

**Metro**

**Oregon Zoo**

***Oregon Zoo Food Services –  
Opportunities for Enhancement***

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**November 2006**

A Report by the Office of the Auditor



**METRO**

PEOPLE PLACES

OPEN SPACES

**Alexis Dow, CPA**

**Metro Auditor**

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**METRO**

**AUDITOR**

**ALEXIS DOW, CPA**

November 8, 2006

To the Metro Council and Metro-area citizens:

With over 1.3 million visitors annually, food services are a major revenue source for the Oregon Zoo, providing approximately \$4.8 million in revenues for last fiscal year. The Oregon Zoo provides an extensive array of food services, including restaurants, food stations and catering. Because today's environment requires accountability, positive operating results and sustainable practices in both business and government, we evaluated the Oregon Zoo food services cash handling internal controls, purchasing practices, labor management, performance and sustainability practices.

Overall, we found the Oregon Zoo is performing effectively in the delivery and management of food services. However, we found opportunities to further enhance the success of Oregon Zoo food services. These include:

- strengthening communication about the Oregon Zoo's sustainability accomplishments and preferred products for sustainability
- enhancing the customer survey process and action on results and expanding the use and monitoring of key performance indicators to help bring operating practices to the most effective level
- using handheld wireless technology for credit purchases and offering reloadable gift cards to simplify visitor purchasing and reduce the number of cash transactions
- improving internal controls by enhancing the segregation of purchasing and receiving responsibilities
- providing more recycling bins throughout the Oregon Zoo

Detailed recommendations resulting from this review are described on the following pages. The last section of the report presents the written response of Metro Chief Operating Officer Michael Jordan to each recommendation.

The review was conducted in accordance with government auditing standards. These standards require that we review internal controls and report significant deficiencies that are relevant to the objectives. Any significant internal control deficiencies found during the course of the review are described in the report.

We very much appreciate the assistance provided by Oregon Zoo personnel and wish to recognize the many people at Metro who are actively committed to improving the efficiency and effectiveness of Metro operations.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Alexis Dow'. The signature is fluid and cursive, written over a white background.

Alexis Dow, CPA  
Metro Auditor

Auditor: The Rasmussen Group, LLC

October 20, 2006

Ms. Alexis Dow, CPA  
Metro Auditor  
600 NE Grand Avenue  
Portland, Oregon 97232

Re: Oregon Zoo Food Services Performance Review

Dear Alexis:

The Rasmussen Group, LLC is pleased to submit this report on the Oregon Zoo food services performance review. The project included reviewing the performance of key aspects of the Oregon Zoo food services operations. This included all Oregon Zoo food locations, including stations and restaurants, and catering operations. The primary purpose was to evaluate the effectiveness of food operations, acknowledge successes, and identify opportunities to enhance performance. This report summarizes the results of the Oregon Zoo food service review, which included assessments of:

- cash handling internal controls
- operating performance considering industry indicators, customer survey methodology and action on results, profitability analysis, labor/manpower management and cost of sales management
- purchasing practices and vendor management
- sustainability practices, including recycling

Our results are based on information obtained through interviews with Oregon Zoo and Metro personnel, internal and external survey information, observation, analysis and research. All observations and recommendations have been discussed with the appropriate Oregon Zoo personnel.

We appreciate the excellent cooperation and positive attitudes observed from Oregon Zoo personnel during this review. It was truly a pleasure to work with them.

Thank you for the opportunity to serve Metro on this important project.

Sincerely,



Karen Rasmussen, CPA  
Principal

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## Executive Summary

Today's environment requires accountability, positive operating results and sustainable practices in both business and government. This review of the Oregon Zoo's food services supports these objectives. The project included an assessment of the Oregon Zoo's cash handling internal controls, purchasing practices, labor management, performance and sustainability practices.

The Guest Services Division of the Oregon Zoo provides food services to visitors at several locations on the grounds, including two restaurants, several food and beverage stands, and catering events. With over 1.3 million visitors annually, food services are a major revenue source, providing approximately \$4.8 million in revenues for last fiscal year. The visitors' food experience provides an important part of their satisfaction with their Zoo experience.

Overall, the Oregon Zoo Guest Services Division is performing effectively in the delivery and management of food services. Temporary labor is heavily used to fit the seasonality of attendance. The Oregon Zoo has successfully marketed, delivered and grown catering services. They have been creative in providing scenic and natural venues for catered events, which have become very popular throughout the Metro region.

The Oregon Zoo's sustainability practices are admired throughout the nation. Other businesses visit the Oregon Zoo to leverage their sustainability techniques, including composting, recycling and providing visitors with environmentally sensitive dining. All Oregon Zoo picnic and dinner flatware is compostable, placing the Oregon Zoo ahead of most businesses in the Portland area. Over 60% of the waste generated by the Oregon Zoo last year was recycled or composted. This compares with a national rate of 30% and the State of Oregon rate of 52%. The opportunity exists to bring the ratio of garbage cans and recycling bins to the optimal 1:1 level with additional funding for purchase of the needed bins. Communication about the Oregon Zoo's sustainability accomplishments could be more widely communicated through the Oregon Zoo website and other communications.

There are opportunities to further enhance the success of the Oregon Zoo. Customer surveys provide actionable information to Zoo personnel on customer needs. Expanding the use and monitoring of key performance indicators will help mature operating practices to the most effective level. Continuing the evaluation of hand-held technologies and reloadable gift cards will simplify visitor purchasing and reduce the number of cash transactions. In addition, internal controls protecting inventory can be enhanced by the segregation of purchasing and receiving responsibilities.

