

## **FRESNO COUNTY ZOO AUTHORITY**

### **AGENDA**

**9:00 AM, Wednesday, February 27, 2019**

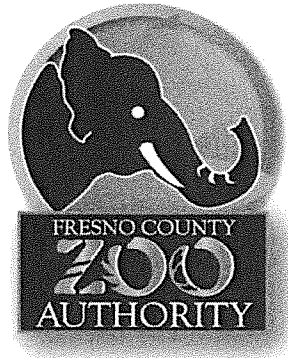
**Fresno County Employees' Retirement Association  
7772 N. Palm Ave.  
Fresno, CA 93711  
(559) 457-0681**

1. Call to Order
2. Adopt Agenda
3. Public Comments  
This time is made available to receive comments from the public on matters within the Board's jurisdiction that are not on the Agenda. Attention is called to the fact that the Board is prohibited from taking any action on matters that are not on the Agenda. Members of the public are limited to three minutes to speak during Public Comments as well as for each item on the agenda. In order to accurately record the minutes, members of the public are asked to speak only from the podium. Before beginning comments, please state for the record your name and affiliation, if any.
4. Consent Agenda  
These matters are routine in nature and are usually approved by a single vote. Prior to action by the Board, the public will be given the opportunity to remove any item from the Consent Calendar. Items removed from the Consent Calendar may be heard immediately following approval of the Consent Calendar.
  - a. Review and approve minutes of January 30, 2019
  - b. Review and approve payment of County of Fresno invoice for Professional and Specialized Services in the amount of \$15,347.94 for December 2018 and January 2019
  - c. Receive Treasurer's Report for January 2019
5. Receive Fresno Chaffee Zoo Director's report

6. Approve Fresno's Chaffee Zoo Corporation fiscal year 2019 Measure Z Operating funds totaling \$5,089,730 for the reimbursement of Animal and Veterinary Salary and Benefits, Animal Food and Services, Exhibit Maintenance and Renovations, Water Quality Supplies, Utilities, and Bank Fees to wire reimbursement funds to the Zoo.
7. Review and accept the Treasurer's revenue projection comparison between the Authority's Measure Z revenue projections and the Zoo Corp's Measure Z revenue projections.
8. Receive staff reports
9. Approve next Board meeting  
Meeting dates include  
March 27, 2019  
April 24, 2019  
May 29, 2019
10. Chair's comments
11. Board Member comments
12. Adjourn

All supporting documentation is available for public review in the office of the Fresno County Zoo Authority, 2220 Tulare Street, Suite A, Fresno, 93721, during regular business hours.

For further information, please contact Ron Alexander, Zoo Authority Coordinator, at 600-1234, email [zooauthority@co.fresno.ca.us](mailto:zooauthority@co.fresno.ca.us), or visit [www.zooauthority.org](http://www.zooauthority.org). Requests for disability-related modification or accommodation needed in order to participate in the meeting must be made to the Zoo Authority Coordinator no later than 9:00 a.m. on the day prior to the meeting.



## **FRESNO COUNTY ZOO AUTHORITY**

### **ACTION SUMMARY MINUTES**

**9:00 AM, Wednesday, January 30, 2019**

**Fresno County Employees' Retirement Association  
7772 N. Palm Ave.  
Fresno, CA 93711  
(559) 457-0681**

**1. Call to Order**

**CHAIRMAN MICHELLE ROMAN CALLED THE MEETING TO ORDER AT 9:04 AM. ALL MEMBERS WERE PRESENT, INCLUDING THE CHAIRMAN AND MEMBERS MIGUEL ARIAS, PETER HERZOG, GERALD LYLES, KENT STRATFORD, PAUL TOSTE AND RALPH WATERHOUSE.**

**THE CHAIRMAN WELCOMED MEMBER MIGUEL ARIAS, NEWLY APPOINTED ALTERNATE FOR FRESNO MAYOR LEE BRAND, AND HE INTRODUCED HIMSELF.**

**0:01:04**

**2. Adopt Agenda**

**CHAIRMAN ROMAN STATED THERE WAS AN ADDENDUM TO THE AGENDA FOR THE ELECTION CHAIRMAN AND VICE CHAIRMAN FOR 2019.**

**0:03:29**

**3. Public Comments**

This time is made available to receive comments from the public on matters within the Board's jurisdiction that are not on the Agenda. Attention is called to the fact that the Board is prohibited from taking any action on matters that are not on the Agenda. Members of the public are limited to three minutes to speak during Public Comments as well as for each item on the agenda. In order to accurately record the minutes, members of the public are asked to speak only from the podium. Before beginning comments, please state for the record your name and affiliation, if any.

**HELD; NONE RECEIVED.**

**0:01:48**

**Election of Officers**

**THE CHAIRMAN CALLED FOR NOMINATIONS FOR 2019 CHAIRMAN AND VICE CHAIRMAN. MEMBER TOSTE NOMINATED CHAIRMAN ROMAN FOR 2019 CHAIRMAN. WITH A SECOND BY**

**MEMBER WATERHOUSE, THE NOMINATION WAS APPROVED UNANIMOUSLY. THE CHAIRMAN THANKED MEMBERS FOR THEIR CONFIDENCE. MEMBER LYLES NOMINATED MEMBER HERZOG FOR 2019 VICE CHAIRMAN. WITH A SECOND BY MEMBER WATERHOUSE, THE NOMINATION WAS APPROVED UNANIMOUSLY.**

0:03:52

4. Consent Agenda

These matters are routine in nature and are usually approved by a single vote. Prior to action by the Board, the public will be given the opportunity to remove any item from the Consent Calendar. Items removed from the Consent Calendar may be heard immediately following approval of the Consent Calendar.

**BOARD COORDINATOR CATHY CROSBY REQUESTED TO PULL ITEM 4.B AND EXPLAINED THE REVISED INVOICE TOTAL OF \$25,111.87.**

**MEMBER HERZOG MOVED FOR APPROVAL OF ITEMS 4.A AND 4.C. SECONDED BY MEMBER TOSTE, THE MOTION PASSED BY A VOTE OF SEVEN AYES AND ONE ABSTENTION FROM THE VOTE ON ITEM 4.A BY MEMBER ARIAS, WHO WAS NOT A MEMBER AT THE TIME OF THE NOVEMBER 28, 2018 MEETING.**

**MEMBER TOSTE MOVED TO APPROVE ITEM 4.B IN THE AMOUNT OF \$25,111.87. SECONDED BY MEMBER HERZOG, THE MOTION PASSED UNANIMOUSLY.**

- a. Review and approve minutes of November 28, 2018
- b. Review and approve payment of County of Fresno invoice for Professional and Specialized Services in the amount of \$25,314.73 for October, November and December 2018
- c. Receive Treasurer's Reports for November, December, and the Quarter ended December 31, 2018

0:05:30

5. Receive Zoo Authority 2017-18 audited financial statements and independent auditor's report from Brown Armstrong Accountancy Corporation

**RECEIVED; MAI XIONG PRESENTED THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS, AND STATED IT HAD RECEIVED AN UNMODIFIED OR CLEAN OPINION. A SECOND REPORT ON INTERNAL CONTROLS DID NOT IDENTIFY ANY DEFICIENCIES.**

0:07:40

6. Approve final draft of Zoo Authority fiscal year 2017-18 Annual Report

**MS. CROSBY PRAISED THE COUNTY STAFF MENTIONED IN EACH YEAR'S REPORT THAT SUPPORT THE AUTHORITY BEHIND THE SCENES, AND PARTICULARLY RECOGNIZED FRESNO COUNTY GRAPHIC ARTS SPECIALIST GINA BARR-HILL, THE CREATOR OF THE UNIQUE LOOK OF THE REPORTS, AND FOR THIS YEAR'S NEW DESIGN OF THE EXHIBITS PAGES. MS BARR-HILL THEN SPOKE ABOUT HER DEPARTMENT, HER ART BACKGROUND AND THE VARIETY OF WORK SHE DOES, SPECIFICALLY THE DESIGN OF THE ZOO AUTHORITY'S LOGO, REPORTS, CERTIFICATES, AND WEBSITE, AND HOW MUCH SHE ENJOYS THESE TASKS. SHE ALSO MENTIONED HER STRONG CONNECTION TO THE ZOO THROUGH HER CHILDREN'S PARTICIPATION IN ZOO CAMPS OVER MANY YEARS.**

