

Audubon Commission Minutes

July 14, 2020
10:00 AM
Video Conference

Attending: Kelly Duncan, Bruce Hofer, Beth Lambert, Field Ogden, Sally Shushan, Brent Wood, Ashley Francis, Lex Kelso, Gayle Benson, Storey Charbonnet, Leila Eames, Boysie Bollinger, Frances Fayard, Daniel Conwill, Freddie King, Charles Teamer, Xavier Angel

Excused: Coleman Ridley, Catherine Morrell, Dolfinette Martin, Victor Jones, Minh Nguyen, Norma Jane Sabiston

President Kelly Duncan called the meeting to order at 10:00 AM. 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 and on the door of the Zoo Friday, July 10. We also allowed for public comment via email. He then verified that no public comments had been submitted and that no members of the public were present on the video conference.

President Duncan then introduced a newly appointed commissioner, Mr. Xavier Angel. Mr. Angel is a financial advisor at Angel Wealth Strategies. He enjoys visiting Audubon, particularly the lion exhibit and the elephant habitat. Xavier is passionate about conservation and saving endangered species and excited to join the Audubon Commission.

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

Mr. Duncan once again verified that no public comments had been received and no members of the public had joined the meeting. He then introduced Ms. Laurie Conkerton, EVP and CAO for Audubon Nature Institute. Ms. Conkerton then went on to give a brief financial update going over the May financial dashboard below. The dashboard continues to present the finances in relation to the approved budget in order to see the effects of the pandemic.

Finance Report

The year is broken down into three distinct time periods. Between March and June, Audubon brings in about 40% of operating revenue for the entire year. January through March 13, Audubon facilities were operating normally, and were doing very well. March 14 through May 31 was the height of the pandemic when we significantly slashed the budget because no revenue was coming in during that time. The remainder of the year, June 1 through December 31, we will continue to have very limited operations due to capacity restrictions.

In the month of May, we had a net operating loss of roughly \$3.4M. That is \$7.8M below what was budgeted for the year. In overall revenue, we are \$15M less than what was budgeted. Most of that is coming from admissions revenue, membership, and retail sales. On the expense side, we are down to about half of our what our operating budget was. When looking at the tax millage revenue, the budget variance is because of timing. Some of that was received in June, putting us ahead of what was budgeted. Our salaries are down by 25% after going through three rounds of furloughs and layoffs. Number of employees is down to 230 from over 850. With the reopening of facilities, we are strategically re-staffing positions.

MAY YTD 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	\$1,991	\$5,610	(3,619)	\$5,351	(3,360)	7,492
Zoo & Park	(\$4,661)	(\$982)	(3,679)	(\$1,089)	(3,572)	(6,344)
Butterfly Garden & Insectarium	(\$296)	\$317	(613)	\$331	(627)	368
FMASSC	(\$255)	(\$283)	28	(\$322)	67	(615)
Louisiana Nature Center	(\$145)	(\$244)	99	(\$127)	(18)	(551)
NET OPERATING RESULTS	(\$3,366)	\$4,418	(\$7,784)	\$4,144	(\$7,510)	\$350
Excludes capital revenues and expenses.						

From the Institute side, we have an active recovery campaign designed to bring in additional funds. We are also working with donors to release restrictions on donations. We've also revised payment schedules for very large expenses. We have increased a line of credit and are working on an extended loan package with our banks. As a private entity that is assuming risk for the benefit of public assets, the Institute is taking the lead on the financing opportunities.

On the Commission side, we are submitting CARES emergency funding requests to the City. There is CDBG funding from the State to the City. We are seeking reimbursement of some of our expenses related to our pandemic response. We are also tracking all expenses that could be submitted to FEMA.

For both the Institute and Commission, we are working collaboratively with other zoos, aquariums, and cultural institutions to identify additional funding opportunities to be added to our federal request. As a group, since we had more than 500 employees we have been excluded from all federal opportunities to date. We have submitted a \$4.7M capital outlay request to the City for Riverview improvements. At the State level, the capital outlay budget was approved with Audubon projects included. A reauthorization of an \$18.2M cash line of credit is on the State Bond Commission agenda for July 16. The projects in that include the Tropical Bird House renovations at the Zoo, wharf repair, and other aquarium projects. We are also working on our bond sale which is on the State Bond Commission's agenda for August.

Ms. Conkerton then asked for a motion to approve the 2019 Audited Financial Statements for the Audubon Commission. The audited financial statements dated December 31, 2019 and 2018 were reviewed and accepted by the Executive/Finance/Audit committees on June 24, 2020. The committees recommended the full Commission approval of the statements as presented. They were emailed to all members of the Commission prior to the meeting. The motion was passed unanimously (Benson/Wood).

