



Oregon Zoo Bond Citizens' Oversight Committee

Oregon Zoo – Skyline Room
Wednesday, May 9, 2018
3 to 5 p.m.

Oregon Zoo Bond
Citizens' Oversight
Committee Meeting

May 9, 2018

Minutes

MINUTES

MEMBERS PRESENT

Susan Hartnett, Chair
Dan Aja
Heidi Goertzen
Mickey Lee
Robyn K. Pierce
Katherine A. Porras
Kevin Spellman
Dick Stenson
Christi L. Taylor
Karen Weylandt

AFFILIATION

Spectator Venues Program, City of Portland
Banfield Pet Hospital
Ferguson Wellman Capital Management
Northwest Natural
Pierce, Bonyhadi & Associates
Meyer Memorial Trust
Spellman Consulting, Inc.
Retired healthcare executive; community volunteer
Miller Nash Graham & Dunn
Retired from Providence Health & Services

MEMBERS ABSENT

Noah Bishop
Deborah Herron
Jill Mellen
Daniel Morris
Ruth Shelly

AFFILIATION

Bishop Bankruptcy Law, LLC
Walmart
Research Biologist
Our Oregon
Portland Children's Museum

GUESTS (New Members as of 5/10/18)

Laurel Brown
Daniel Hauser
Kate Jones
Javier Mena
Chin See Ming
Emma Stocker

AFFILIATION

Facilities and Property Management, Portland State University
Oregon Center for Public Policy
Morley Capital Management
Portland Housing Bureau, City of Portland
Smith Freed & Eberhard
Emergency Management, Portland State University

ELECTED OFFICIALS AND STAFF

Scott Cruickshank
Julie Fitzgerald
Kate Giraud
Sharon Glaeser
Jim Mitchell
Don Moore
Joel Morton
Linnea Nelson
Heidi Rahn
Marcia Sinclair
Cary Stacey
Nadja Wielebnowski

General Manager, Metro Visitor Venues
Oregon Zoo Foundation Executive Director
Oregon Zoo Bond Project Manager
PSU PhD student, zoo Conservation Research
Oregon Zoo Bond Construction Manager
Oregon Zoo Director
Metro Senior Attorney
Oregon Zoo Bond Program Coordinator
Oregon Zoo Bond Program Director
Oregon Zoo Marketing
Metro Special Projects Coordinator, Office of the COO
Oregon Zoo Conservation and Research Manager

A. Welcome / Introduction

Susan Hartnett, Chair of the Oregon Zoo Bond Citizens' Oversight Committee ("Oversight Committee" or "the Committee"), opened the meeting at 3:03 p.m. Ms. Hartnett was appointed chair by the Metro Council on April 12, 2018, and became effective April 13, 2018. This is her first meeting to serve as chair. She was willing to accept the role because of the great support provided by staff and the interesting and meaningful work to benefit the zoo.

Heidi Rahn indicated that four members have served more than four years (two two-year terms) since January 2014, and this is their last meeting as members: Noah Bishop, Deborah Herron, Daniel Morris, and the only one in attendance, Mickey Lee. Ms. Rahn thanked them for their more than four years of service and for their diligence and dedication to the Committee. Ms. Rahn noted that Ms. Lee pushed the zoo bond program to be better at every meeting. She asked for more detailed COBID reporting, and then pushed for more reporting on workforce diversity. Her efforts helped move Metro to launch its Construction Careers Pathways Project. Ms. Rahn thanked her for being a huge initiator for equity and diversity, not just for the zoo bond program, but for the Metro agency as a whole. The zoo bond Equity in Contracting Quarterly Report is also a result of her efforts. Ms. Lee credited Metro for being receptive to her requests.

Mr. Bishop could not attend today, but sent an email thanking and acknowledging the bond team for its hard work and ingenuity to run a successful public works project, and the Committee for its successful oversight.

Everyone present introduced themselves: Members; new members appointed by the Metro Council on April 12, 2018, and effective May 10, 2018; and staff. Ms. Hartnett said she was impressed with the quality of persons on the Committee. Staff has done a great job thinking of the importance of this committee, and that it provides assurance for the public to know its dollars are wisely spent. She thanked members for committing their time, indicating that serving on the Committee is fun and provides so many opportunities for learning, especially about wildlife conservation.