This report provides further information and recommendations to help optimize Oregon Zoo Food Services activities and performance. Personnel have already made progress on the recommendations noted in this report.

## Summary of Recommendations

1. **Fully document and manage performance against industry indicators.** The Oregon Zoo has certain performance indicators that they manage against. However, additional measures could be added, with follow-up and accountability for performance against indicators improved.
2. **Enhance customer survey process and action on results.** The Oregon Zoo performs periodic surveys of customer satisfaction. However, the responses received are minimal and required follow-up and monitoring is not well defined. We recommend developing a more systematic method to obtain more customer satisfaction information, as well as further defining and monitoring action taken to improve customer satisfaction.
3. **Consider implementing hand-held, wireless technology for Oregon Zoo concert credit purchases.** Oregon Zoo concert customers purchasing beer and wine with credit cards must stand in a separate line to complete their purchase. Handheld devices have been evaluated in the past, and found impractical due to inconsistent signal quality. We recommend continuing to periodically evaluate hand held devices as technology improves.
4. **Reloadable gift cards could simplify transaction time and increase revenues.** The availability of reloadable gift cards could simplify purchasing and processing for customers. We recommend that the Oregon Zoo consider making these available for purchase.
5. **Improve segregation of duties in the purchasing department.** Segregation of duties between purchasing and receiving is not adequately established, exposing the Oregon Zoo to increased risk of errors and loss of assets. We recommend working to segregate these functions and document the individual executing the transactions in the system.
6. **Develop a charter and goals for the Oregon Zoo Green Team.** The Oregon Zoo Green Team has not established a charter or annual sustainability goals which could enhance focus and accountability. We recommend the team develop a charter and annual goals for approval by Oregon Zoo top management.
7. **Provide more recycling bins throughout the Oregon Zoo.** Best practices indicate that a one-for-one match of general trash bins to recycling bins is optimal. The Oregon Zoo's ratio is currently one recycling bin to three trash bins. We recommend working toward achieving this ratio with the financial assistance of the Metro Environmental Action Team, which provides support to better achieve Metro's goals to reduce, reuse and recycle.

8. **Strengthen communication about the Oregon Zoo's sustainability accomplishments and preferred products for sustainability.** The Oregon Zoo has achieved great success on many fronts in their sustainability efforts. We recommend that these successes be more widely communicated through the Oregon Zoo website and other communications.
9. **Transition to fully compostable flatware.** The Oregon Zoo is now using fully compostable flatware for Oregon Zoo concerts. We recommend that the Oregon Zoo continue toward full usage of as many compostable products as possible.
10. **Reduce Oregon Zoo Train wait lines.** More systematic seating practices could reduce the Oregon Zoo train wait lines during peak hours. We recommend managing the process to reduce the wait times.
11. **Consider installing high efficiency water recirculators and water heaters.** The installation of hot water recirculators and flash water heaters could reduce water and electric costs. We recommend considering installation at optimal points on the Oregon Zoo grounds. We further recommend evaluating flash water heaters as tank style heaters become obsolete.

## **Background, project scope and objectives**

The Oregon Zoo received over 1.3 million visitors in 2005, according to the May 2006 *Zoo and Aquarium Visitor Services in North America* survey. About 40,000 of these visitors were Oregon Zoo members. According to the survey, the Oregon Zoo ranks above average on per capita revenue for Oregon Zoo food services, with \$3.33 spent per customer visit, compared with an average of \$2.76.

The Oregon Zoo provides an extensive array of food services, including two restaurants, food stations, and catering. Delivery of food service at the Oregon Zoo is complex due to the seasonality of the business and the variety of locations required to properly serve customers. This places complex demands on inventory management, cash controls and labor management.

The primary purpose of this review was to evaluate the effectiveness of food operations, acknowledge successes, and identify opportunities to enhance performance.

In order to assess these activities, the Rasmussen Group, LLC was engaged by the Metro Auditor to review certain activities performed by the Oregon Zoo food services operations. The broad objectives and procedures performed related to these activities include:

- Reviewing cash handling internal controls
- Evaluating performance considering:
  - Industry indicators
  - Customer survey methodology and action on results
  - Profitability margin analysis
  - Labor/manpower management
  - Cost of sales management
- Evaluating purchasing practices and vendor management
- Assessing sustainability practices, including recycling
- Reporting the results of the review, including opportunities for improvement

These objectives and procedures were accomplished through interviews of key personnel, review of the contract terms and supporting documentation, observation, analysis, research and testing.



## Potential Risks

A primary goal in performing reviews such as this is to ensure that the risks that could arise are properly identified and managed. The following potential risks were identified for focus in this project:

- **Cash handling controls** – Cash may not be properly collected and deposited. Cash may not be adequately safeguarded and recorded in the system. This could result in loss of assets through error, theft or improper collection practices.
- **Maintaining and monitoring strong operating performance** – Operating performance may not be properly monitored, resulting in increased cost of operations that is not identified and managed. Poorly managed operations could result in dissatisfied customers, lost revenues and deterioration of profits.
- **Purchasing practices and vendor management** – Sound purchasing practices and vendor management are key ingredients to successful performance in any business. Deficient or inadequate purchasing practices and vendor management could result in lost revenues, increased costs, unmet obligations and loss of reputation.
- **Sustainability practices** – Lack of proper attention to sustainability practices could create liability, adverse press and unnecessary expense. Proactive sustainability practices create positive public reaction and a healthy environment.
- **Reputation risk** – Poor performance in food operations could become publicly known and quickly damage the Oregon Zoo's public reputation. The Oregon Zoo has a strong face to the public, and is integral to Metro's public image. Lack of sound business practices and operating procedures could easily result in customer dissatisfaction and lost business. Proactive identification of issues helps reduce errors and promote sound business practices.