**RESPONDING TO MEMBER ARIAS, MS. CROSBY REPORTED ON THE PLANNED DISTRIBUTION TO ALL FRESNO COUNTY CITY COUNCIL MEMBERS, BOARD OF SUPERVISORS, AND MEDIA OUTLETS. MEMBER LYLES REQUESTED THAT 2018 ATTENDANCE FIGURES BE USED THIS YEAR AND FISCAL YEAR FIGURES IN FUTURE REPORTS. MEMBER TOSTE REQUESTED**



**THAT THE BOARD OF SUPERVISORS RECEIVE BOUND REPORTS FOR THEIR USE, AS WELL AS UNBOUND AGENDA COPIES.**

**THE CHAIRMAN THANKED MS. BARR-HILL, PRAISING HER ARTISTIC SKILLS THAT ARE DEMONSTRATED EACH YEAR, AND MENTIONED THE POSITIVE COMMENTS SHE RECEIVES ABOUT THE APPEALING REPORTS FROM THE KINGSBURG CITY COUNCIL AND COUNCIL OF FRESNO COUNTY GOVERNMENTS.**

**A MOTION TO APPROVE THE REPORT WITH THE REQUESTED CHANGES WAS MADE BY MEMBER ARIAS. SECONDED BY MEMBER WATERHOUSE, THE MOTION PASSED UNANIMOUSLY.**

0:20:50

7. Receive Fresno Chaffee Zoo Director's report

**RECEIVED; CHIEF FINANCIAL OFFICER RICK TREATCH REVIEWED A BUSY AND EXCITING 2018. HE HIGHLIGHTED ATTENDANCE FIGURES; EDUCATION PROGRAMS, TICKETS DONATED TO CHARITIES, BIRTHS AND ACQUISITIONS, INCLUDING A NEW MALE ORANGUTAN AND TWO FEMALE ELEPHANTS, AND THE MANY SUCCESSFUL EVENTS HELD. PROJECTS COMPLETED, IN PROGRESS OR IN DESIGN INCLUDE WILDERNESS FALLS, WARTHOG EXHIBIT, SOUTH CORRIDOR INFRASTRUCTURE PROJECT, ZOOPLEX, PATHWAY PAVING, AMBASSADOR ANIMAL BUILDING AND ASIA EXHIBITS; AND THE SUPPORT PROVIDED FOR THE EFFORTS OF 50 CONSERVATION GROUPS LAST YEAR.**

**RESPONDING TO MEMBER HERZOG'S QUESTION MR TREACH REPORTED THE TOTAL DONATION TO CONSERVATION GROUPS LAST YEAR WAS ABOUT \$250,000. TO MEMBER ARIAS' QUESTION, HE REPORTED THAT PLANS WERE FOR A SMALL WAREHOUSE FOR EQUIPMENT ON THE RECENTLY ACQUIRED BELMONT AND DELNO PROPERTY. MEMBER WATERHOUSE COMMENTED ON THE POSITIVE ATTENDANCE FIGURES AND THE ZOO LIGHTS EVENTS.**

28:44

8. Receive Fresno's Chaffee Zoo Corporation Financial reports for October and November 2018  
**RECEIVED; MR. TREATCH REVIEWED THE NOVEMBER REPORT. ATTENDANCE THROUGH NOVEMBER WAS 5% LESS THAN BUDGETED, BUT WAS STRONG FOR SPECIAL EVENTS IN DECEMBER; AND EDUCATION, MEMBERSHIPS AND SPECIAL EVENTS PERFORMED WELL. THE ZOO ALSO BENEFITED FROM A GRANT FOR THE AFRICA THATCH REPLACEMENT AND A DONATION FOR CONCRETE TO REPLACE DECOMPOSED GRANITE PATHWAYS IN SEA LION COVE, AFRICAN ADVENTURE AND BETWEEN THE EDUCATION BUILDING AND DINO DIG.**

0:31:50

9. Approve Fresno's Chaffee Zoo Corporation fiscal year 2019 Measure Z Operating funds totaling \$5,089,730 for the reimbursement of Animal and Veterinary Salary and Benefits, Animal Food and Services, Exhibit Maintenance and Renovations, Water Quality Supplies, Utilities, and Bank Fees to wire reimbursement funds to the Zoo.

**MR. TREATCH PRESENTED THE BUDGET REQUEST FOR MEASURE Z FUNDED LINE ITEMS. MINIMUM WAGE AND HEALTH CARE INCREASES IMPACTED THE COSTS FOR ANIMAL AND VETERINARY DEPARTMENT STAFF. MR. TREATCH RESPONDED TO MEMBERS' QUESTIONS ABOUT FAMILY MEMBERSHIP COSTS, SCHOOL GROUP RATES AND HEALTH CARE COSTS. MEMBER TOSTE ASKED TREASURER REYNOSO IF HE WAS IN AGREEMENT WITH MR. TREATCH'S MEASURE Z REVENUE PROJECTIONS.**

**AFTER DISCUSSION, A MOTION WAS MADE BY MEMBER TOSTE AND SECONDED BY MEMBER WATERHOUSE TO APPROVE THE REQUEST. THE MOTION FAILED BY A ROLL CALL VOTE OF FOUR NAYS (ARIAS, HERZOG, LYLES, ROMAN) TO THREE YEAS (STRATFORD, TOSTE, WATERHOUSE). UPON FURTHER DISCUSSION, A SECOND MOTION WAS MADE BY MEMBER HERZOG TO TABLE THE ITEM UNTIL THE FEBRUARY MEETING, IN ORDER RECEIVE THE TREASURER'S MEASURE Z REVENUE PROJECTIONS FOR 2019 TO COMPARE WITH MR. TREATCH'S PROJECTIONS. BY ROLL CALL VOTE, THE MOTION PASSED UNANIMOUSLY.**

1:17:14

10. Approve appointee to Board Coordinator position, as recommended by the Board's ad-hoc sub-committee

**CHAIRMAN ROMAN REPORTED ON THE INTERVIEW PROCESS AND THE RECOMMENDATION OF RON ALEXANDER, SENIOR ADMINISTRATIVE ANALYST OF THE FRESNO COUNTY ADMINISTRATIVE OFFICE. MR. ALEXANDER INTRODUCED HIMSELF. MS. CROSBY REVIEWED PROGRESS ON THE TRANSITION OF DUTIES, AND PRESENTED MR. ALEXANDER WITH HIS BOARD COORDINATOR NAME BADGE. A MOTION WAS MADE TO APPROVE THE APPOINTMENT BY MEMBER ARIAS. SECONDED BY MEMBER STRATFORD, THE MOTION PASSED UNANIMOUSLY.**

1:22:19

11. Approve proposed amendments to Fresno County Zoo Authority Retention Policy  
**MS. CROSBY REVIEWED THE ADDITIONS TO THE POLICY THAT HAD BEEN REQUESTED BY THE MEMBERS AT THE NOVEMBER 28, 2018 MEETING. THE CHAIRMAN THANKED COUNSEL BEAVERS AND MS. CROSBY FOR THEIR WORK ON THE REVISIONS. THERE WAS NO DISCUSSION. A MOTION TO APPROVE WAS MADE BY MEMBER ARIAS. SECONDED BY MEMBER TOSTE, THE MOTION PASSED UNANIMOUSLY.**

1:24:08

12. Approve proposed amendments to the Fresno County Zoo Authority Procedures for Approving and Administering Measure Z Funds

**MS. CROSBY REVIEWED THE ADDITIONS TO THE PROCEDURES THAT HAD BEEN REQUESTED BY THE MEMBERS AND ZOO CORPORATION COUNSEL DOUG LARSON AT THE NOVEMBER 28, 2018 MEETING. THERE WAS NO DISCUSSION. A MOTION TO APPROVE WAS MADE BY MEMBER TOSTE. SECONDED BY MEMBER HERZOG, THE MOTION PASSED UNANIMOUSLY.**

1:25:55

13. Receive staff reports

**MS. CROSBY REMINDED MEMBERS TO FILE ANNUAL STATEMENTS OF ECONOMIC OF INTEREST BY APRIL 2<sup>ND</sup>, AND TO COMPLETE THE cAFFIDAVIT DOCUMENT.**