Scott Cruickshank announced that following an audit of the zoo bond program years ago, Metro built a strategic capital asset plan for the agency as a whole, and developed an asset management and capital planning program. Recently Heidi Rahn was selected to head up that program to develop consistency in how Metro handles its capital assets, starting June 1, 2018. The good news is that Ms. Rahn will continue to oversee the zoo bond program, and Metro is excited to create efficiencies across the agency, so it knows the condition of its assets. Ms. Rahn can help take the policy and systems to the next level. She will work on a transition plan, to backfill some of her reduced zoo bond position. She will still attend Oversight meetings. Chair Hartnett congratulated Heidi, Scott and Metro, and said the Committee is very pleased for Ms. Rahn.

B. Annual Report

Ruth Shelly, Chair of the Committee at the time, presented the Committee's annual report to the Metro Council on April 12, 2018. She did a great job, reporting with passion and hitting all salient points of the recommendations. All councilors expressed appreciation for the Committee and its role in assuring that the public's dollars are well-spent. The annual report is the biggest task for the Committee, and all members should feel very proud of their work. The Committee meeting agenda has reference to the annual report pages where the agenda items are referenced in the report recommendations. Chair Hartnett encouraged members to bring their copy of the annual report to the meetings.

C. Approval of Feb. 14, 2018, Oversight Committee meeting minutes

Members approved the minutes of the Feb. 14, 2018, Oregon Zoo Bond Citizens' Oversight Committee ("Oversight Committee" or "the Committee") meeting.

D. Monthly Project Updates

1. Education Center – Contractors are completing the solar controls and energy dashboard. The zoo will start tracking for net-zero energy operations when the controls are finalized. The project is \$200,000 under budget.

2. Polar Passage/Primate Forest/Rhino (PPR) – The project is in the design phase at 25 percent construction documents. In 2017 the projects were combined for design and cost efficiencies. The team worked to bring them into budget, and the project is now very close to budget. Also in 2017, the Committee recommended and the Metro Council approved a scope change, which was originally in Phase II of the zoo Master Plan, to take down the old primates building and build a new one. The existing chimp outdoor habitat will remain with some improvements. A new meshed chimpanzee habitat will be added and include a stream, climbing structures, a sun room, and other features. It will provide a naturalistic habitat to support chimp social behavior.

Value engineering made some project areas simpler, which may allow the viewing structures to be built with cross-laminated timber (a sustainable product). A restroom costing \$650,000 that was not in a great location or required for the project was cut from the design. Another efficiency was to keep existing habitat soil, rather than removing it and filling with new. The value engineering also took out a storage building, but staff want to keep it in as an add alternate, in case funding becomes available.

Don Moore explained that polar bear habitat in the wild is decreasing quickly, and because so many polar bears will be in trouble and need homes, staff does not anticipate that a maternity den will be needed. Removing the maternity den from the design saved \$1.5 million. The space for it and an outdoor maternity yard will remain in the design, in case the zoo wants to build it in the future. Polar Passage will have capacity for five or six bears.

Ms. Rahn clarified that whenever the program does value engineering, the team goes back to the promises of the bond measure to make sure they are fulfilled first, and defers until later some items that are not essential. These new habitats will be amazing.

Lease Crutcher Lewis, the construction management/general contractor, just bid out the early work package and was pleased to receive three bids on the civil and demolition work. They received one bid on the electrical and one bid on the mechanical, which is indicative of the current construction market conditions. LCL will break down some scopes for the early work amendment and package them to direct-award to COBID firms. It is an interesting climate to bid, with a wide range in some bids. LCL has been using very conservative estimates for the project given the market, and on the early work package is under budget by \$300,000 to \$400,000. .

The project schedule is showing "caution," mostly because of possible permitting delays. Staff is getting mixed information indicating a possible delay of seven to nine months. The schedule is now showing for five months, and staff is working closely with the City of Portland. The City is also

requiring an amendment to the zoo's land use permit, which will not hold up the early work package, but it could hold up the main PPR construction.

LCL's Diversity in Workforce and Contracting Plan is included with the meeting packet. They have done extensive outreach to COBID-certified firms, including attending more than 30 events in the last year. They made the PPR early work package plans available at 15 locations around town, plus at LCL. The company has been good at mentoring COBID firms and hiring minority and women apprentices, as was the case with the Elephant Lands project. Sarah Jimenez, who worked on Elephant Lands as an LCL intern, will be on the PPR project as a project engineer. Lauren Holmes will be on site as a project manager, and is committed to supporting women and minorities on the job site. LCL has a high level of professionalism.