## Observations and recommendations

**Cash handling practices** Cash is collected at many locations throughout the Oregon Zoo. Strict practices are followed and documented regarding accountability by individuals, handling and frequency of deposits, security cameras, and follow-through with employees when overages or underages occur. The business office carefully reconciles reported revenue with cash received.

**Observation:**

- The cash control environment is strong and closely managed for food services at the Oregon Zoo. We observed no exceptions to sound practices in our review of cash collections and accounting for revenues.

**Evaluating performance** Performance of the Oregon Zoo's food services operations were evaluated considering industry indicators, customer survey methodologies and action on results, profitability analysis, labor and manpower management and cost of sales management.

*Profitability compared to peer organizations*

The 2005 *Zoo and Aquarium Visitor Services in North America* survey published in May 2006 indicates that the Oregon Zoo ranks above average for per capita food services based on admissions across all measured categories. Visitors to the Oregon Zoo spend an average of \$3.33 per customer on food, compared with an average of \$2.76 at the 34 like attractions responding to the survey. This placed the Oregon Zoo in the 10<sup>th</sup> ranked spot among the group.

For per capita catering revenues, the Oregon Zoo ranked 7<sup>th</sup> out of the 27 reporting, with \$0.91 per capita compared to the group average of \$0.65.

For food stand sales, the Oregon Zoo ranked 10<sup>th</sup>, with per capita sales of \$2.36 compared to the group average of \$2.19.

It is difficult to find valid benchmark comparisons for profitability. This is not measured in the Zoo and Aquarium Association survey. It is difficult to measure against other private sector businesses, as comparisons are compromised since many of the Oregon Zoo infrastructure's cost of operations, such as buildings, equipment, utilities, information systems, contract services, financial planning, property services and other administrative costs are not included in its profit measures.

**Observation:**

- The Oregon Zoo's per capita sales favorably compare to those of like attractions. Potential ways to improve profitability are included in their respective sections of this report.

*Performance management against indicators*

Performance indicators provide an excellent tool for managing activities, goals and accomplishments. They must cover various aspects of performance to provide meaningful information.

**Observation and recommendation:**

- The Oregon Zoo manages performance effectively against the key indicators of per capita performance tracked by the Zoo and Aquarium Association described earlier in this report. However, there are many other indicators that would be useful for the Oregon Zoo to monitor progress against. Examples of these indicators are number of vendors, profitability by service line, staffing ratios and inventory turnover.

We recommend that the Oregon Zoo establish the additional performance indicators mentioned above to help identify and monitor business progress.

*Profitability analysis*

The gross profit percentage of the Oregon Zoo's food services for the fiscal year ended June 30, 2006 was 74%, with a net operating profit percentage of 23% after Metro excise tax.

**Observation:**

- Because of the organizational structure of the Oregon Zoo, many expenses that a private business would incur are not applied to the Oregon Zoo food services operations. These expenses include utilities, telephone, vehicle costs (including gasoline), marketing, accounting, payroll, legal services, insurance, rent, depreciation, in-house maintenance services, bank charges, taxes and capital outlay. This must be considered when making any comparison of Oregon Zoo food services profitability to other food service businesses.

*Customer survey documentation and follow-up*

The Oregon Zoo provides customers with voluntary food service surveys at various locations throughout the Oregon Zoo. This information is summarized in a detailed report. For the months of March through May 2006, 47 surveys were received. The ratings varied widely. There were several comments on the AfriCafé that appear to need follow-up.

**Observation and recommendations:**

- The methodology for follow-up action for responding to customer suggestions is not well defined. We recommend that clear tracking and action plans be developed to ensure needed action is taken for issues that continue to appear on the surveys, particularly those that have been previously reported.
- We also recommend the Oregon Zoo consider developing a more systematic method for obtaining survey information that will provide a greater quantity and quality of information regarding customer satisfaction.

*Labor/manpower management*

The Oregon Zoo manages labor costs successfully with the use of temporary labor. Total labor and fringe costs for the fiscal year ended June 30, 2006 were \$2,125,135 of which \$1,597,753 or 76% was temporary labor costs.

The labor force is shared as needed within the various food locations throughout the Oregon Zoo, to optimize this resource.

**Observation:**

- Labor/manpower appears to be managed through careful scheduling and communication of varying daily and seasonal needs.

*Credit card purchases at Oregon Zoo concerts*

Oregon Zoo concerts provide a strong revenue base for the food and beverage business at the Oregon Zoo. Most concerts are sold out every summer, and the crowds are required to purchase beer and wine only from Oregon Zoo stations.

**Observation and recommendation:**

- Currently, customers purchasing beer and wine with a credit card must go through a separate line to have their purchase authorized. This creates longer lines and may slow, or ultimately lower, beer and wine sales. Although there are ATM machines available at various locations on the Oregon Zoo grounds, providing customers with the ready use of their credit and debit cards would increase customer satisfaction and probably increase sales. Hand-held, wireless processing machines could provide the technology to accomplish this.

