

Audubon Commission Minutes

May 7, 2020
Video Conference

Attending: Kelly Duncan, Bruce Hofer, Beth Lambert, Minh Nguyen, Field Ogden, Sally Shushan, Brent Wood, Ashley Francis, Lex Kelso, Gayle Benson, Storey Charbonnet, Leila Eames, Norma Jane Sabiston, Boysie Bollinger, Frances Fayard, Catherine Morrell, Dolfinette Martin, Victor Jones

Excused: Coleman Ridley, Daniel Conwill, Freddie King, Charles Teamer

President Kelly Duncan called the meeting order at 4:05 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, allows 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 Monday of this week. We also allowed for public comment via email. He then verified that no public comments had been submitted.

President Duncan then introduced two newly appointed commissioners, Dolfinette Martin and Victor Jones, prior to the commencement of the meeting. Ms. Martin is the housing director for Operation Restoration, a nonprofit that supports women and girls impacted by incarceration. She was appointed to New Orleans first female transition team of New Orleans' Mayor Latoya Cantrell. Dolfinette was a founding member and former president of the New Orleans chapter of National Council for Incarcerated and Formerly Incarcerated Women and Girls. She was inspired to join the Audubon Commission by her fond childhood memories of field trips to Audubon Zoo and her passion for preventing animal extinction.

Mr. Jones is an attorney and senior policy advisor for the State of Louisiana. Victor has experience as a civil rights attorney and his professional life has been dedicated to enhancing the quality of life for all children, and he was inspired to join the Audubon Commission because he views its work, in providing zoos and parks, as an extension of his lifetime commitment to children.

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

Mr. Duncan once again verified that no public comments had been received. He then introduced Mr. Ron Forman, President and CEO of Audubon Nature Institute. Mr. Forman welcomed the new commissioners and gave a brief overview and update on Audubon operations. During this unprecedented time, he emphasized that animal and staff safety is a top priority. Normally this is Audubon's busiest time of the year, so being closed has greatly impacted our finances. In addition, Audubon has not been eligible for federal assistance due to the employee size restrictions. He gave some updates on fund raising efforts, animal births, and golf course and park use. He noted that this is a great time to look at doing things differently and seeing this as an opportunity at a fresh start for the organization. Finally, he thanked the board members and executive staff for their hard work and dedication.

Mr. Duncan introduced Ms. Laurie Conkerton, Executive Vice President and Chief Administrative Officer, to give a finance report and update.

Finance Report

Ms. Conkerton began her report with a brief overview and reminder of how our operating budget works. As a seasonal business, this time of year is when net revenue is normally expected. This net revenue covers expenses for the remainder of the year, making the timing of the pandemic very unfortunate. With a \$57M budget, there is only a \$350K net margin. Revenue is 93% self-generated, with 65% depending on guest attendance.

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.						

Looking at the February dashboard, 2020 off to a good start. Net was up 29% over budget (-\$2.2M vs -\$3.1M) A net loss is typically budgeted for these months due to lower attendance this time of year. Revenue generating department nets (Membership, Special Events, Concessions, Gift Shop) were close to budget. Special events' net of \$541K was \$375K higher than budget due to National Football Championship in January, contributing to Aquarium's positive net.

March had 13 days of normal operations, with many March expenses being paid at the start of the month. Admissions for first two weeks were on target for a strong month. With the decision to close, we changed focus, immediately going into cost cutting and liquidity building mode with four priorities: Employee/Park Guest safety, Animal Care, Fundraising, Essential support services.

Some of the cost saving measures implemented include: reducing non-salary expenses to \$215K/week, instituting a reduction of force, working with business partners to delay payments as long as possible.

Alternative sources of revenue were also pursued, including a push for receipt of millage, endowment draw down, increase in lines of credit and loans against endowment (holding off as long as possible on using those), working with donors to release restrictions on gifts, accelerating payment of p-card rebate, recovery campaign, preparing for a possible Main Street Lending Facility, and staying on top of any potential fed/state/city opportunities driven by stimulus funds. Current projection shows Audubon can maintain baseline operations through mid-June without using increased line of credit or loans.

There being no questions or comments from Commissioners, Ms. Conkerton introduced Foley Judell bond attorney, Mr. Jason Akers. She then gave a brief overview of the proposed bond sale resolution. Capital projects are largely funded by a combination of public and private dollars. New millage gives us a new opportunity to support capital with a limited bond offering to address near-term needs: complete projects in the state capital outlay budget, plan for new projects discussed in community meetings, and address facility infrastructure improvements that were covered by millage proceeds in the past. The value of the sale would be \$9.5M, backed by Audubon Commission's dedicated 1.95 Mil ad valorem property tax: \$4M to support design of significant commission projects, \$3.5M to support infrastructure upgrades at Audubon facilities, \$2M for capital project management staff. Ms. Conkerton then explain the importance of discussing this now: to have approvals in place so we can quickly go into the market once it stabilizes, to keep momentum going to preserve capital outlay funds, to ensure that Audubon is ready to serve our community as it recovers, and to secure part of the millage for continued improvements in Commission-owned properties.