Ms. Conkerton then discussed the following motion to adopt a resolution allowing the City to collect and distribute the 2021 tax millage on behalf of Audubon Commission.

WHEREAS, beginning in 2021, the City of New Orleans (the “City”) will begin to levy a separate ad valorem tax of 6.31 mills (the “2021 Tax”) pursuant to the following proposition approved by a majority of the electorate voting at a special election held in the City on May 4, 2019:

In lieu of 3.00 mills currently levied for Parkway and Parks Commission and New Orleans Recreation Department and 0.32 mills and 2.99 mills levied for Audubon Commission (“Prior Taxes”), shall the City be authorized to levy a special tax of 6.31 mills (“Tax”) for twenty years, January 1, 2021 - December 31, 2040 (estimated at \$22,150,000 in the first year) with proceeds dedicated first to payment of debt service obligations secured by the Prior Taxes then to improving park safety and accessibility, capturing stormwater to reduce flooding, repairing and upgrading playgrounds and recreation centers, conserving natural areas, and constructing, improving, maintaining, and operating parks, recreational, and wildlife conservation facilities in the City, except that a portion of collections shall be remitted to certain state and statewide retirement systems as required by law, allocated pro-rata as follows: 1.95 mills to New Orleans Recreation Development Commission; 1.80 mills to New Orleans Department of Parks and Parkways; 0.61 mills to City Park Improvement Association; and 1.95 mills to Audubon Commission, supplemental to and not in lieu of City general fund appropriations budgeted for 2020, subject to requirements provided by Ordinance Calendar Number 32,501 and with expenditures subject to public disclosure through annual audit; and

WHEREAS, the Audubon Commission intends for the millage to be levied at its authorized rate;

BE IT RESOLVED, that the following millage is hereby levied on the 2021 tax roll on all property subject to taxation by the City:

Audubon Commission	1.95 mills
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BE IT FURTHER RESOLVED that the proper administrative officials of the City and the Parish of Orleans, State of Louisiana, be and they are hereby requested, empowered, authorized, and directed to spread said taxes, as hereinabove set forth, upon the assessment roll of said Parish for the year 2021, and to make the collection of the taxes imposed for and on behalf of the taxing authority, according to law, and that the taxes herein levied shall become a permanent lien and privilege on all property subject to taxation as herein set forth, and collection thereof shall be enforceable in the manner provided by law.

Resolution passed unanimously (Wood).

Mr. Ron Forman, President and CEO of Audubon Nature Institute gave an update on the outlook of the organization. He reminded everyone of the need for more funding for operations - approximately \$15M. He then recapped some of the financial update and capital funding being received that will allow Audubon to renovate the Aquarium and other facilities to come out of this better than ever. He also remarked that the care of our animals has not changed and has remained a top priority. He is confident that we will be able to find the money needed to close the gap in operating funds. He emphasized that everyone within the organization is working extremely hard to keep things going. After some discussion, Mr. Duncan then introduced Ms. Rebecca Dietz to give a public affairs update.

Public Affairs Update

Ms. Rebecca Dietz, Executive Vice President of Public Affairs and General Counsel, gave an update on federal advocacy for federal recovery funding. As previously mentioned, funding of this type is key to our recovery and Audubon is not currently eligible for federal funding or emergency relief at this time. Currently, we are applying for emergency CARES Act funding with the City through the State DOA. We have had calls and meetings with the congressional delegation. We expect additional federal legislation before August. Focus of that will be extending

unemployment, reforming PPP, and extending recovery for state and local governments. Key goals are to add large non-profits to the payroll protection program, add a forgivability component to the Main Street Lending Program, and finally we are working with Senator Cassidy's office to add a specific provision with state and local funding for the care of animals, a revenue loss component, or both. We keep working on this daily and will continue to do so and keep you all posted.

Facilities Update

Dr. Kyle Burks, Executive Vice President & Chief Operating Officer, then gave a brief update on facilities and operations. He mentioned how great it has been for our guests and animals to be open again. Out at our Species Survival Center, we have had several animals born recently. At the Zoo, our baby ocelot is doing well. In July, our baby orangutan, Bulan, celebrated her birthday. He also mentioned the upcoming gorilla birth, which should be happening sometime in the next month. Finally, the Aquarium is reopening this week and we hope to see everyone out there to see our new penguin Zion.

Finally, Mr. Duncan asked if there was any new or old business. There being none, he thanked everyone for participating in the meeting. He also thanked Ron and the Audubon staff for all the hard work they are doing to keep the facilities going during this time. Meeting was adjourned at 11:00 AM.