We recommend continuing to evaluate new technology with vendors on an annual basis, including the cost/benefit of installing signal enhanced equipment.

*Reloadable gift cards*

Reloadable gift cards provide customers with an easy way to shop without having to access cash and credits cards. For a business, they provide a simplified transaction requiring limited time to process with no cash exchanged. These cards have become very popular with many successful merchants, such as Starbucks.

**Observation and recommendation:**

- The Oregon Zoo provides paper gift certificates and food vouchers for purchase by their customers. They do not currently sell reloadable gift cards for merchandise, food and beverages. The benefits of offering reloadable cards include:
  - Simplifying purchasing and reducing the cumbersome element of needing cash
  - Allowing cards to be reloaded from the Oregon Zoo website
  - Obtaining revenues up-front
  - Providing the opportunity for Oregon Zoo promotion, novelty and an option to support specific Oregon Zoo attractions

- Providing an easy gift giving option, potentially increasing Oregon Zoo revenues.

We recommend that the Oregon Zoo consider making reloadable gift cards available for purchase.

**Purchasing practices/vendor management**

The Oregon Zoo performs their purchasing activities under the guidelines of Metro. Within Metro’s framework, Oregon Zoo personnel manage the selection of vendors and the comparison of quality, service and pricing among them.

We reviewed purchasing activities, including ordering and receiving, for compliance with Metro policies and sound business practices.

*Segregation of purchasing and receiving duties*

**Observation and recommendation:**

- The same individual who orders goods is also authorized to receive those goods. The purchasing and receiving activities are reviewed by the purchasing manager, but this manager also receives goods when needed. The system does not currently track which individual in the department orders the goods. This creates a classic segregation of duties issue that does not provide the appropriate checks and balances.

We recommend that the individual ordering and receiving goods be documented in the system. Individuals who have ordered goods should not be permitted to receive those same goods. If that is not feasible due to staffing constraints, a compensating review control should be implemented to require an independent individual review and approve all receipts of goods by the individual who did the ordering.

*Preferred vendor list*

Oregon Zoo personnel go through a comprehensive effort to help ensure that they are buying from the best companies at the best prices. They follow Metro’s contracting and bidding processes to help ensure that transactions occur at arms-length in accordance with Metro’s purchasing guidelines.

**Sustainability practices**

The Oregon Zoo excels in its recycling efforts and steadily forges ahead on continuous improvement. The Oregon Zoo staff is supported by the Oregon Zoo Green Team from a strategic level and works in small groups in their individual areas to create grass roots solutions to their recycling challenges.

*Oregon Zoo Green Team charter and annual goals*

Formed in the early 1990s from a Metro-initiated mandate, the Oregon Zoo Green Team’s purpose is to advance green living in all aspects of the Oregon Zoo. The team is comprised of a cross-functional group of managers representing all facets of Oregon Zoo operations as well as one paid intern who focuses on sustainable operations.

**Observations and recommendations:**

- The Oregon Zoo Green Team meets regularly and has made many improvements. These include new approaches for water treatment in exhibits, biological swale areas in parking lots, lighting upgrades from fluorescent lights to the more efficient T8s, and the production and distribution of a video about the importance of low-waste lunches for school groups taking field trips to the Oregon Zoo.

The Oregon Zoo Green Team has not established a charter or annual goals. Sustainability efforts could benefit from the focus and accountability provided by a charter and goals. We recommend the team develop a charter and annual goals that consider Metro wide initiatives and strategies.

- The school group video which educates students about the importance of recycling is a wonderful tool. We recommend making the video available on the Oregon Zoo website to enhance the reach of its message to educators, students and the community.

*Use of recycling bins* The Oregon Zoo has about 20 general recycling bins placed around Oregon Zoo grounds. In addition, there are two sets of tri-divided recycling bins, which provide for the separation of plastic, glass and metal.

Tri-divided recycling bins are being phased out because recyclers have become more sophisticated in their separation techniques and actual consumer use of these bins is generally not effective. Because of this, one tri-divided bin was recently retired and two remain.

In addition to the 20 recycling bins, the Oregon Zoo has about 60 general trash bins on the grounds. This is a ratio of 1 to 3. Best practices indicate that each trash bin should have a recycling bin placed with it.

The Oregon Zoo has received grants in the past to purchase new recycling bins. Bins are purchased in blocks since the Oregon Zoo looks for specific qualities related to look, feel and functionality. They want to ensure that bins purchased satisfy requirements for minimization of water entrapment, helping to prevent stagnant water and mold.

**Observations and recommendations:**

- The Oregon Zoo has a sufficient amount of trash bins conveniently placed around the Oregon Zoo which encourages visitors and employees to keep the Oregon Zoo clean. However, the ratio of recycling bins to general trash bins is low. The Oregon Zoo custodial department is currently researching options to increase the ratio of recycling bins to general trash bins. The department has a 2007 Q1 strategic goal to “add more signage and recycle containers on grounds and make them more fun.”

We recommend continuing with the plan to add more recycling bins, helping to create “one stop shopping” for visitor disposal of waste and recyclables at every location. Funding for additional bins could again be requested through the Metro Environmental Action Team. Opportunities to standardize styles of recycling bins suitable for indoor office space, indoor customer areas, and outdoor areas that could be in various locations across Metro facilities and open spaces should be considered. The Oregon Zoo’s goals should be specific and measurable with completion dates and responsible individuals identified.

*Helping customers  
make sustainable  
choices*

The Oregon Zoo has implemented many safe and innovative practices related to recycling.

