

**MINUTES OF THE METRO COUNCIL/OREGON ZOO FOUNDATION JOINT  
MEETING**

Monday, August 1, 2005  
Oregon Zoo, Skyline Room

Councilors Present: David Bragdon (Council President), Susan McLain, Robert Liberty, Carl Hosticka, Rod Park, Brian Newman

Councilors Absent: Rex Burkholder (excused)

Council President Bragdon convened the Metro Council/Oregon Zoo Foundation Joint Meeting at 5:11 p.m.

1. Welcome & Introductions

Penny Serurier, Oregon Zoo Foundation Chair, welcomed the group and said that she is the incoming chair of the Oregon Zoo Foundation Board. She noted that it was an historic occasion as the Board and the Metro Council have never met before to talk about planning for the Zoo. She thanked Councilor Newman for having the idea for the meeting, and said that she had reduced the original agenda as it was too ambitious. She asked for short introductions from all members present, asking them to tell the group what they thought or hoped the zoo would look like 10 years from now. The Board and Council members introduced themselves and talked about their future visions for the Zoo.

Ms. Serurier said that the board was very pleased with Zoo Director Tony Vecchio and his staff, and said that the point was not to make the Zoo good but to make a great Zoo better.

2. Issues Facing the Zoo

Tony Vecchio, Oregon Zoo Director, read two letters he had received in the mail that day, both complementary to the zoo. He said he would deliver a “meatier” version of the State of the Zoo address. The fiscal year ended the prior week, and it was the second best year for the zoo, with 41,000 more visitors than they estimated. The Zoo was doing very well in the eyes of the public and remained the #1 paid attraction in the state, with a big lead over other attractions. The bad news was that the revenue for the past fiscal year was about one million dollars less than projected.

Board member Gregg Hanson asked why the revenue was down. Mr. Vecchio replied that the per capita expenditures were down, partly due to lower food sales per capita. Carmen Hannold, Guest Services Manager, talked about how more Zoo memberships caused some of the revenue to decrease overall.

Mr. Vecchio said the direction to have a balanced budget was a good goal, but that it has resulted in staff cuts and increased workload for remaining staff. He said it was an incredible time, since they were finishing a component of the master plan and the final phase of the great northwest exhibit was out for bid. However, it meant it was time to create the next phase of the master plan and decide what to do next. He said it was common for Zoos to have long-term master plans but create new ones before the plans are completed to make them more state of the art.

He discussed the needs of the Primate facility, and said that he, and the visitors, would like to see lions back at the Zoo. Condors were not part of the master plan but have become an important element of the conservation movement. He spoke to the animal welfare movement and stated that zoos were the original animal welfare activists. Nonetheless, there would be pressure from these groups and from the media. Creating a great zoo would help stave off this increasing pressure.

Some big issues at the Zoo included whether or not the Zoo needed to grow to succeed, and could the Zoo afford to keep growing. He thought that without growing, attendance would go down. In the last few years, expenses had gone up due to labor costs increasing faster than revenue. The Zoo needed a new business model to adapt to the new atmosphere, because times had changed. If the Zoo did grow, how would it be managed? Where would they put people, and how would they deal with parking etc? Also, how would they afford to grow?

Another big issue was governance. There was a trend in the Zoo industry toward a quasi-governmental approach, public-private partnerships rather than privatization. In these partnerships, how would they balance the potentially bureaucratic government support with the need to be innovative and flexible? Sixty-five to seventy percent of American Zoo Association zoos were either privately run or had a quasi-governmental system.

Mr. Vecchio said this was also an exciting time because the Zoo was finishing a strategic business plan they'd been working on for about the past year. It was an ongoing planning process that put the zoo in a great position to be working on a business model while creating a site plan. They could look at the big picture.

He said he always talked about the same great programs – Zoo Animal Presenters (ZAP) & Urban Nature Overnight (UNO) – but they haven't added anything new like that in several years. They were on the cutting edge but lately other zoos had caught up.

It was a similar story with conservation. Mr. Vecchio thought it was disappointing how the Oregon Zoo funded conservation. It was too integral a part of the mission not to fund it better. They couldn't be cutting edge unless they looked at more serious funding mechanisms.

To sum up, there were three issues: 1) what was the business model, 2) what was the best form of governance, and 3) what was the planning process for the Zoo.

### 3. Zoo: Planning for the Future

Councilor Newman facilitated the discussion, beginning by thanking Mr. Vecchio for his report. He noted they wanted to plant seeds to work on these issues but didn't think they should try to solve them today.

