



Oregon Zoo Bond
Citizens' Oversight
Committee Meeting
Feb. 10, 2016
Minutes

Oregon Zoo Bond Citizens' Oversight Committee

Oregon Zoo – Skyline Room
Wednesday, Feb. 10, 2016
3 to 5 p.m.

MINUTES

MEMBERS PRESENT

Bill Kabeiseman (Chair)
Noah Bishop
Linda S. Craig
Sharon Harmon
Susan Hartnett
Mickey Lee
Daniel Morris
Robyn K. Pierce
Mike Schofield
Ruth Shelly
Dick Stenson

AFFILIATION

Garvey Schubert Barer
Bishop Bankruptcy Law, LLC
Retired CPA; nonprofit treasurer
Oregon Humane Society
Spectator Facilities and Development, City of Portland
MPower Oregon
Our Oregon
Pierce, Bonyhadi & Associates
Gresham-Barlow School District
Portland Children's Museum
Retired healthcare executive; community volunteer

MEMBERS ABSENT

Deborah Herron
Kevin Spellman
Tom Turnbull
Karen Weylandt

AFFILIATION

Walmart
Spellman Consulting, Inc.
OpenSesame Inc.
Providence Health & Services

GUESTS

Barbara Spears
Courtney Scott

AFFILIATION

Free the Oregon Zoo Elephants
Free the Oregon Zoo Elephants

ELECTED OFFICIALS AND STAFF

Shirley Craddick
Teri Dresler
Caleb Ford
Jani Iverson
Jim Mitchell
Joel Morton
Linnea Nelson
Heidi Rahn
Scott Robinson

Metro Councilor
Oregon Zoo Interim Director
Oregon Zoo Budget and Finance Manager
Oregon Zoo Foundation Director
Oregon Zoo Bond Construction Manager
Metro Senior Attorney
Oregon Zoo Bond Program Coordinator
Oregon Zoo Bond Program Director
Metro Deputy Chief Operating Officer

A. Welcome / Introduction

Bill Kabeiseman, Oregon Zoo Bond Citizens' Oversight Committee Chair, opened the meeting at 3:05 p.m.

B. Approval of Nov. 4, 2015, and Jan. 8, 2016, Oversight Committee meeting minutes

Members approved the minutes of the Nov. 4, 2015, Oregon Zoo Bond Citizens' Oversight Committee ("Oversight Committee" or "the Committee") meeting, and minutes of the Jan. 8, 2016, special phone-in meeting.

C. Zoo Update

Teri Dresler, Oregon Zoo Interim Director, reported that Dr. Don E. Moore had been hired as the new zoo director and will start on Feb. 29, 2016. He has been a senior scientist at the Smithsonian's National Zoo with nearly 40 years of experience in wildlife conservation, animal welfare and zoo management.

On March 8, the Metro Council will hold a work session at the zoo starting at 2 p.m., and the Oversight Committee chairs will deliver the committee's annual report. Committee members are invited to attend the meeting, followed by a tour of the Polar Bear habitat and reception with the new zoo director.

The zoo will be celebrating "Elephantastic" and showcasing the new Elephant Lands over the coming holiday weekend, Feb. 13-15, with tours, animal keeper talks and family activities.

Jani Iverson, Oregon Zoo Foundation Executive Director, has announced that she is leaving her position, and Paula Little will serve as interim director. Ms. Dresler acknowledged Ms. Iverson and that she has done so much to support the bond program and lead the OZF staff. Chair Kabeiseman thanked Ms. Iverson for OZF's remarkable support that has helped transform the zoo with the bond projects. Ms. Iverson indicated that it had been a pleasure to work with the bond team that delivers projects on time, on budget and beautifully executed.

Chair Kabeiseman thanked Ms. Dresler for her stewardship and excellent leadership of the zoo during a period of change. Ms. Dresler will return to her position as General Manager of Visitor Venues, which will continue to include the zoo.

D. Preparing Committee's Annual Report to the Metro Council

Chair Kabeiseman introduced the Committee's draft annual report, which he and vice chair Ruth Shelly will present to the Metro Council on March 8.

