathalie Simon, Cleveland Spears, Willard Dumas, John Nickens, Bart Farris, Vincent Palumbo, Deirdre Hooper, Peter Moss, Ransdell Prieur, Leah Brown

The minutes of the January 21, 2020 meeting were unanimously accepted as distributed.

Mr. Sloss then introduced Mr. Forman, President and CEO, who gave an update on Audubon and the work going on since the start of the pandemic. He mentioned the financial struggles Audubon is facing since having closed its doors in March. In addition, Audubon has not been eligible for federal assistance due to the employee size restrictions. There are other small lines of credit available that can be used if needed. Several employees have been furloughed or laid off in order to cut expenses. He emphasized the importance of coming back better than ever. He then introduced Ms. Laurie Conkerton, EVP and CAO, to give a financial update.

Ms. Conkerton began by reminding everyone that this time of year is typically the busiest and carries the organization through the rest of the year. So, being closed since March has greatly impacted Audubon's finances. Audubon's margins are very thin, net projection is only \$350K on a \$57M annual budget. Revenue is 93% self-generated, with 65% depending on guest attendance. Audubon needs \$1.1M a week to cover expenses at all facilities.

Looking at the February and March dashboards provided prior to the meeting, the numbers showed that 2020 was off to great start. In February, revenue was even with budget and expenses and salaries were 9% under budget. For March, facilities were open for 13 days before closing. Admissions revenue was on target for the month for those days. The decision to close really changed the focus. They immediately had to go into cost cutting and liquidity-building mode, focusing on guest and employee safety, animal care, fundraising, and essential support services. Budget was scrubbed by cutting expenses and payroll. Humana payments were able to be put on hold and GSA guard services and rent are not being paid at this time.

On the revenue side, they have received \$3.2M of the 2020 millage collection through March and anticipate another \$400K to be collected by December. They drew down \$1.5M from endowment and have increased our Hancock Whitney line of credit but are holding off on using that as long as possible. They also have approval from Iberia to borrow against the endowment. They are working with donors to remove restrictions on gifts and have been very successful with that. The recovery fund is currently at about \$150k with a goal of \$100k a month. Main Street Lending Facility is another possible option and they are working with Iberia and Chase in case they decide to move forward.

The forecast model was built out looking at June through December taking into account timed ticketing and capacity restrictions. Openings will be phased to maximize revenue.

FEBRUARY 2020 FINANCIAL DASHBOARD <i>(AMOUNTS IN THOUSANDS)</i>						
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	\$108	(\$303)	\$411	\$95	\$13	\$7,492
Zoo & Park	(\$1,996)	(\$2,476)	\$480	(\$1,842)	(\$154)	(\$6,344)
Butterfly Garden & Insectarium	(\$109)	(\$99)	(\$10)	(\$57)	(\$52)	\$368
FMASSC	(\$145)	(\$111)	(\$34)	(\$110)	(\$35)	(\$615)
Louisiana Nature Center	(\$67)	(\$113)	\$46	(\$43)	(\$24)	(\$551)
NET OPERATING RESULTS	(\$2,209)	(\$3,102)	\$893	(\$1,957)	(\$252)	\$350
Excludes capital revenues and expenses.						

MARCH 2020 FINANCIAL DASHBOARD <i>(AMOUNTS IN THOUSANDS)</i>						
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	\$394	\$1,310	(\$916)	\$1,147	(\$753)	\$7,492
Zoo & Park	(\$2,724)	(\$1,864)	(\$860)	(\$1,438)	(\$1,286)	(\$6,344)
Butterfly Garden & Insectarium	(\$143)	\$102	(\$245)	\$107	(\$250)	\$368
FMASSC	(\$158)	(\$153)	(\$5)	(\$153)	(\$5)	(\$615)
Louisiana Nature Center	(\$103)	(\$156)	\$53	(\$68)	(\$35)	(\$551)
NET OPERATING RESULTS	(\$2,734)	(\$761)	(\$1,973)	(\$405)	(\$2,329)	\$350
Excludes capital revenues and expenses.						

Mr. Forman then briefly discussed the golf course after Mr. Mark Romig asked if it would be reopening soon to help generate revenue. With the need for people to get out of their homes, the park and golf course became very popular for gatherings. The golf course will reopen, but they will also seek out public input in the future before making any long-term changes to use.

He then discussed opening other facilities. The Zoo will be first since it is an outdoor facility. All others will be opened when they can be opened safely and with enough staff to do so.

After some discussion on bringing back employees and compensation, Mr. Forman introduced Ms. Rebecca Dietz, EVP of Public Affairs and General Counsel, to give an update on advocacy efforts. As mentioned earlier, Audubon was not eligible for any of the forgivable funding through the first CARES Act. They were not eligible for the payroll protection program like some of their peers. The Main Street lending is still up in the air. So, they have been working with other large zoos and aquariums to create an advocacy campaign to be included in future legislation whenever congress is in session. Audubon is also partnering with San Diego to bring awareness to the importance of zoos and aquariums. She then talked about work with Louisiana legislators and thanked everyone for their help in reaching out to them on Audubon's behalf. Ms. Dietz further reported on communication efforts and recovery promotion through social media and the Audubon website to connect with their audience even while being closed.

Mr. Forman then introduced Dr. Kyle Burks, EVP and COO, who reported on operation updates. Animal care teams have been split in two in order to reduce risk of exposure. Some animal updates: lion cubs have been named, an ocelot kitten was recently born, as well as penguin chick, Zion, and giraffe, Hope. He further explained what steps are being taken to safely open the Zoo to visitors the first week of June. Some of those include: timed-ticketing, a one-way path, social distance monitoring, sanitizing stations, outdoor eating only, and touchless shopping. They will try to open using only current staff. The Golf Course will be opened with they have ability to bring staff back and operate safely.

Mr. Forman then mentioned some upcoming capital projects including the Tropical Bird House at the Zoo and Butterfly Garden move to the Aquarium. He then went on to thank Ludovico for his foundation gift and Leslie for her service as this year's Zoo-To-Do Chair. He also thanked Mark Romig and Steve Perry for their tourism leadership. After much discussion about the future of New Orleans tourism and marketing efforts for the city, Qi Wiggins asked if Audubon would have benefited from the latest CARES act. Rebecca explained that there were a few things that could have helped, but that will likely not pass. Wil Jacobs asked how long Audubon could expect to realistically exist with reduced capacity and tourism for the foreseeable future. Mr. Forman said the organization would continue on and find a way, even using endowment funds if necessary. He is optimistic about the future of Audubon stating it would come back better and stronger.

There being no further business, the meeting was adjourned shortly after 9:00 AM.