Javier Mena said he would like to see LCL go beyond the 15 percent COBID utilization goal. Mickey Lee commented that on other bond projects, the contractor has exceeded the 15 percent goal, such as the Education Center that had 30 percent COBID utilization. She feels it will be a challenge to meet the goal in these last few years of the program, due to the limited availability of COBID firms and market conditions.

Chair Hartnett noticed that in its Diversity Plan, LCL has some categories at 100 percent COBID utilization, but if don't get that, then they will miss the mark overall. She encourages LCL to look at targeting COBID firms in other categories as well. Mr. Mitchell cautioned that the PPR project is not typical construction, since it has lots of specialized work. For example, it has very little dry wall, and little repetitive-type construction that might be found in an office or apartment construction. To make some scopes more accessible to COBID firms, the project team will determine if some scopes can be broken down into smaller packages. Bond staff will have selected bidders provide information on diversity within their workforce, and Mr. Mena recommended especially the big bids.

The zoo and Metro have hired women-owned firms to lead the generator replacement as part of the Electrical Infrastructure project, manage the land use amendment, and conduct an analysis of the mitigation plantings with three previous construction projects.

Scott Cruickshank noted that Mr. Mitchell was being a bit humble in talking about the value engineering process. The project was 15 to 20 percent over budget, and Mr. Mitchell led the team in finding ways to bring it into budget without interrupting significantly the quality of the project. That is a big feat, and he thanked Mr. Mitchell for the significant accomplishment.

Last month Ms. Rahn sent a memo to the Committee regarding funding for rhino project, indicating that the external bond council would not sign off on the sale of the bonds with the rhino project included because it was not listed in the original bond measure. After the passage of the bond measure, the zoo did a master plan and realized that hippos did not fit the zoo's plans for species conservation or energy sustainability. So the rhino project was substituted for the hippo pool filtration after extensive public engagement/polling to assess community support. Fortunately the bond program has a strong partner in the Oregon Zoo Foundation, and appreciates the quick response and support from OZF to fund the rhino construction in total. Julie Fitzgerald acknowledged that it actually gave OZF a greater opportunity to fund raise for that project.

3. Interpretive Experience – No report.

4. Percent-for-Art – Staff are receiving videos and photos of the commissioned artists' fabrication of the *Melting Ice Bear* sculpture and two polar bear benches, which is proceeding well. Staff hopes to later share that fabrication process with members and the public. The team is reviewing the designs for safety (the openings in the sculpture). The artwork is expected to be completed and shipped in 2019. The zoo is working on finding storage for the sculptures until 2020.

5. Electrical Infrastructure – The firm hired for the generator replacement, Highpoint Construction, is a women-owned business, with a contract for \$812,112.

6. Close-out fund – This fund is for addressing items that arise from closed bond projects. As a requirement of its land use permits, the zoo owes the city three reports on mitigation plantings. The bond program hired a team of wildlife biologists from a women-owned and emerging small business to monitor the plants and report on what is working. Metro changed its procurement process and increased the threshold for direct-awarding to COBID firms, which enabled the bond team to direct-award the contract to a COBID-certified firm.

E. Program Status and Financial Information at a Glance

On May 1, 2018, Metro sold \$10 million worth of zoo bonds, packaged with the Metro Natural Areas bond and in concert with a Full Faith and Credit issuance for Metro Regional Center work, and the sale resulted in a premium of approximately \$1.5 million for the zoo bond program. Fourteen bidders participated in the sale. The premium was due to Metro's AAA rating and a favorable interest rate. Metro will put the premium money into unallocated contingency for now. Staff is working to keep the Polar Passage/Primate Forest/Rhino project within its current budget. One consideration may be to use some of the premium dollars to fund some of the project add alternates, such as storage, and stormwater management in the event space. The bond premiums have really helped with addressing the recent market cost escalations. True interest cost to the taxpayers is only 2.25 percent, and debt service equates to only \$0.01/\$1,000 of assessed value. The bonds will mature in 2028. The premium will show on the zoo bond financial report under unallocated contingency, for the finances in May.