1:27:20

14. Approve next Board meeting  
Meeting dates include:

February 27, 2019

March 27, 2019

April 24, 2019

**MEMBERS HAD DETERMINED DURING ITEM 9 TO MEET ON FEBRUARY 27<sup>TH</sup> TO HEAR THE TABLED ZOO OPERATIONS BUDGET REQUEST. MR TREATCH SAID THERE WERE NO OTHER FUNDING REQUESTS FOR FEBRUARY. MS. CROSBY STATED SHE WOULD BE IN TANZANIA NEXT MONTH, SO MR. ALEXANDER WOULD HAVE THE COORDINATOR DUTIES. SHE**

**REMINDED MEMBERS THAT SHE WAS RETIRING MARCH 29<sup>TH</sup>, AND IF NO MARCH MEETING WERE HELD, TODAY'S MEETING WAS HER LAST.**

1:28:19

15. Chair's comments

**MS. ROMAN THANKED MEMBERS FOR HER ELECTION AS CHAIRMAN AND WELCOMED AGAIN NEW MEMBER ARIAS AND INCOMING BOARD COORDINATOR ALEXANDER.**

1:29:30

16. Board Member comments

**MEMBER TOSTE THANKED MS. CROSBY FOR BRINGING MS. BARR-HILL FOR THE WELL-DESERVED RECOGNITION FOR HER WORK. HE ALSO THANKED MS. CROSBY FOR HER WORK ON BEHALF OF THE ZOO AND THE COMMUNITY.**

1:30:19

17. Adjourn

**THERE BEING NO FURTHER BUSINESS, THE CHAIRMAN ADJOURNED THE MEETING AT 10:35 AM.**

All supporting documentation is available for public review in the office of the Fresno County Zoo Authority, 2220 Tulare Street, Suite A, Fresno, 93721, during regular business hours.

For further information, please contact Catherine Crosby, Zoo Authority Coordinator, at 600-4305, email [zooauthority@co.fresno.ca.us](mailto:zooauthority@co.fresno.ca.us), or visit [www.zooauthority.org](http://www.zooauthority.org). Requests for disability-related modification or accommodation needed in order to participate in the meeting must be made to the Zoo Authority Coordinator no later than 9:00 a.m. on the day prior to the meeting.



Invoice for Professional Services in Support of the Zoo Authority  
Billing Hours and Expenses for December 2018 and January 2019

Invoice Number  
1112-ZOO-022719

**February 27, 2019**

TO: Zoo Authority Board  
c/o County of Fresno  
2220 Tulare St, 6th Floor MS 214  
Fresno, CA 93721

Department / Title	Hours	Rates	Cost	Fiscal Year 18-19
<i>Financial Reporting and Audits</i>				
Division Chief	1.50	\$92.49	\$138.74	
Accounting & Finance Manager	0.00	\$91.80	\$0.00	
Senior Accountant	0.00	\$80.92	\$0.00	
Accountant II	21.50	\$74.80	\$1,608.20	
Accountant I	0.00	\$62.78	\$0.00	
Supervising Account Clerk II	9.26	\$75.45	\$698.67	
Account Clerk I	42.96	\$48.46	\$2,081.84	
Accounting Intern	0.00	\$34.78	\$0.00	
<i>Public Works and Planning</i>				
Staff Analyst III	137.10	\$76.48	\$10,485.41	
IT Staff	0.00	\$85.40		
<i>County Counsel</i>				
Deputy County Counsel	2.50	\$122.00	\$305.00	
<b>Professional Services Total</b>	<b>214.82</b>		<b>\$15,317.85</b>	<b>\$90,918.15</b>
Name Plate and Badges			\$30.09	
<b>Office Expense Total</b>			<b>\$30.09</b>	<b>\$7,872.97</b>
			<b>\$15,347.94</b>	<b>\$114,108.97</b>
			<b>Invoice Total</b>	<b>FY 18-19 Total</b>



**Fresno County Zoo Authority  
Treasurer's Report  
Unaudited Cash Basis  
For the Month Ended January 31, 2019**

<b>Summary of Measure Z Proceeds</b>			
Tax Proceeds Received:			
-	Measure Z - Sales Tax Proceeds	\$	1,345,541.75
	Total Proceeds Received:	\$	1,345,541.75
Tax Proceeds Allocated:			
-	Allocation to Zoo Authority Fund (2%)	\$	26,910.84
-	Allocation to Trust Fund for Operations and Capital Projects (98%)		1,318,630.92
	Total Proceed Allocations	\$	1,345,541.76
<b>Cash Balance by Fund</b>			
<b>Zoo Authority Fund</b>			
	>> <b>Administrative Fund</b>	2%	
	Beginning Cash Balance	\$	1,649,262.10
Receipts:	- Measure Z Sales Tax Proceeds		26,910.84
	- Interest Received		742.07
Disbursements:	- PeopleSoft Financials Charge		(71.04)
	Net Increase/(Decrease) to Cash		27,581.87
	<b>Ending Cash Balance - Zoo Authority Administrative Fund</b>	\$	<b>1,676,843.97</b>
<b>Trust Fund for FCZC Operations and Capital Projects</b>			
	98%		
	Beginning Cash Balance	\$	40,710,591.24
	>>> <b>Operations Fund</b>		
	Beginning Cash Balance		6,986,353.85
Receipts:	- Measure Z Sales Tax Proceeds		439,543.64
	- Interest Received		2,954.41
	FCZC Operations Claim #2018-11		(316,853.27)
Disbursements:	- Wire Fees		(20.00)
	Net Increase/(Decrease) to Cash		125,624.78
	<b>Ending Cash Balance - Available for Operations</b>	\$	<b>7,111,978.63</b>
	>>> <b>Capital Facilities Project Fund</b>		
	Beginning Cash Balance	\$	33,724,237.39
Receipts:	- Measure Z Sales Tax Proceeds		879,087.28
	- Interest Received		15,527.96
	deposit correction on deposit 418630		(0.01)
Disbursements:	- FCZC Capital Claim #2018-15C		(719,469.39)
	Net Increase/(Decrease) to Cash		175,145.84
	<b>Ending Cash Balance - Available for Capital Projects</b>		<b>33,899,383.23</b>
	<b>Ending Balance Available for Operations and Capital Projects</b>	\$	<b>41,011,361.86</b>
	<b>Total Interest Received During the Month</b>		<b>19,224.44</b>

By Staff \_\_\_\_\_

Date \_\_\_\_\_

Accepted \_\_\_\_\_

Date \_\_\_\_\_

\* Interest receipts are recorded in the month received rather than in the month earned and were calculated on an annual percentage rate of 2.023 as of December 31, 2018.



## Fresno County Zoo Authority

### SUMMARY OF MEASURE Z SALES TAX PROCEEDS

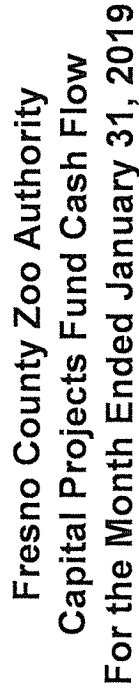
	PRIOR FISCAL YEARS			CURRENT FISCAL YEAR		
	2015-2016	2016-2017		2017-2018		2018-19
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	
	TAX RECEIPTS	TAX RECEIPTS	TAX RECEIPTS	TAX RECEIPTS	TAX RECEIPTS	BUDGET TO ACTUAL VARIANCE
July	\$ 900,800	\$ 952,000	\$ 1,227,435	\$ 940,108	\$ 1,227,435	\$ 287,327 30.56%
August	1,201,100	1,269,300	1,241,000	1,228,590	928,052	\$ (300,538) -24.46%
September	1,408,037	1,181,071	1,391,154	1,377,242	1,171,132	\$ (206,110) -14.97%
October	911,400	941,400	933,300	951,966	1,619,199	\$ 667,233 70.09%
November	1,215,200	1,255,200	1,244,400	1,231,956	1,531,072	\$ 299,116 24.28%
December	1,306,493	1,188,304	1,452,570	1,408,993	1,392,262	\$ (16,731) -1.19%
January	915,800	955,400	951,900	923,343	1,345,542	\$ 422,199 45.73%
February	1,221,000	1,273,900	1,269,200	1,231,124		
March	1,226,517	1,114,146	1,420,604	1,377,986		
April	819,500	855,500	865,400	839,438		
May	1,092,700	1,140,700	1,512,737	1,040,643		
June	1,374,748	1,220,710	1,103,925	1,013,457		
Total	\$ 13,593,295	\$ 13,347,631	\$ 14,613,625	\$ 13,564,846	\$ 9,214,694	\$ 1,152,496 8.50%