- Straws have been banned from the Oregon Zoo for over 27 years since they are harmful to the animals and impossible to recycle.
- Glass products are greatly discouraged due to safety concerns.
- Private groups for catered events are guided to products that do not come in plastic wrappers or containers. For example, ice cream bars wrapped in paper are ordered instead of bars wrapped in plastic.
- New flatware is fully compostable.
- Effective with the summer 2006 concert series, all picnics are fully compostable.

Between March and December 2005, over 60,000 pounds of food waste were diverted from the landfill and made into usable compost, according to the Oregon Zoo’s 2006 Best Award application with the City of Portland.

An Oregon Zoo press release on August 16, 2006 stated that “out of the 2.4 million pounds of waste the Oregon Zoo generated last year, over 1.5 million of it was diverted from the waste stream through recycling or composting. Compared with the national rate of 30 percent and the statewide rate of 52 percent, the Oregon Zoo recycles or reuses 65 percent of its waste.”

**Observation and recommendation:**

- Private groups’ unique catering needs can almost always be satisfied with products that are earth-friendly. If a group insists, the Oregon Zoo is flexible and will accommodate special requests, even if the product requested is not a first choice of the Oregon Zoo.

We recommend publishing a list of preferred products and packaging preferences to help private clients make conscious, recycling-friendly choices when selecting food products for catered events.

*Transition to fully  
compostable flatware*

Although the Oregon Zoo is transitioning to fully compostable flatware, an inventory of plastic flatware is still on hand. The Oregon Zoo’s plan is to first exhaust the inventory of opened cartons of plastic flatware prior to using the compostable flatware exclusively.

**Observation and recommendation:**

- There is a transition underway to fully use compostable flatware. Only compostable software will be purchased in the future. We commend the Oregon Zoo for this plan and practice.

We recommend that the Oregon Zoo continue toward full usage of as many compostable products as possible.

*Food waste logistics*

At front-end food preparation stations, cooking stations and dishwashing stations, recycling bins are divided into plastic, metal, food waste and trash categories. Restaurant staff at the bussing stations perform recycling, and the waste is sent to one of four transfer sub-stations at the Oregon Zoo. The sub-stations are serviced at least once daily when materials are transferred to the main recycle center and organized according to type and disposition.

The Oregon Zoo restaurants divert over 45 tons of waste from landfills each year by participating in a composting program. Collected food waste is sent to the Cedar Grove composting facility, where it is mixed in proper proportions with yard debris, water and air, resulting in nutrient rich compost. The compost is then used as a soil amendment for gardening and landscaping.

**Observation and recommendations:**

- The Oregon Zoo appears to have a very efficient and streamlined food compost operation. With 65% of all waste recycled, the Oregon Zoo appears to be well ahead of other like attractions. Their success in composting provides excellent public relations opportunities.

We recommend that the Oregon Zoo strengthen its communication of successes to the general public. The following steps would help accomplish this:

- Advertise the fully compostable nature of Oregon Zoo picnic boxes on the boxes.
- Heighten the awareness of Oregon Zoo customers and the public regarding the Oregon Zoo's commendable sustainability practices.
- Consider using graphics on the picnic boxes to show Oregon Zoo-dinner-life-cycle-model.

*Promoting the Oregon Zoo's sustainability successes*

During the course of performing this review of the Oregon Zoo's sustainability practices, it was repeatedly stated that one of the biggest challenges to the Oregon Zoo's recycling efforts is getting the word out regarding the great job that they do.

**Observation and recommendations:**

- The Oregon Zoo appears to do a terrific job of recycling and is a model for other organizations. The Oregon Zoo has an opportunity to make their efforts better known. The Oregon Zoo applied for Best Award 2006 (City of Portland, Office of Sustainable Development) for Waste Reduction and Pollution



Prevention for their Organics Food Waste program. Resers Fine Foods, Nike and the City of Portland have all visited the Oregon Zoo to review their recycling program.

We recommend the following activities to further communicate the Oregon Zoo's excellent sustainable practices:

- Promote and advertise the Oregon Zoo's recycling efforts.
- Continue with plans to request a City of Portland Blue Works audit in fall 2006. This audit provides waste auditors and technical assistance to help reduce the waste stream for businesses.
- Continue to compete for awards, both locally and nationally, for recycling efforts.
- Place signage in and around the Oregon Zoo light rail station regarding the Oregon Zoo's sustainability practices.
- Consider using the reverse side of the Oregon Zoo admission tickets for advertising and marketing space.

**Other observations and recommendations**

The following observations and recommendations were made while performing the Oregon Zoo food services review. They are outside of the initial project scope, but are presented for consideration by management.

*Oregon Zoo train wait lines*

**Observation and recommendations:**

- When the Oregon Zoo train is on its summer schedule of 30-minute round trips, the wait can be as long as one hour. When boarding occurs, it is not systematic. Many seats are often left empty and cabins may be half full. Meanwhile, dozens of other people remain in the queue, waiting in line for the next train.

We recommend considering the following options:

- Manage the loading of trains from back to front, with attention to efficient space utilization.
- Issue train tickets for specific times during peak hours and days, with an advance purchase option available. This would help eliminate the long wait in line.

*High efficiency water distribution*

The Oregon Zoo uses a large amount of hot water in operations, which is costly in both water and energy.

**Observation and recommendations:**

- Water faucets must be run for a period of time until hot water is available. The Oregon Zoo currently uses traditional tank-style water heaters for hot water. Other water heating options are available that could reduce water and energy costs.