Ruth Shelly noted the importance of the report, that this is the Committee's one opportunity to produce a tangible product – the one singular legacy and permanent record of the Committee's work. The Committee this year felt it was important to look at the key values of the bond and the voters' intent, and so focused the report on animal welfare, conservation education and infrastructure and sustainability, in addition to diversity in contracting (minority-owned, women-owned and emerging small businesses). Each of these has an overview at the beginning of the report, as well as each project report has a section on each of these topics.

Another change for this year's report is an attempt to close the loop on recommendations from year to year. For this reason, this report has updates on the recommendations from last year ("2014 recommendations with update"), followed by the new findings and recommendations for this year ("2015 recommendations").

Committee members discussed the draft report and recommended edits and clarifications. Ms. Shelly reviewed the reporting item one on the progress of the bond projects. Robyn Pierce, Mickey Lee and Susan Hartnett assisted her on the subcommittee for this item.

Noah Bishop reviewed the draft of reporting item one on spending considerations. He was assisted on the subcommittee by Linda Craig and Daniel Morris. Staff clarified that project cost estimates are reviewed by outside third parties estimators hired separately by both the architect and the contractor. Members expressed concerns about cost escalation, and would like a subcommittee to review it in the coming year. The Committee also wants to revisit the remaining program funds and contingency after the upcoming March 10, 2016, bond sale, which is expected to deliver a premium.

The group agreed that it was not its role to address the remote elephant center pre-ballot measure conversations, but some members recommended Metro acknowledge potential confusion.

Chair Kabeiseman thanked the subcommittees for their diligent and thorough work. Bond staff will compile the edits and send out a final version for review again before it goes to the Metro Council.

E. Program Updates

Heidi Rahn reported that the Polar Bear Habitat design request for proposals was issued last week.

In early March, the zoo will accept a Newsmaker of the Year award from the Daily Journal of Commerce for Elephant Lands.

On Feb. 4, 2016, based on the recommendation from the Committee, the Metro Council approved adding \$2.6 million to the Polar Bear Habitat budget from bond program contingency to cover construction cost escalation.

Jani Iverson reported that OZF set a goal of raising \$1.5 million dollars for the Education Center project, and so far has raised approximately \$740,000, including a Meyer Memorial Trust grant. Board members are excited about the educational component of the zoo and are bringing it to their peers to contribute.

Jim Mitchell reported on the impact the zoo is feeling with regional competition for construction labor, subcontractors and equipment. The construction labor shortage in the region presents a risk to the bond projects' labor and schedule. The zoo bond staff will keep an eye on quality and schedule. Fortunately the zoo bond projects are not too small and get priority over smaller ones.

Members asked about escalation in labor rates. As public construction projects, the bond project wages are set according to the Bureau of Labor and Industries wages at the time of the construction contract. The private sector will most likely show increases in wages.

Robyn Pierce noted that the city of Portland had issued 600 permits for apartments at least four stories high, which is more evidence of the construction labor shortage. Nike's expansion is massive and will further impact availability.

MWESBs are limited, and the labor shortages are expected to have an impact on their availability as well. Certain trades have a good pool of MWESBs, but others do not. Some of the zoo construction

work is very specialized, and uses less of the trades that typically provide MWESBs. For example, a typical construction project elsewhere would have approximately 12 percent metal frame and drywall, but Elephant Lands only had 1 percent.

On March 10, 2016, Metro will sell \$30 million in bonds, leaving \$10 million to be sold later. Due to arbitrage rules, not all of the bonds could be sold now. Metro will try to time the last zoo bond sale to coincide with the Natural Areas bond sale, to reduce bond issuance costs to each program.

F. Adjournment

Chair Kabeiseman adjourned the meeting at 4:49 p.m.

Upcoming meeting dates –Wednesdays, 3 to 5 p.m.:

April 13, 2016 Skyline Room, Oregon Zoo

Sept. 14, 2016 Skyline Room, Oregon Zoo

Nov. 9, 2016 Skyline Room, Oregon Zoo