TOTAL MEASURE Z PROCEEDS FROM INCEPTION      \$    162,835,639



**Fresno County Zoo Authority**  
**Treasurer's Report**  
**Unaudited Cash Basis**  
**For the Month Ended January 31, 2019**

Summary of Quarter Four Interest Receipts					
Fund	Subclass	Description	1st Alloc.		Interest
			October	December	Received
4845	10000	Zoo Authority	722.36	7,157.36	\$ 7,879.72
4850	10000	FCZC - Operations	2,928.72	29,018.59	\$ 31,947.31
4850	42700	FCZC - CP	15,040.34	149,024.16	\$ 164,064.50
<b>Total</b>			<b>\$ 18,691.42</b>	<b>\$ 185,200.11</b>	<b>\$ 203,891.53</b>
			<b>October to December</b>		



\$ 33,724,237

2019 Warthog Exhibit-May 2018	956,118
2019 South Corridor Infrastructure-February 2018	2,005,227
2019 Asian Exhibits - November 2017	3,395,779
2019 Belmont Basin Relief Line-August 2017	183,777
2019 Animal Nutrition Center-August 2017	756,087
2019 Prgm Animal Holding Facility-June 2017	130,395
2019 Orangutan Exhibit-May 2017	33,887
2019 African River-April 2017	3,552,910
2019 Water Play Area-January 2017	98,861
2019 Dino Dig Expansion-June 2016	154,218
2019 Animal Acquisition-September 2015	-

\$ (11,267,259)

**\$ 22,456,978**





**Fresno County Zoo Authority  
Operations Fund Cash Flow  
For the Month Ended January 31, 2019**

**Cash Balance as of 1/31/2019** **\$ 6,986,354**

**DEDUCTIONS (Remaining budgets, paid through claim 2018-11):**

2019 Animal	156,576
2019 Veterinary	69,832
2019 Utilities	(18)
2019 Animal Feed	89,884
2019 Interest/Bank Charges	10

**Total Deductions:**

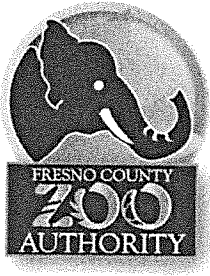
**\$ (316,284)**

**TOTAL:**

**\$ 6,670,070**



Total Deductions:	\$	(102,815)
TOTAL:	\$	1,546,447




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DATE: February 27, 2019  
 TO: Fresno County Zoo Authority Board

FROM: Dr. Rick Treach, EdD, Chief Financial Officer  
 Fresno's Chaffee Zoo Corporation

SUBJECT: 2019 Measure Z Operating Request

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RECOMMENDED ACTION:

Approve Fresno's Chaffee Zoo Corporation fiscal year 2019 Measure Z Operating funds totaling \$5,089,730 for reimbursement of Animal and Veterinary Salary and Benefits, Animal Food and Services, Exhibit Maintenance & Renovations, Water Quality Supplies, Utilities, and Bank Fees to wire reimbursement funds to the Zoo.

DISCUSSION:

Operating Budget

The 2019 budget (Attachment A) was developed by the management team of the Fresno Chaffee Zoo. The 2019 Measure Z Operating request is \$5,089,730, and all line items are included in the Zoo's operating budget. 2018 Measure Z projected operating revenue is \$5,089,730, excluding earned interest. There is an operating fund surplus of approximately \$6.8 million as of November 30, 2018.

The request for 2019 includes the addition of Animal Services with the Animal Food line, Exhibit Maintenance and Renovations, and Water Quality Supplies. Animal Services includes costs for Animal Enrichment and Animal Shipping. Exhibit Maintenance and Renovations include cost associated with maintaining exhibits, particularly the life support systems in Sea Lion Cove, African Adventure, and Wilderness Falls. Water Quality supplies include costs for water treatment in the life support systems, principally salt, chlorine, and other chemicals. As new exhibits have come online, animal enrichment, animal shipping, supplies and maintenance costs associated with the exhibits have increased the operating budget.

The Fresno's Chaffee Zoo Corporation Board of Directors approved the 2019 budget on November 15, 2018.

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BOARD ACTION: DATE \_\_\_\_\_ APPROVED AS RECOMMENDED \_\_\_\_\_ OTHER \_\_\_\_\_

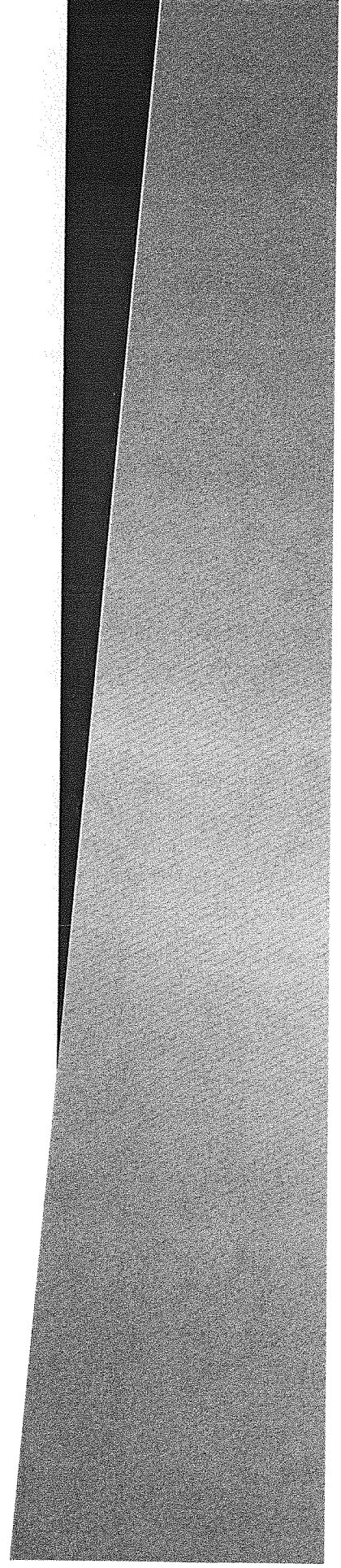
MOTION \_\_\_\_\_ SECOND \_\_\_\_\_ UNANIMOUS \_\_\_\_\_  
 BRAND \_\_\_\_\_ HERZOG \_\_\_\_\_ LYLES \_\_\_\_\_ ROMAN \_\_\_\_\_ STRATFORD \_\_\_\_\_ TOSTE \_\_\_\_\_ WATERHOUSE \_\_\_\_\_



## FY19 Budget

Presented to the Fresno County Tax  
Authority

January 30, 2019



# 2019 Budget Assumptions

- ▶ 2019 budgeted attendance of 833,000.
- ▶ 2019 self generated revenue increases \$1.8M over projected 2018 year end.

- ▶ Proposed budget includes no admission price adjustment.

	<u>2019 Price</u>	<u>2018 Price</u>
◦ Adult	\$12.95	\$12.95
◦ Senior	\$ 7.95	\$ 7.95
◦ Child	\$ 7.95	\$ 7.95

Fresno County School Group – Adult	\$ 6.00	\$ 6.00
Fresno County School Group – Student	\$ 3.00	\$ 3.00

Other Counties School Group – Adult	\$ 7.00	\$ 7.00
Other Counties School Group – Student	\$ 4.00	\$ 4.00

## 2019 Budget Assumptions (Continued)

- ▶ Fundraising increases \$110K over projected 2018 year end. Increase from anticipated growth of sponsorships and donations.
- ▶ Membership Revenue increases \$208,000 over projected 2018 year end due to price adjustments as follows:
 

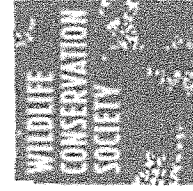
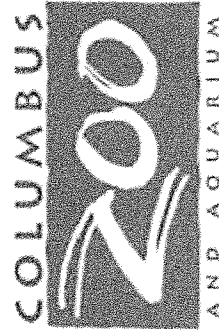
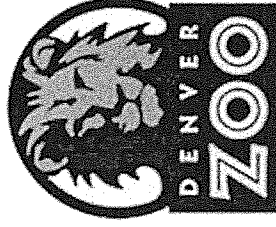
	<u>2019 Price</u>	<u>2018 Price</u>
Individual – Fresno County	\$59.00	\$50.00
Family – Fresno County	\$89.00	\$75.00
Individual – Other Counties	\$69.00	\$60.00
Family – Other Counties	\$99.00	\$85.00
- ▶ Total operating expenses increase \$1.3M (9%) over 2018 forecast year end. Personnel expenses increase \$1.2M (14%). Other expenses increase \$146K (2%) over 2018 forecast year end.
- ▶ 2019 will add 1 Life Support Staff position, 1 Horticulture position, 1 part-time Zookeeper position, 3 seasonal staff positions, and 3 promotions. Including proposed positions, headcount will be 144 full time positions and 82 part time positions in 2019.