F. Program Schedules

The Polar Passage/Primate Forest/Rhino project is showing caution on the schedule, mostly due to uncertainties regarding permitting from the City of Portland. For now, the project is moving along as scheduled, with construction planned to go until 2020.

G. Elephant Welfare Study results – How Elephant Lands enhances elephant welfare

Nadja Wielebnowski, Oregon Zoo Conservation Research Manager, and Sharon Glaeser, Portland State University Ph.D. student, reported on the results of a four-year study evaluating the effectiveness of Elephant Lands and the effect on elephant welfare (presentation is included with the record. Their report to the Committee and an executive summary were included with the meeting packet. The study ran from September 2012 through December 2016, and monitored the elephant herd in the old habitat prior to construction (baseline), during construction, and the move to the new habitat and through one year after opening.

Elephant Lands was designed to encourage activity, promote a diverse range of natural behaviors, offer increased opportunities for choice and social interaction, and provide biologically meaningful challenges for Asian elephants at the Oregon Zoo. Results of this welfare study show that the zoo has achieved its goals with Elephant Lands. The elephants are expressing a diverse range of species-typical behaviors and demonstrating social dynamics of a healthy herd. They are walking further and

foraging and exploring more, and using the entire habitat and its resources. They are exhibiting more choice and self-determination, have biologically meaningful challenges, and show adaptive and normal adrenal responses to change and challenge.

This study was in addition to the elephant monitoring the zoo has been doing since 1979. The researchers will do more analysis of the large volume of data and produce several publications, as well as present their findings at the annual conference of the Association of Zoos and Aquariums. The Oregon Zoo will keep monitoring the elephants in perpetuity, and will start monitoring other species for the upcoming Polar Passage/Primate Forest/Rhino project construction. They plan to add monitoring of sound.

Members asked about the changes in food delivery to the elephants and whether that had caused them to become more detached from their keepers. Keepers are not at the zoo at all hours, and the zoo wants the elephants to be able to have their own natural behaviors. The elephants continue to have a good relationship with their keepers, but now they have more choice when the keepers are not present. But it does not change the underlying bond with the keepers. With the randomly timed feeders, Chendra, the smaller adult elephant, is not getting displaced from feeding as much as before, because she can easily walk to another feeder to find food on her own.

Members also asked if the study showed any unexpected changes. Staff will look at the more detailed data for specific time frames and see what they find. Since Elephant Lands opened, the keepers changed the feeder schedules and also put some browse in a common place to give the herd a chance to feed together. The keepers know the animals and what they need – they didn't need the data to see that. The science further supported Elephant Lands' design. The study did not measure elephant vocalizations, but the keepers have observed that the elephants are vocalizing much more in the new habitat, possibly because the elephants have chosen to be more spread out than before.

When asked if the research found something staff wish they had done, staff said they could use another freezer for fecal samples, but that it is such a well-designed facility, that it accommodates the research well. It provides flexibility for enrichment for the animals, and allows for adding elements over time. The data shows that the animals are using all of the resources provided, and that it was all money well-spent. (The water canon did not show up in the data because it is not a regular event; the elephants definitely use – and seem to enjoy – it when it is turned on.) The new habitat sets up certain scenarios so that the animals have choices, including big logs and hanging feeders. If a hanging feeder is placed just out of reach overhead, they have found that the elephants may move a log to reach the feeder.

Members asked how the results for distances elephants walked compare with other zoos that have made habitat changes. The researchers cautioned that due to using different evaluation methodologies and technologies, they have to be careful about making comparisons. For example, the Dallas zoo used Fitbits for its study, which is a different technology than used at the Oregon Zoo. Ms. Glaeser will delve into the details of such studies when she prepares to publish. If a new habitat is just providing space, it is not enough; the habitat must provide a reason, an incentive to get the animals to move. The maps of the movements of the herd, which now includes six elephants with the new bull Samson, are fascinating to see how the animals walk and explore the resources throughout the habitat. There is not as much info on the daily movements of elephants in the wild.

Don Moore praised Ms. Wielebnowski and noted that she is internationally recognized for her work. He also noted that Asian and African elephants are very different and inhabit very different environments, and thus have different movement patterns. Also, most studies of elephants do not use 24-hour data, such as was used in the Elephant Lands study.