We recommend considering the following options:

- Consider installing hot water recirculators to reduce energy and water costs. They should be installed on the furthest faucets from the water source to obtain maximum efficiency. This recirculating hot water method would provide readily available hot water without wasting the water required to secure the hot water from the current method.
- Consider installing flash water heaters to replace traditional tank style heaters as the existing equipment is ready for replacement.

# **Response to the Report**

Metro Chief Operating Officer Michael Jordan

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**Audit: Oregon Zoo Food Services**

**Date: October 2006**

## **AUDIT RESPONSE**

**Recommendation 1**

**Fully document and manage performance against industry indicators.** The Oregon Zoo has certain performance indicators that they manage against. However, additional measures could be added, with follow-up and accountability for performance against indicators improved.

**Agree**

Yes   X  

No        (specify reasons for disagreement)

**What action will be taken (if any)?**

Currently the Oregon Zoo Food Services section manages according to established industry standards, such as food cost and labor costs. Per capita spending, a standard in the attraction industry, is used as the measurement to compare to the food industry guest check average. Sales per labor hour are assessed on a daily basis to balance optimum profitability while having maximum food services available for both on-grounds and anticipated guests.

Monthly profitability statements are reviewed regularly. Performance benchmarks are included in food manager goals and work plans. The department relies on Food Services attaining maximum profitability and performance. Additionally, the Food Team meets regularly and evaluates the profitability of events, food locations, special programs such as the concert VIP, etc.

In keeping current with trends and good business practices, Food Service managers will continue to investigate what avenues and measurements are available throughout the industry.

**Who will take action?**

Kim Alfiler, Food and Beverage Manager, will continue to lead the Food Team and investigate available measurements. For regular Food Team meetings, minutes and action items will be noted and available for review by other team members.

**When will action be accomplished?**

Monthly.

**Follow-up** necessary to correct or prevent reoccurrence.

Continue monthly monitoring.

**Audit: Oregon Zoo Food Services**

**Date: October 2006**

## **AUDIT RESPONSE**

**Recommendation 2**

**Enhance customer survey process and action on results.** The Oregon Zoo performs periodic surveys of customer satisfaction. However, the responses received are minimal and required follow-up and monitoring is not well defined. We recommend developing a more systematic method to obtain more customer satisfaction information, as well as further defining and monitoring action taken to improve customer satisfaction.

**Agree**

Yes

No  (specify reasons for disagreement)

**What action will be taken (if any)?**

Oregon Zoo guests currently have an opportunity at any point of sale to obtain and submit a comment card. Additionally, the catering section mails out a follow-up survey to all catered event contacts.

Catering surveys are discussed during weekly catering team meetings and action items are assigned to team members. Other comments are followed up on as received. All of these guest's comments are currently entered into a main database and the results are reported during the monthly Guest Services meetings. Periodic general zoo guest surveys include quality of experience and general food service perception.

Food Services will update our current procedures for handling comment cards to include actively soliciting feedback from restaurant patrons and formalize when restaurant questions are included in the gate surveys. The team will revisit questions asked on comment cards and determine if questions need to be more food specific.

We will capture follow up data and include it in the database to be reported at the monthly GS meetings.

**Who will take action?**

Kim Alfiler, Food & Beverage Manager, will coordinate with Jane Hartline, Marketing Manager, on gate surveys. Additionally, she will meet with the Food Team to evaluate the comment card questions. Kim will also work with the support staff to enter the follow up information in the database for monthly reporting.

**When will action be accomplished?**

The food team has already begun the process by meeting to discuss comment card questions. An updated form should be available by June 2007.

**Follow-up necessary to correct or prevent reoccurrence.**

Continued monthly reporting on our findings.

**Audit: Oregon Zoo Food Services**

**Date: October 2006**

## **AUDIT RESPONSE**

**Recommendation 3**

**Consider implementing hand-held, wireless technology for Oregon Zoo concert credit purchases.** Oregon Zoo concert customers purchasing beer and wine with credit cards must stand in a separate line to complete their purchase. Handheld devices have been evaluated in the past, and found impractical due to inconsistent signal quality. We recommend continuing to periodically evaluate hand held devices as technology improves.

**Agree**

Yes  X

No \_\_\_\_\_ (specify reasons for disagreement)

**What action will be taken (if any)?**

During the concert season, beer and wine is available at multiple locations at the Oregon Zoo. Food Services implemented a cash-only line two seasons ago to expedite line service at the premium wine cart – this change was well received by concert goers.

It is an exciting time at the zoo as we gradually enter into wireless possibilities previously unavailable at the Oregon Zoo. Handheld devices for credit card purchases are just one of the many enhancements we're currently looking into and are eager to utilize.

**Who will take action?**

Lori Ford, Training Manager, leads the Cash Group committee and meets at least quarterly to review current cash related activities and investigate enhancements and improvements. This topic will be revisited and placed on the next agenda for committee review.

**When will action be accomplished?**

The evaluation will begin January 2007.

**Follow-up necessary to correct or prevent reoccurrence.**

Follow up - Fall 2007.

**Audit: Oregon Zoo Food Services**

**Date: October 2006**

## **AUDIT RESPONSE**

### **Recommendation 4**

**Reloadable gift cards could simplify transaction time and increase revenues.** The availability of reloadable gift cards could simplify purchasing and processing for customers. We recommend that the Oregon Zoo consider making these available for purchase.