# Dinosaurs!! at Fresno's Chaffee Zoo! June 2019 - October 2019!





Los Angeles Zoo &  
Botanical Gardens



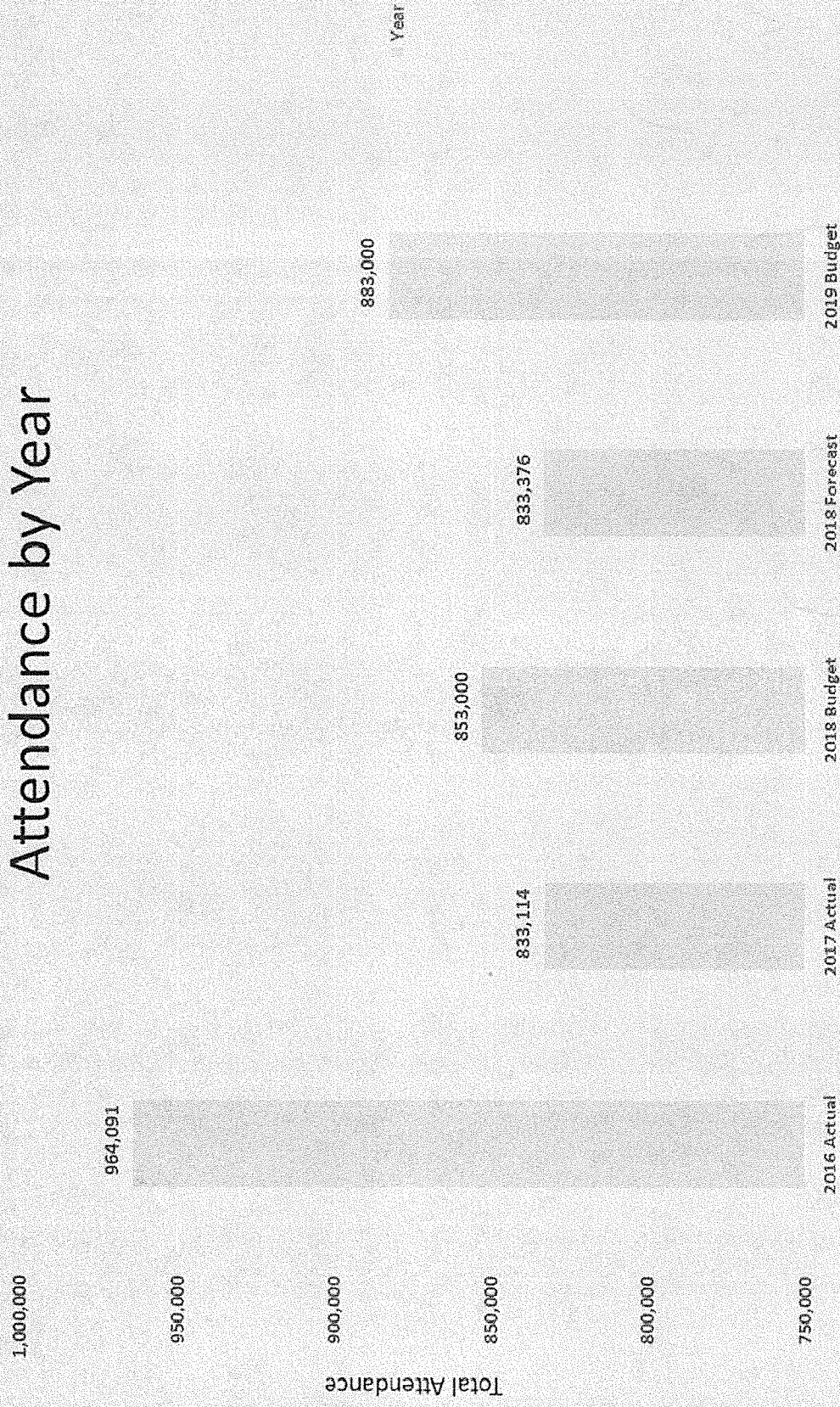


**Fresno's Chaffee Zoo**  
Dinosaurs Proforma Budget  
June - October 2019

Budgeted  
attendance for the  
year becomes  
883,000 with  
Dinos

Estimated Increase in General Admissions	50,000
Estimated Revenue	\$1,275,910
Expenses	
Install, Set-up, and Maintenance	\$600,000
Marketing	70,000
Visitor Services	10,000
Operational	145,000
Total Expenses	<u>\$825,000</u>
Net Surplus (Deficit)	<u>\$450,910</u>

# Fresno's Chaffee Zoo Attendance by Year



# Fresno's Chaffee Zoo Corporation

## Budget

2019

	2019 Budget	2018 Budget	YTD Actual 9/30/2018	2017 Audited
Attendance	833,000	853,000	645,897	833,114
Additional from Dinosaur Exhibit	50,000			
	883,000			
<b>REVENUE</b>				
<b>Self-Generated Revenue</b>				
Admissions	\$ 4,653,141	\$ 5,138,738	\$ 3,580,269	\$ 3,671,049
Adopt an Animal	21,000	35,000	13,160	27,780
Behind the Scenes	118,725	60,000	-	50,336
Education	418,850	441,850	401,691	445,352
Food Services	708,050	725,050	551,371	675,311
Gift Shop	466,480	477,680	379,067	438,302
Giraffe Feeding	582,000	580,040	427,408	530,032
Grants/Fundraising	450,000	325,000	467,377	303,407
Group Event/Facility Rental	573,000	575,000	464,547	558,359
Membership	1,616,351	1,337,750	1,177,455	1,314,128
Special Events	763,613	732,850	349,480	776,933
Stingray Exhibit	295,500	341,200	233,919	297,244
Other	78,209	84,000	101,057	66,920
Dinosaur Exhibit	1,275,910	-	-	-
<b>Total Self-Generated Revenue</b>	<b>\$ 12,020,829</b>	<b>\$ 10,854,158</b>	<b>\$ 8,146,801</b>	<b>\$ 9,155,153</b>

**Fresno's Chaffee Zoo Corporation**  
**Budget**  
**2019**

	<b>2019 Budget</b>	<b>2018 Budget</b>	<b>YTD Actual 9/30/2018</b>	<b>2017 Audited</b>
<b>EXPENSES</b>				
<b>OPERATING EXPENSES</b>				
<b>Personnel Expenses</b>				
Administration	\$ 1,222,270	\$ 1,103,542	\$ 774,729	\$ 890,565
Animal	3,412,652	3,209,916	2,521,318	3,246,626
Bird Show	278,595	-	-	-
Behind the Scenes	84,216	60,000	31,500	40,000
Education	953,213	901,204	812,830	955,443
Maintenance/Horticulture	1,187,575	906,885	675,464	898,987
Mem/Dev/Marketing	908,766	805,292	624,610	823,351
Operations	110,711	118,234	79,262	105,273
Veterinary	424,616	362,806	247,977	372,281
Visitor Services	982,022	802,357	654,296	816,963
<b>Total Personnel Expenses</b>	<b>\$ 9,564,637</b>	<b>\$ 8,270,236</b>	<b>\$ 6,421,986</b>	<b>\$ 8,149,489</b>
<b>Other Expenses</b>				
Advertising	\$ 386,720	\$ 388,300	\$ 196,377	\$ 308,863
Animal Services	487,000	562,000	348,982	506,879
Bank and Credit Card Fees	226,232	198,250	151,736	208,262
Bird Show Expense	64,510	257,000	207,126	276,166
Behind the Scenes	10,975	-	-	-
Community Support	-	75,000	25,500	-
Conservation	250,000	250,000	-	152,990
Contracted Services	306,494	305,600	393,649	272,597
Depreciation Expense	540,000	464,000	348,000	4,011,772
Dinosaur Exhibit Expense	825,000	-	-	-
Dues	55,990	50,950	30,346	58,067
Equipment	192,259	213,975	174,490	234,896
Event Expense	640,870	626,045	455,805	638,203

