A meeting of the Audubon Nature Institute Board was held on Tuesday, September 28, at 8:00 AM by video conference, Chairman Poco Sloss presiding.

In attendance: Poco Sloss, Chris Bardell, Willard Dumas, Leslie Gottsegen, Ludovico Feoli, Bernard Van der Linden, Susu Stall, Anne Long, Peter Moss, Qi Wiggins, Joe Jaeger, Wil Jacobs, Linda Baum, Dennis Lauscha, Leah Brown, Beth Lambert, Angus Cooper, Megan Eustis, Beau Box, Caroline Calhoun, Hunter Cazes, Edgar Chase, Bart Farris, Tommy Westfeldt, John Payne

Excused: Julie Quinn, Vincent Palumbo, Mark Romig, Henry Coaxum, John Nickens

The minutes of the July meeting were unanimously accepted as distributed (Baum/Box).

Mr. Sloss then introduced Ms. Laurie Conkerton, EVP and CAO, to give a financial report. The July YTD financial dashboard below was shared prior to the meeting. She reported that earned revenue through July was up 54% from budget, at $20.9M. Operating expenses were roughly $19M. Net from operations was $1.7M, 126% over budget, and 203% over 2019 actual. Overall net was at $9.7M which is 686% over budget. Through July, over 549K guests have visited our facilities. This is 42% higher than budget. Admissions revenue total for both facilities was $10.8M, which is 131% higher than budget.

Ms. Conkerton went on to give an update on third quarter opportunities, including: State Stimulus Fund through LA Tourism Revival Fund, EDA grants, proposed bond sale, AZA Endangered Species Care Grant, continued recovery planning as we prepare of 2022 budget, catering and private events for fall 2021/2022, and more stable weather.

Having just received August numbers, she continued by sharing some updated financial information. Net operating results through August are $8.4M, attendance was 591K, and admissions revenue was $11.6M. The month of August was budgeted to take a loss of $1.1M but had a loss of $1.3M. That difference reflects the back pay for employees who took a 25% pay cut last year at the beginning of the COVID crisis.

Mr. Ron Forman, President and CEO, briefly commented on the financial report. He reminded everyone of the organization’s journey over the last year and a half with the pandemic and hurricanes. We are slowly recovering and budgeting strategically for the future.

Mr. Wil Jacobs asked if the full pricing we have been benefiting from will continue in the future. Mr. Forman mentioned that we currently have a 50% discount for LA residents through October 3. Mrs. Conkerton followed up by saying that dynamic pricing would be proposed to the board during the budget approval process. Dynamic pricing allows pricing to change based on day, time, attendance, and weather. We will be working with a pricing consultant before opening the new downtown facilities. Mr. Forman and Ms. Rebecca Dietz, EVP of Public Affairs and General Counsel, also reminded the board that community
connect programs are still in effect, giving discounts to guests each year. Ms. Qi Wiggins then suggested sending membership invitations to any new residents to the metropolitan New Orleans area. Mr. Forman said that was a great idea that the team would research.

![Graph depicting financial data]

Mr. Forman began his report by reminding everyone of the three-year plan: crisis mode for 2020; planning and recovery for 2021; 2022 and beyond bringing Audubon back better than ever. Mr. Forman is hopeful that Audubon will continue to do well operationally for the rest of the year with the upcoming bond sale and start of downtown construction. One of the major projects Audubon Nature Institute and Audubon Commission have been working on is the revision of the management agreement. He gave some background and history of the agreement. It is a long-standing agreement that has worked very well for both parties. Revisions to the agreement were made based on recommendations from the OIG. The draft revised agreement was sent to board members for review ahead of the meeting. He then asked Ms. Dietz to explain the recommended changes to the group.

Ms. Dietz elaborated on the background and OIG recommendations. Changes being made are primarily financial in nature. Over the last year, Ms. Dietz has been working with counsel for the Commission, Mr. Henry Kinney (Tut), financial auditors, and financial advisors to recommend limited revisions to the existing agreement. These revisions address OIG concerns while staying consistent with non-profit management best practices. The changes are primarily related to financial structure and located in Article 4. Among these changes, Audubon Nature Institute and Audubon Commission would have separate bank accounts. The full commission would approve the operating budget for the Institute. They also make clear the distinction between private funds, public funds, and non-public funds and that Audubon Nature Institute employees are private non-profit employees. One of the key recommendations is that Audubon Nature Institute will collect all operating revenue and deposit into an Audubon Nature Institute account. All public revenue will be placed in an Audubon Commission account. All funds collected by both entities will be for the benefit of all Audubon facilities. Audubon Nature Institute will present for approval an operating and capital budget to both the Board and Commission. Audubon facilities are also now required to be AZA
accredited. Notably, these revisions do not change the term or relationship between the parties. It has been a successful model for many years. Counsel for both parties, Chairman of the board, President of the Commission, and the Audubon Nature Institute executive committee have all reviewed and recommend these revisions.

Ms. Conkerton then gave more details on the impacts of the financial changes being made with these revisions. As mentioned by Ms. Dietz, there will now be two separate bank accounts. Financial statements will also reflect most of these changes. They will look very different than they do now. The 990 will also have much more information and detail. There will also be three budgets going forward: an Audubon Nature Institute operating budget, a capital budget, and a Commission budget.

There being no questions, Mr. Sloss asked for a motion to approve the management agreement revisions. The motion passed unanimously (Jacobs/Lauscha).

Dr. Kyle Burks, EVP and Chief Operating Officer, was introduced to give a post-hurricane update on Audubon facilities. He began by thanking the team, especially the storm riders and other essential personnel who prepared the facilities and stayed on grounds during and after the storm. While we did have some building damage, the majority of damage from the storm was seen in our trees. Our debris removal contractor has already removed 2,299 dangerous hanging limbs. Sadly, a total of 322 trees have also been removed so far with possibly more to come. The Aquarium saw the birth a cow nose ray during the storm. They named her Ida. One of the barasingha at the Zoo got out during the storm when their gate blew open. She was safely returned to the exhibit after the storm. The only animal loss was a parakeet at the Aquarium. After the storm, some of our cow nose rays and a zebra shark were moved to Mississippi due to water temperature concerns. Following the storm, our Coastal Wildlife Network team helped to rescue a dolphin stranded in a retention pond. We are also thankful to our AZA colleagues who offered assistance, including two mechanics from the Dallas Zoo who drove in to help keep our generators fueled and running until power could be restored. Finally, after Hurricane Harvey in Texas, an employee relief fund was created, and Audubon was able to donate $30K. That fund may now be able to assist our employees who were impacted by Ida.

Mr. Forman ended his report by thanking Entergy for their quick response and hard work to get our power restored after the storm.

There being no further business the meeting was adjourned at 8:45 AM.