### **Agree**

Yes

No  (specify reasons for disagreement)

### **What** action will be taken (if any)?

Currently, the Oregon Zoo utilizes the old paper style gift certificates. Admissions and Food Services point of sale incompatibilities and capabilities have prohibited the ability to utilize electronic gift cards zoo wide.

We will implement electronic gift cards once we have the infrastructure to support it.

### **Who** will take action?

Kim Alfiler, Food & Beverage Manager, with Patty Mueggler, Finance Manager, will work together to implement zoo wide gift cards.

### **When** will action be accomplished?

Upgrades to the Admissions point of sale will occur this spring. Food Services point of sale is planned to be upgraded next budget cycle. Winter of 2007 would be the earliest a gift card program could be implemented.

### **Follow-up** necessary to correct or prevent reoccurrence.

None.

**Audit: Oregon Zoo Food Services**

**Date: October 2006**

## **AUDIT RESPONSE**

**Recommendation 5**

**Improve segregation of duties in the purchasing department.** Segregation of duties between purchasing and receiving is not adequately established, exposing the Oregon Zoo to increased risk of errors and loss of assets. We recommend working to segregate these functions and document the individual executing the transactions in the system.

**Agree**

Yes \_\_\_\_

No  X  (specify reasons for disagreement)

**What action will be taken (if any)?**

Currently, the Storekeeper receives direction from the Food & Beverage Manager, Executive Chef and Warehouse and Operations Manager to order appropriate supplies to meet the needs of Food Services. The Storekeeper has no purchase approval authority. Items ordered, received and delivered are verified against an invoice. The invoices are then double-checked by the Warehouse and Operations Manager. The invoices are then verified again, and approved for payment by the Food and Beverage Manager. Any questions or discrepancies are discussed immediately.

The Warehouse receiving and Storekeeper areas are under camera surveillance.

**Who will take action?**

Carmen Hannold, Deputy Director, will continue to monitor best practices and business functions in the Warehouse Operations.

**When will action be accomplished?**

Ongoing.

**Follow-up** necessary to correct or prevent reoccurrence.

None.



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## AUDIT RESPONSE

**Recommendation 6**

**Develop a charter and goals for the Oregon Zoo Green Team.** The Oregon Zoo Green Team has not established a charter or annual goals which could enhance focus and accountability. We recommend the team develop a charter and annual goals for approval by Oregon Zoo top management.

**Agree**

Yes

No  (specify reasons for disagreement)

**What action will be taken (if any)?**

Having a vital Green Team is important to the Zoo's top management. When Tony Vecchio came to the Zoo, he reinvigorated the Green Team and has directed Division Managers to ensure its success. Zoo staff are encouraged to participate and green practices are a large part of our strategic plan.

The Oregon Zoo Green Team agrees with setting annual goals and letting them be known. Yearly resolutions (goals) are published on the ZooNet (a link from the Metro Intranet) and sent to more than 400 regional media contacts generating positive media coverage. Monthly, the OZGT meets and information and activities are communicated. Annually, at the April Zoo's All Staff meeting, the OZGT discusses green efforts and challenges staff to take personal action.

Green Team monthly minutes will be posted on ZooNet.

Each year, the Green Team's goals will be reviewed by zoo division managers.

**Who will take action?**

Michael Weatherman, Custodial Manager and Chairman of the Green Team, and Jane Hartline, Marketing Manager, will take the necessary steps to post Green Team minutes on ZooNet.

Zoo Division Managers will review and approve the annual green team goals.

**When will action be accomplished?**

The Green Team meetings will be posted monthly.

Annually, in April, Zoo Division Managers will review and approve the Green Team goals.

**Follow-up necessary to correct or prevent reoccurrence.**

None.

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## **AUDIT RESPONSE**

**Recommendation 7**

**Provide more recycling bins throughout the Oregon Zoo.** Best practices indicate that a one-for-one match of general trash bins to recycle bins is optimal. The Oregon Zoo's ratio is currently one recycle bin to three trash bins. We recommend working toward achieving this ratio with the financial assistance of the Metro Environmental Action Team which provides support to better achieve Metro's goals to reduce, reuse and recycle.

**Agree**

Yes

No  (specify reasons for disagreement)

**What action will be taken (if any)?**

Recycling efforts are an ever evolving process. Currently, our guests are choosing the garbage can in lieu of the recycling bin. We will continue to educate our guests on the value of recycling and increase recycling efforts. Last year, the ENACT committee awarded the Zoo the funds to increase the number of recycling bins. We reduced garbage dramatically this past summer during the concert series and catering picnics when we paired recycling and composting bins with garbage cans.

We will continue to apply for grants to increase funding for recycling collection bins and further our conservation education efforts on smart recycling practices.

As the Zoo continues to use compostable products, we hope to decrease garbage cans and replace with compost bins as much as possible.

**Who will take action?**

Michael Weatherman, Custodial Manager, will discuss recycling bins at the next Green Team meeting.

**When will action be accomplished?**

With every budget cycle and annually with ENACT funds additional recycle bins will be added.

**Follow-up necessary to correct or prevent reoccurrence.**

None.

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## AUDIT RESPONSE

**Recommendation 8**

**Strengthen communication about the Oregon Zoo's sustainability accomplishments and preferred products for sustainability.** The Oregon Zoo has achieved great success on many fronts in their sustainability efforts. We recommend that these successes be more widely communicated through the Oregon Zoo website and other communications.