**Fresno's Chaffee Zoo Corporation**  
**Budget**  
**2019**

	<b>2019 Budget</b>	<b>2018 Budget</b>	<b>YTD Actual 9/30/2018</b>	<b>2017 Audited</b>
<b>EXPENSES</b>				
<b>OPERATING EXPENSES</b>				
Fleet	23,246	39,100	18,063	19,434
Food/Catering	52,915	56,300	13,891	44,022
Insurance	198,000	185,000	146,843	197,968
Interest Expense	18,000	12,500	7,561	13,283
IT	86,803	127,770	63,841	55,701
Mileage, Tolls, Parking	2,820	3,340	1,004	2,185
Miscellaneous Business	18,100	11,900	10,351	11,703
Office Supplies	19,430	32,600	13,940	17,185
Postage	57,665	51,325	31,446	44,767
Printing	230,005	151,825	90,249	135,452
Professional Services	214,400	317,000	85,402	387,958
Recognition	2,160	12,100	4,080	9,756
Recruitment	36,755	12,200	8,904	38,250
Repairs and Replacements	343,780	432,470	290,053	330,631
Signage	12,000	28,409	23,381	29,748
Specialized Services	37,010	51,750	20,634	33,956
Staff Development	85,745	206,162	110,692	76,715
Supplies	407,000	493,225	294,592	406,044
Telephone	46,274	67,295	36,817	51,786
Uniforms	43,150	40,850	22,048	37,795
Utilities	816,500	790,000	599,885	805,832
Other	-	11,398	8,650	9,811
<b>Total Other Expenses</b>	<b>\$ 6,737,809</b>	<b>\$ 6,525,639</b>	<b>\$ 4,234,338</b>	<b>\$ 9,428,677</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 16,302,446</b>	<b>\$ 14,795,875</b>	<b>\$ 10,656,324</b>	<b>\$ 17,578,166</b>
<b>NET SURPLUS (DEFICIT) FROM OPERATIONS</b>	<b>\$ (4,281,617)</b>	<b>\$ (3,941,717)</b>	<b>\$ (2,509,523)</b>	<b>\$ (8,423,013)</b>

**Fresno's Chaffee Zoo Corporation**  
**Budget**  
**2019**

	<b>2019 Budget</b>	<b>2018 Budget</b>	<b>YTD Actual 9/30/2018</b>	<b>2017 Audited</b>
<b>NET SURPLUS (DEFICIT) FROM OPERATIONS</b>				
Measure Z Operating Funds	\$ (4,281,616)	\$ (3,941,717)	\$ (2,509,523)	\$ (8,423,013)
	5,089,730	4,442,222	3,504,414	4,500,981
<b>NET AFTER MEASURE Z REIMBURSEMENT</b>	<b>\$ 808,114</b>	<b>\$ 500,505</b>	<b>\$ 994,891</b>	<b>\$ (3,922,032)</b>
<b>OTHER REVENUE</b>				
Measure Z-Capital Funds	\$ -	\$ -	\$ 2,545,091	\$ 3,262,574
City of Fresno	-	-	-	-
Interest Income	120,000	380,000	96,678	518,610
Investment Income	-	-	344,180	891,804
Board Designated for Endow	10,000	10,000	8,500	16,583
<b>TOTAL OTHER REVENUE</b>	<b>\$ 130,000</b>	<b>\$ 390,000</b>	<b>\$ 2,994,449</b>	<b>\$ 4,689,571</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>\$ 938,114</b>	<b>\$ 890,505</b>	<b>\$ 3,989,340</b>	<b>\$ 767,539</b>

**Fresno's Chaffee Zoo Corporation**  
**Cash Flow Forecast**  
**2019**

	<u>TOTAL</u>
<b>Cash Flows from Operating Activities</b>	
Total Self-Generated Revenue	\$ 12,020,829
<b>Cash Outflows</b>	
Total Personnel Expense	\$ 9,564,637
Total Other Expenses	6,859,017
Less Depreciation	<u>(540,000)</u>
<b>Total Cash Outflows</b>	<u>\$ 15,883,653</u>
<b>Net Cash Flow From Operations</b>	\$ (3,862,824)
<b>Other Cash Receipts</b>	
Measure Z Operating Funds	5,032,147
Line of Credit Draw (Payment)	(800,000)
Beginning Cash Balance	<u>250,000</u>
<b>Ending Cash Balance</b>	<u>\$ 619,323</u>

\*Zoo reaches positive cash in October

## 2018 Budget Revenue Increase Support

- ▶ **Behind the Scenes:** Revenue increase of \$59K over 2018 budget. Projected 2018 revenue expected to be \$65K. 2019 budget is \$54K over projected 2018 revenue. Increase is due to a concerted effort to expand tour offerings.
- ▶ **Giraffe Feeding:** Revenue increase of \$2K over 2018 budget. Projected 2018 revenue expected to be \$552K. 2019 budget is \$30K over projected 2018 revenue. Increase is due to expected continued revenue growth trend.
- ▶ **Grants/Fundraising:** Revenue increase of \$125K over 2018 budget. Projected 2018 revenue expected to be \$340K. 2019 budget is \$110K over projected 2018 revenue. Increase is due to a concerted effort to increase capture rate.
- ▶ **Group Events/Facility Rental:** Revenue increase of \$23K over projected 2018 revenue. Increase is due to expected growth in events and guest pricing.
- ▶ **Membership:** Revenue increase of \$279K over 2018 budget. Projected 2018 revenue expected to be \$1.4M. 2019 budget is \$208K over projected 2018 revenue. Increase is due to increase to fee.



# Operating Revenue & Per Cap Rates

	2019	2018	2018	2017
	Budget	Budget	9/30	Audit
<b>Attendance</b>				
	883,000	853,000	645,897	833,114
<b><u>Per Cap</u></b>				
Admissions	\$5.63	\$6.02	\$5.54	\$4.41
Concessions	\$0.85	\$0.87	\$0.85	\$0.81
Giraffe Feeding	\$0.70	\$0.70	\$0.66	\$0.64
Concessions	\$0.56	\$0.57	\$0.59	\$0.53
Stingray Bay	\$0.35	\$0.41	\$0.36	\$0.36
<b><u>Revenue</u></b>				
Behind the Scenes	\$118,725	\$60,000	\$65,350	\$50,336
Education	\$418,850	\$441,850	\$336,341	\$445,352
Group Events/Facility Rentals	\$573,000	\$575,000	\$464,547	\$558,359
Membership	\$1,616,351	\$1,337,750	\$1,408,000	\$1,314,128
Special Events	\$763,613	\$732,850	\$349,480	\$776,933