He began by talking about the current master plan and asked the group whether it was time to update it, and what that process would be. He also wondered if the group should think about the mission delivery in conjunction with the increased costs. He discussed the relationship between the Council, the Foundation and the Zoo itself. He asked how they could engage the public, what did they like and not like? What was missing from the current Zoo that is not in the master plan? How would the Zoo pay for the operation and maintenance of any new facilities or programs? This would connect with some current programs like ZAP but could also connect with new programs like Nature in Neighborhoods, which is a big priority of the Metro Council.

The group brainstormed and shared their thoughts on these issues. The following ideas were discussed:

- It was time to revise the master Plan as it's been 15 years and things have changed
- Zoo patrons, as well as people who don't come to the zoo, should be asked or polled on what they want to see and why they do or do not visit the zoo.
- Updating the business Model was key - health care and other increasing costs were important to address.
- The Master Plan must change over time
- Plans must be organic because the world changes – they should have long-term vision and short-term plans.
- The world was changing: in 10-20 years there would be less space, more people, hotter climate, so the zoo should plan to be able to turn these negatives into positives.
- Weather and parking are issues that hinder attendance – what could be done to better manage and increase winter zoo attendance
- There was a need to look at both governance and business model at the same time. The group was interested in more information on public/private models.
- Governance models must also address the public's "ownership" of the zoo
- It was important to identify the process for the Council and the Board to answer these questions
- They should build on the momentum of good relations between the Council and the Oregon Zoo Foundation
- They should study how an aging population would affect the zoo's business model
- How should the Zoo reach out to minorities
- The Zoo was not a business, but a community service. However, it needs to remain competitive and creative.

Within the brainstorming discussion, Mr. Vecchio talked about a survey done of other zoos that had converted to a public-private partnership. The data had not been compiled yet, but it appeared that the other zoos thought the experience was interesting but they'd never want to do it again.

Mr. Hanson suggested this group meet for a longer time, perhaps a retreat, since the issues were so large that they could not even begin to address them in one evening.

Councilor Park asked why the current business model was no longer working. Was the population changing in the post-baby boomer era, and did the needs of the new generation match up to what the Zoo provided and wanted to provide? Mr. Vecchio spoke to the changing population and said there was some data about that issue. He said that population aside, the attendance was still high but the costs were going up at a higher rate.

Council President Bragdon said the customer base and the business model were linked. The Zoo operated as a community service, so it operated differently than a business or than a general fund type government such as the police. However, there were competitors so there was only so much they could raise the rates because it was not a monopoly. There was a philanthropic element as well, but not enough to cover the whole cost. In a council environment they could not react as quickly as was needed or wanted at times. He was interested in looking at another arrangement where there was still public oversight but more flexibility.

Board member Jim Mark asked how the zoo worked within the overall charge of the Metro Council. Council President Bragdon said that programmatically when looking across the agency,

there were more synergies now than ever before so the mission was compatible. Fiscally it was a plus because regionalizing the tax base of the Zoo was helpful so there was geographic compatibility. The down side had been the excise tax. It was a negative in the entrepreneurial environment. Councilor McLain talked about how the Zoo fit into the mission of Metro, including Goal 5, Nature in Neighborhoods, and other elements.

Councilor Newman asked the group if they were to update the master plan and look at the business modes, how would it be done? Under existing resources, it would not be possible. The group was saying that a planning exercise was important, but how would they follow through with resources? Ms. Sourier said there was a board meeting coming up where this could be further discussed. Board Member Beth Ugoretz said that she didn't think the Zoo Foundation should front that whole effort but it was important and they should work together toward it. Councilor Newman said he'd keep the issue in front of the Council.

Mr. Vecchio handed out an article (attached) talking about the real and perceived goals of environmental enrichment for the animals.

Board Member Tim Chapman asked about the Oregon Zoo Foundation rating. Kim Freed talked about the 4-star rating from Charity Navigator, the highest possible rating, based on an independent study of the Foundation's financials.

Councilor Newman again thanked everyone for attending and spoke to the value of the meeting. He looked forward to continuing the dialogue.

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 6:37 p.m.

Prepared by



Amelia Porterfield

Acting Clerk of the Council

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF AUGUST 1, 2005**

<b>Item</b>	<b>Topic</b>	<b>Doc Date</b>	<b>Document Description</b>	<b>Doc. Number</b>
2	Zoo master Plan	n/a	Narrative version of the Oregon Zoo's Master Plan	080105c-01
3	Animal enrichment	7-22-05	"Zoos Gone Wild" article from the Wall Street Journal about real and perceived goals of enrichment programs for animals	080105c-02