H. Elephant Lands operating outcomes report

The Committee has been interested in how the zoo evaluates its actual operations against the operational plans. Don Moore spoke about the Elephant Lands year one operating results, which included contributions from many staff. Overall, the new space works well. Following an initial steep learning curve and supported by training, staff learned to effectively manage the new facilities and to leverage more creative education and food service opportunities. There has been a small staffing increase to manage the new mechanical and electrical systems. The zoo has achieved significant reductions in water consumption, which was a major goal of the bond program. Some features that achieve water conservation require significant energy to operate. It is also important to fully consider the functional operation of new systems to make sure they will meet energy goals and are a good fit with the needs of the zoo. New systems may need additional or different staffing. The bond program is helping the zoo by providing more efficient facilities, but with new sophisticated technical systems, they require more technical expertise to operate.

Early in the bond program there may have been an internal staff conversation (not a promise to voters in the bond measure) that the bond investments would not cause an increase in staffing, but zoo operations have found that the larger spaces with fewer management options allow elephants choice and also require more staff time.

One major lesson-learned is a recognition that leadership, animal populations, priorities, needs and standards for best practices can all change over time, so it is important to design for flexibility. The Association of Zoos and Aquariums is constantly trying to elevate its standards, so the zoo needs to be able to react to those changes or be proactive in anticipating them.

Going forward, the zoo needs to make sure its team has the capacity to keep up with the speed of the bond design process, to be able to fully understand blueprints, consider all the ramifications of operating new systems, and fully vet different perspectives of the multidisciplinary team.

Dr. Moore noted that zoo North America curator Amy Cutting learned that when a project design needs to be brought into budget, it is better to not cut lots of little items, but better to cut large items.

A recent Metro report looked at energy usage and found that because the zoo made a choice with its bond program to invest in solar panels and its operations to purchase 100 percent renewable power, the zoo is at net-zero energy use.

I. Zoo and Oregon Zoo Foundation update

A memo to the Committee in April from Ms. Rahn explained that the funding source for the rhino habitat project had been shifted to the Oregon Zoo Foundation. Julie Fitzgerald reported that the OZF board liked the opportunity to change its fundraising goal and take responsibility to fully fund the rhino habitat project. The OZF board now has a sense of ownership of the project. She thanked staff for making sure the zoo will have such a great product.

Don Moore reported that Portland Parks and Recreation has announced the final draft master plan for Washington Park, which includes looking at transportation access. The zoo is hosting a Primate Happy Hour this evening, and members are invited to stay. Such adults-only activities at zoo have been well-received. Zoo staff are continuing to work on construction pro-activity, or preparation (the Committee was briefed at its last meeting). The giraffe feeding deck for visitors is being built, and the zoo is working to enhance other options for visitors, to have the lowest possible impact on the visitor experience during construction. The zoo is planning a ground-breaking event for Polar Passage/Primate Forest/Rhino project later this year, and invitations will be sent to Committee members. The zoo has 19 concerts this summer. Stay tuned for one more big-name concert announcement soon. The zoo is also offering three Twilight Tuesdays on the third Tuesdays this summer. The partnerships developed as part of the Education Center have been the key to activate the Twilight Tuesday and special weekend events. They feature lots of happy families and partner tents with many activities, and visitors more activated than ever.

Members asked about the introduction of Samson, the new bull elephant. Quarantine requirements for 30 days have been modified and now only require three clean fecal samples. So Samson is in with the other elephants, is doing fine, and being monitored by observers. The zoo utilized the “howdy system” built in to Elephant Lands that allows the animals to have visual access before actually being in the same physical space together. Chendra, the smallest female elephant, wanted to get in with Samson, which seemed to indicate a friendly introduction.

J. Adjournment

Chair Hartnett adjourned the meeting at 4:59 p.m.

Upcoming 2018 and 2019 meeting dates –Wednesdays, 3 to 5 p.m.:

Sept. 12, 2018 Conservation Hall, Education Center, Oregon Zoo

Nov. 14, 2018 Conservation Hall, Education Center, Oregon Zoo (note new room location)

Feb. 13, 2019 Conservation Hall, Education Center, Oregon Zoo

May 8, 2019 Conservation Hall, Education Center, Oregon Zoo

Sept. 11, 2019 Conservation Hall, Education Center, Oregon Zoo

Nov. 13, 2019 Conservation Hall, Education Center, Oregon Zoo