# 2019 Budget Expense Increase Support

	2019	2018	
	Budget	Budget	Variance
Total Operating Expenses	16,302,446	14,795,875	1,506,571 9%
Salary & Benefits	9,564,637	8,270,236	1,294,401 14%
Administration	1,222,270	1,103,542	118,728 Minimum wages increases, comp reviews, benefits increase, w/comp
Animal	3,412,652	3,209,916	202,736 Minimum wages increases, comp reviews, benefits increase, w/comp
Bird Show	278,595	-	278,595 New staff from acquisition
Behind the Scenes	84,216	60,000	24,216 Minimum wages increases, comp reviews, benefits increase, w/comp
Education	953,213	901,204	52,009 Minimum wages increases, comp reviews, benefits increase, w/comp
Maintenance/Horticulture	1,187,575	906,885	280,690 Minimum wages increases, comp reviews, benefits increase, w/comp
Mem/Dev/Marketing	908,766	805,292	103,474 Minimum wages increases, comp reviews, benefits increase, w/comp
Operations	110,711	118,234	(7,523) Minimum wages increases, comp reviews, benefits increase, w/comp
Veterinary	424,616	362,806	61,810 Full year of second vet
Visitor Services	982,022	802,357	179,665 Minimum wages increases, comp reviews, benefits increase, w/comp
Animal Services	487,000	562,000	(75,000) -15%
Animal Feed	400,000	400,000	-
Animal Shipping	38,000	105,000	(67,000) Anticipate fewer shipments
Bank and Credit Card Fees	226,232	198,250	27,982 12% Anticipated growth in credit card use
Bird Show Expense	64,510	257,000	(192,490) -298% Switch from contract services to ownership
Conservation	250,000	250,000	- 0%
Depreciation	540,000	464,000	76,000 14%
Dinosaur Exhibit Expense	825,000	-	825,000 Temporary exhibit
Equipment	192,259	213,975	(21,716) -11%
Equipment lease/rental	163,300	96,950	66,350 Budget based on current year actuals/forecast
Equipment purchases	61,575	52,500	9,075 Budget based on current year actuals/forecast

# 2019 Budget Expense Increase Support

	2019 Budget	2018 Budget	Variance	
IT				
New Maintenance Software	86,803	127,770	(40,967)	-47%
Cloud Based Accounting Software	7,500	10,000	(2,500)	Maintenance system for preventive/routine care
Centiman	13,625	20,000	(6,375)	Transition current software to cloud based version
Anti Virus	16,000	20,000	(4,000)	Visitor database/ticketing
Back-up Service/Software	11,520	500	11,020	
Paycom	8,040	-	8,040	
Collaberation	4,100	4,100	-	Payroll
Software and Supplies	6,000	6,000	-	Training software
Hardware Purchases	3,000	28,700	(25,700)	
	8,000	10,000	(2,000)	Replacement of old machines
Printing	230,005	151,825	78,180	34% \$76,000 for ticket stock to be able to ticket all guests
Professional Services	214,400	317,000	(102,600)	-48% Adjusted legal fees based on last to years' actuals
Recruiting	36,755	12,200	24,555	67% Anticipated costs associated with bringing candidates to Fresno
Repairs and Replacements	343,780	432,470	(88,690)	-26% Reduced for repairs being covered by Deferred Maintenance plan
Staff Development	85,745	206,162	(120,417)	-140% No survey, reduced numbers for conferences
Supplies	407,000	493,225	(86,225)	-21% Budgeted based on forecasted actuals for 2018
Utilities	816,500	790,000	26,500	3% Anticipated utilities increases

# Expenses

## Personnel

- ▶ 2018 Salaries and Benefits: 59% of total operating expenses are salary and benefits (industry benchmark of 58% - 63%). 2018 budget was 56% and projected year-end is 56%.
- ▶ 2018: Health insurance premium increase quoted 10%.
- ▶ Other benefits: Workers Compensation modification rate rising from 82% to 113%.
- ▶ Budget includes an increase of \$1.00/hour to minimum wage starting 1/1/19. Future minimum wage will increase will be \$1.00/hour on 1/1/20, 1/1/21 and 1/1/22.
- ▶

Current Head Count	=	130 Full Time and 72 Part Time
Non Seasonal Open Positions	=	12 Full Time and 9 Part Time
Budgeted Positions	=	2 Full Time and 1 Part Time
Budgeted Head Count at 2019 year end	=	144 Full Time and 82 Part Time

Seasonal Part Time Staff = 21

## Staffing Changes

**Administration:** Promote HR Generalist to HR Manager.

**Horticulture:** 1 Staff.

**Animal Department:** 1 LSS Staff, 1 Part Time Assistant Zookeeper.

**Education:** Promotion of Lead Conservation Interpretation to Asst. Manager, add 3 Seasonal Camp Instructors.

No proposed changes for any other department

## Capital Request Detail

Exhibits	
Bird Show Improvements <sup>^</sup> Improvements/replacement of back stage enclosures used by the bird show. Part of multi-year plan to improve this area.	\$ 100,000
Bird/Small Mammal Holding <sup>^</sup> New holding areas to replace old ones removed for African Adventure construction. These are used for management and breeding a variety of birds and small mammals	\$ 100,000
Stingray Bay Monitoring System <sup>^</sup>	\$ 50,000
Wolf Woods Upgrade*	\$ 40,000
Ungulate Shelter <sup>^</sup>	\$ 40,000
Savanna 4 Fence Extension <sup>^</sup>	\$ 26,000
<b>Total Exhibits</b>	<b>\$ 356,000</b>

<sup>^</sup> - Carried over from 2018

\* - Carried over from 2017

## Capital Request Detail (continued)

Hospital	
Large Portable Squeeze Rack <sup>^</sup>	\$ 20,000
Quarantine Shift <sup>^</sup>	\$ 10,000
Taylor Dunn Carrier <sup>^</sup>	\$ 10,000
Floors and Paint <sup>*</sup>	\$ 15,500
Concrete Pathways <sup>^</sup>	\$ 8,000
Paving <sup>^</sup>	\$ 8,000
iSTAT	\$ 7,000
Oxygen Generator <sup>^</sup>	\$ 5,000
Digital Dental Radiograph Plate	\$ 2,000
<b>Total Hospital</b>	<b>\$ 85,500</b>

<sup>^</sup> - Carried over from 2018

<sup>\*</sup> - Carried over from 2017

## Capital Request Detail (continued)

Maintenance	
Generator	\$ 4,000
Attachments for Bobcat	\$ 3,500
<b>Total Maintenance</b>	<b>\$ 7,500</b>
Visitor Services	
New Safe	\$ 2,500
<b>Total Visitor Services</b>	<b>\$ 2,500</b>
Others	
IT Upgrades including: New servers (2), Zoo-wide WiFi, Webstore Upgrade, Switch Upgrade, POS Station/Printer Upgrades, Payment Kiosk	\$ 250,000
<b>Digital Radio Upgrade<sup>^</sup></b>	<b>\$ 60,000</b>

<sup>^</sup> - Carried over from 2018

\* - Carried over from 2017



## Capital Request Detail (continued)

Others	
Lodge Heating <sup>^</sup>	
Install hot water furnace and pump to connect to radiant floor tubing in Kopje Lodge that was installed during construction	\$ 300,000
Solar Additions <sup>^</sup>	
Partial cost to add solar array to the African Elephant Night House per study conducted by CSUF	\$ 100,000
Pergola <sup>^</sup>	\$ 25,000
Total Others	\$ 735,000
Total Capital Request	<u>\$ 1,186,500</u>

<sup>^</sup> - Carried over from 2018

\* - Carried over from 2017

## Capital Request Detail - Prioritized

Exhibits	
Bird Show Improvements	\$ 100,000
Others	
Digital Radio Upgrade	\$ 60,000
IT Upgrade	\$ 250,000
Total Prioritized Request	\$ 410,000

## Deferred Maintenance Allocation

Budgeted Net Cash Available for 2019*	\$ 619,323
2019 Allocation to Deferred Maintenance	<u>\$ 200,000</u>
Balance Available for Capital Purchases	\$ 419,323
Prioritized Capital Purchases	<u>\$ 410,000</u>
Surplus	\$ 9,323

\* Cash is net positive in October

# 2019 Measure Z Request

- ▶ 2019 Measure Z Operating Support Request: (2018 request was \$4,442,222)

## Personnel Expenses:

Animal	\$ 3,410,000
Veterinary Services	410,000

## Operating Expenses:

Animal Food and Services	450,000
Exhibit Maintenance & Renovations	116,000
Water Quality Supplies	87,700
Utilities	615,910
Bank Fees	<u>120</u>

## Total 2019 Operating Request

**\$ 5,089,730**

- ▶ Projected 2019 Measure Z Funding (excluding interest):

	2019 FCZ
Capital	Projected Revenue
Operating	\$10,148,982
Administration	\$ 5,089,730
2019 Projected Proceeds	<u>\$ 310,994</u>
	<b>\$15,549,706</b>

# 2019 Measure Z Request (continued)

\* 2019 Measure Z Operating Support Request:

2019 request:	\$ 5,089,730	Percent of 2018 operating budget:	31%
2018 request:	<u>\$ 4,442,222</u>	Percent of 2018 operating budget:	30%
Increase	\$ 647,508		
2019 request:	\$ 5,089,730		
2019 forecast:	<u>\$ 5,089,730</u>		
Increase	\$ -0-		

\* 2018 Projected Measure Z Operating:

Projected receipts to be collected:	\$ 4,700,000
Projected total claims:	<u>4,442,222</u>
Projected surplus funds:	\$ 257,778

2017 Measure Z Operating:

Receipts collected:	\$ 4,355,866
Total claims:	<u>4,199,076</u>
Funds available:	\$ 156,790

\* Measure Z operating fund surplus of approximately \$6.3 million as of 8/31/2018.