**Agree**

Yes

No  (specify reasons for disagreement)

**What action will be taken (if any)?**

While the Oregon Zoo communicates their successes through all staff meetings, the Zoo newsletter, the Zoo's website, networking with the City of Portland, local media and other professional "green" organizations, more can always be done. Conveying our green efforts has taken many forms including text in the opening remarks before each zoo concert (reaching over 100,000 patrons), text printed on napkin holders, paper towel bins, and table tents in the restaurant, and selling Zoo Doo in the gift shop. This past year, the Zoo's composting efforts and compostable flatware was recognized internationally.

We should create a stronger presence for inspiring personal action on the Zoo's website (perhaps create a link to sites for community sustainability efforts) and will work with Metro's web section to help share the news. Additionally, as part of the strategic plan, we have already created a subcommittee charged with brainstorming and implementing ways to communicate our efforts.

Utilize the Zoo's cooler email or Oregon Zoo Foundation ZooTracks newsletter to communicate to zoo patrons.

**Who will take action?**

Jane Hartline, Marketing Manager, and Carmen Hannold, Deputy Director, will meet to discuss web options, cooler email schedules, and report on the committee's communication efforts. Carmen will speak with the Oregon Zoo Foundation for story room and timeline.

**When will action be accomplished?**

By January 2007, schedules and timelines will be established.

**Follow-up** necessary to correct or prevent reoccurrence.

None.

**Audit: Oregon Zoo Food Services**

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## **AUDIT RESPONSE**

**Recommendation 9**

**Transition to fully compostable flatware.** The Oregon Zoo is now using fully compostable flatware for Oregon Zoo concerts. We recommend that the Oregon Zoo continue toward full usage of as many compostable products as possible.

**Agree**

Yes   X  

No        (specify reasons for disagreement)

**What action will be taken (if any)?**

The past summer, the Oregon Zoo successfully introduced compostable flatware into the Food Service operations. This task has been attempted many times and we are pleased to report that there is now a market that supplies and supports quality compostable service ware. Compostable flatware, cups, plates and napkins are now utilized in many locations. We have also discontinued the use of foil wraps and plastic ware. The full service banquet facility and Cascade Grill restaurant use reusable serviceware first and look at compostable items as the next best option.

We agree with the recommendation and the use of compostable products. When feasible, available and appropriate, reusable or compostable products are preferred over disposable.

**Who will take action?**

Ivan Ratcliff, Warehouse & Operations Manager, and the Food Services Management team regularly looks for ways to be more sustainable.

**When will action be accomplished?**

Ongoing.

**Follow-up** necessary to correct or prevent reoccurrence.

None.

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## AUDIT RESPONSE

**Recommendation 10**

**Reduce Oregon Zoo Train wait lines.** More systematic seating practices could reduce the Oregon Zoo train wait lines during peak hours. We recommend managing the process to reduce the wait times.

**Agree**

Yes

No  (specify reasons for disagreement)

**What action will be taken (if any)?**

Seasonally, the demand for a train ride varies. In the off season, a less formal, more relaxed loading process occurs at the train station, allowing guests to choose a seat of their preference. During peak times, stationmasters must employ discretion and direct guests to specific or available seats to maximize ridership. This method has challenges in that guests often want to sit elsewhere and valuable time is “wasted” in trying to accommodate and manage the guests.

Effective line management is high priority for the Guest Services management team. Ongoing evaluation and implementing streamlined waiting experiences will continue.

During the peak season, staff will be reassigned to assist in the train ride queuing process. When guiding guests to available seating, congestion should be decreased.

**Who will take action?**

Lisa Thornton, Admissions Manager, will ensure that staff are reassigned to aid train operations when necessary.

**When will action be accomplished?**

Immediately.

**Follow-up necessary to correct or prevent reoccurrence.**

Re-evaluate mid-summer 2007.

**Audit: Oregon Zoo Food Services**

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## **AUDIT RESPONSE**

**Recommendation 11**

**Consider installing high efficiency water recirculators and water heaters.** The installation of hot water recirculators and flash water heaters could reduce water and electric costs. We recommend considering installation at optimal points on the Oregon Zoo grounds. We further recommend evaluating flash water heaters as tank style heaters become obsolete.

**Agree**

Yes

No  (specify reasons for disagreement)

**What** action will be taken (if any)?

AfriCafe and Cascade Crest buildings currently have high efficiency water recirculators and water heaters. Replacing all of the units in the Zoo is cost prohibitive.

We agree with evaluating water heaters as they need to be replaced. High efficiency water heaters and recirculators will be installed in new construction.

**Who** will take action?

Steve Chaney, Construction and Maintenance Manager, oversees the specifications for construction and equipment installation.

**When** will action be accomplished?

As needed.

**Follow-up** necessary to correct or prevent reoccurrence.

None.



# Metro Auditor Report Evaluation Form

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Your feedback helps us do a better job. If you would please take a few minutes to fill out the following information for us, it will help us assess and improve our work.



**Name of Audit Report:** Oregon Zoo Food Services – Opportunities for Enhancement  
November 2006

Please rate the following elements of this report by checking the appropriate box.

	<b>Too Little</b>	<b>Just Right</b>	<b>Too Much</b>
Background Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Details	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Length of Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clarity of Writing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Potential Impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Suggestions for our report format: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Suggestions for future studies: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Other comments, ideas, thoughts: \_\_\_\_\_  
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Name (optional): \_\_\_\_\_

**Thanks for taking the time to help us.**

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