Mr. Forman explained that state capital funding is not guaranteed at this time, but the bond sale will make sure we have the funds to match any funding we do receive from the state. He then allowed Mr. Akers to further explain the details of the preliminary resolution that was shared with the Commission prior to the meeting. The measure would not commit Audubon to anything. The sale would be secured solely by the revenues received from Audubon's portion of the 6.31 Mil tax beginning next year, 1.95 Mil. City Council, Board of Liquidations, and State Bond Commission must all approve first. The Commission will have no legal obligation to repay debt service with other funds if the tax proceeds are less than expected. He further explained that this is just a preliminary resolution and another resolution will need to be approved later once the details of the bond sale are finalized. Mr. Duncan asked when the Commission would need to approve that final resolution. Mr. Akers said that the market would determine the appropriate time and they would be watching the market closely until then.

Motion to approve the resolution of the Audubon Commission providing for the preliminary approval of limited tax bonds as presented to the Commission carried (Bollinger/Benson/unanimous).

Public Affairs Update

Ms. Rebecca Dietz, Executive Vice President of Public Affairs and General Counsel, then welcomed and introduced herself to the new members. She gave a quick update on advocacy efforts that Audubon has undertaken. As previously mentioned, Audubon is not currently eligible for federal funding or emergency relief at this time. However, this funding could be critical to operations. She then outlined the four components of the advocacy strategy: working with the Louisiana delegation to advocate on behalf of Audubon to be eligible for any state and local funding coming from federal relief acts, working with other museums and cultural institutions to get funding specifically for those types of facilities, working with large zoos and aquariums on an awareness campaign on the good things they do and how they have been left out of relief packages, staying in touch with state and local officials to keep Audubon top of mind when making important decisions.

Facilities Update

Dr. Kyle Burks, Executive Vice President & Chief Operating Officer, introduced himself to the Commission. He gave a brief update on facilities and how they are operating during this pandemic. In order to care for the large animal collection and deal with potential impacts of animal care staff contracting COVID-19, they have split care into two teams that never interact with one another. Mr. Burks then shared news and photo of a brand-new baby ocelot that was just born that morning. He also gave an overview of some of the health and safety reopening strategies being developed.

After his operations update, Mr. Burks explained that capital projects are still moving forward. At the Zoo, renovation and reopening of the Tropical Bird House is covered by State Capital Outlay funding. The Executive Committee has considered this contract and approved it.

Mr. Burks then asked for a motion to authorize the President of the Audubon Commission to enter into a contract with Hernandez Construction for construction of and renovations to the Tropical Bird House at the amount not to exceed \$3,329,000.00. The motion carried (Boysie/Wood/unanimous).

As hurricane season approaches, Audubon wishes to renew their contract with Vanir for construction management services as needed—this is the 5th amendment to this contract. Vanir manages recovery/debris removal contractors during recovery, and they assist with any necessary FEMA reimbursement.

He requested a motion to authorize the President of the Audubon Commission to execute the Fifth Amendment with Vanir Construction for construction management services. The motion carried (Fayard/Benson/unanimous).

Mr. Burks then reminded the Commission that late last year they approved an emergency procurement to repair some pilings at the Woldenberg Park wharf. Despite best efforts to move that project quickly, the state funding component caused a delay, as did the increase river height. The project is now being re-bid.

He asked for a motion to authorize the President of the Audubon Commission or the CEO of the Audubon Nature Institute to enter into a contract with the lowest responsive and responsible bidder, as determined consistent with Louisiana Public Bid Law, for necessary wharf construction and repair at Woldenberg Park. The motion carried (Ogden/Kelso/unanimous).

Finally, Mr. Duncan asked Mr. Forman if he had anything else to share with the group. Mr. Forman opened up the meeting to questions and comments. After some discussion on golf course usage, Mr. Forman advised the Commission that any change in use of the golf course would follow a planning process with input from the public. Mr. Duncan reminded commissioners to submit their tier 2.1 financial disclosure if they haven't already. Mr. Forman then shared that phase I reopenings would be announced by the mayor and governor in the coming days. Audubon hopes the Zoo will be included in phase I and remain in the capital outlay bill.

There being no further business the meeting was adjourned shortly after 5:00 PM.