All figures based on Zoo's fiscal year (January – December).

## Measure Z Revenue Summary of Tax Proceeds

	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual
July	\$826,000	\$903,500	\$864,900	\$900,800	\$952,000	\$930,800	\$1,227,435
August	1,033,100	\$1,106,000	\$1,149,600	\$1,201,100	\$1,269,300	\$1,241,000	\$928,052
September	1,028,369	\$1,097,605	\$1,199,226	\$1,408,037	\$1,181,071	\$1,391,154	\$1,171,132
October	850,500	\$857,400	\$879,100	\$911,400	\$941,400	\$933,300	\$1,619,199
November	1,056,800	\$1,143,200	\$1,172,100	\$1,215,200	\$1,255,200	\$1,244,400	\$1,531,072
December	1,083,021	\$1,076,977	\$1,147,219	\$1,306,493	\$1,188,304	\$1,452,570	
January	799,900	\$836,700	\$884,100	\$915,800	\$955,400	\$951,900	
February	1,086,700	\$1,101,200	\$1,178,800	\$1,221,000	\$1,273,900	\$1,269,200	
March	1,021,734	\$1,113,584	\$1,087,121	\$1,226,517	\$1,114,146	\$1,420,604	
April	846,500	\$788,000	\$804,100	\$819,500	\$855,500	\$865,400	
May	1,493,700	\$1,050,600	\$1,072,100	\$1,092,700	\$1,140,700	\$1,512,737	
June	1,015,391	\$1,139,360	\$1,231,366	\$1,374,748	\$1,220,710	\$1,103,925	
<b>Total</b>	<b>\$12,141,715</b>	<b>\$12,214,126</b>	<b>\$12,669,732</b>	<b>\$13,593,295</b>	<b>\$13,347,631</b>	<b>\$14,316,990</b>	<b>\$6,476,890</b>

Total received from inception ..... \$159,801,200

# 2018 Measure Z Request

▶ 2018 Measure Z Operating Support Request: (2017 request was \$4,522,000)

• Personnel Expenses:	
Animal	\$ 3,206,316
Veterinary Services	\$ 362,806
Operating Expenses:	
Animal Food	\$ 420,000
Utilities	\$ 452,980
• Bank Fees	\$ <u>120</u>
Total 2018 Operating Request	\$ 4,442,222

▶ Projected 2018 Measure Z Funding (excluding interest):

	2018 FCZ
Capital	Projected Revenue
Operating	\$ 8,885,778
Administration	\$ 4,442,222
2018 Projected Proceeds	\$ <u>272,000</u>
	\$13,600,000



## AGENDA ITEM 7

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DATE: February 27, 2019

TO: Fresno County Zoo Authority Board

FROM: Jose Reynoso, Zoo Authority Treasurer, Accountant II  
Financial Reporting & Audits – Fresno County ACTTC

SUBJECT: 2019 Zoo Corp Operations Budget – Measure Z Revenue Projections

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### RECOMMENDED ACTION:

Review and accept the Treasurer's revenue projection comparison between the Authority's Measure Z revenue projections and the Zoo Corp's Measure Z revenue projections.

### DISCUSSION:

During the January 30, 2019 meeting of this Board, a discussion arose regarding the differences in the Authority's budgeted Measure Z revenue projections as compared to the Zoo Corporation's budgeted Measure Z revenue projections. As a result of that discussion, Mr. Treatch has submitted his methodology of projecting Measure Z revenues for comparison against the budgeted revenue projections previously approved by your Board.

During the preparation of the Fiscal Year 2018-19 Authority budget, we reviewed the prior three fiscal year tax receipts and concluded that the increases that we observed in revenues received over the Fiscal Year 2017-18 budget were not likely to continue. Therefore, we elected to present a budget including an overall decrease in Measure Z revenues of 4%, as shown in the attached document and your Board approved that budget on May 30, 2018.

The Measure Z Revenue projection comparison document provided with this agenda item shows the differences. A difficulty that arose with the comparison was that the actual Measure Z revenues received for July 2018 through December 2018 are incorporated into the Zoo Corporation's budget, since the first six months of the fiscal year budget have already been received. Therefore, they have better data with which to forecast the remainder of fiscal year 2018-19, along with the first half year of fiscal year 2019-20, which will not be forecasted for this Board's review until April 2019.

Despite the differences, the overall increase in budget to actual variance shows the estimated Measure Z revenues, as provided by the Zoo Corp support an overall increase in revenues to be received for fiscal year 2018-19 versus the budgeted Measure Z revenue projections previously approved by this Board.



# Fresno County Zoo Authority

Zoo Corp Measure Z Revenue Projections									
EXPENSES									
FISCAL YEAR		CURRENT FISCAL YEAR							
8-19		2018-19							
ACTUAL RECEIPTS	BUDGET TO ACTUAL VARIANCE	BUDGETED TAX RECEIPTS	BUDGETED %	BUDGETED DIFFERENCE	ACTUAL TAX RECEIPTS	BUDGET TO ACTUAL VARIANCE			
1,227,435	\$ 287,327 30.56%	\$ 1,227,434	1.32%	\$ 287,326	\$ 1,227,435	\$ 1	0.00%		
928,052	(300,538) -24.46%	928,052	0.75%	(300,538)	928,052	-	0.00%		
1,171,132	(206,110) -14.97%	1,171,132	0.84%	(206,110)	1,171,132	-	0.00%		
1,619,199	667,233 70.09%	1,619,199	1.73%	667,233	1,619,199	-	0.00%		
1,531,072	299,116 24.28%	1,531,072	1.23%	299,116	1,531,072	-	0.00%		
1,392,262	(16,731) -1.19%	1,392,262	0.96%	(16,731)	1,392,262	-	0.00%		
1,345,542	422,199 45.73%	980,457	1.03%	57,114	1,345,542	365,085	37.24%		
		1,307,276	1.03%	76,152					
		1,463,222	1.03%	85,236					
		891,362	1.03%	51,924					
		1,558,119	1.03%	517,476					
		1,137,042	1.03%	123,585					
9,214,694	\$ 1,152,496 18.58%	\$ 15,206,629	1.08%	\$ 1,641,783	\$ 9,214,694	\$ 1,152,496	5.32%		
venues									

32,835,639

## Agenda Item 7 Attachment A

## 2019 Zoo Authority Adopted Meeting Calendar

January							February							March						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
		<b>1</b>	2	3	4	5						1	2						1	2
6	7	8	9	10	11	12	3	4	5	6	7	8	9	3	4	5	6	7	8	9
13	14	15	16	17	18	19	10	11	12	13	14	15	16	10	11	12	13	14	15	16
20	<b>21</b>	22	23	24	25	26	17	<b>18</b>	19	20	21	22	23	17	18	19	20	21	22	23
27	28	29	<b>30</b>	31			24	25	26	<b>27</b>	28			24	25	26	<b>27</b>	28	29	30
														31						
April							May							June						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
	<b>1</b>	2	3	4	5	6				1	2	3	4							1
7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8
14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15
<b>21</b>	22	23	<b>24</b>	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22
28	29	30					26	<b>27</b>	28	<b>29</b>	30	31		23	24	25	<b>26</b>	27	28	29
														30						
July							August							September						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	<b>4</b>	5	6					1	2	3	1	<b>2</b>	3	4	5	6	7
7	8	9	10	11	12	13	4	5	6	7	8	9	10	8	9	10	11	12	13	14
14	15	16	17	18	19	20	11	12	13	14	15	16	17	15	16	17	18	19	20	21
21	22	23	24	25	26	27	18	19	20	21	22	23	24	22	23	24	<b>25</b>	26	27	28
28	29	30	<b>31</b>				25	26	27	<b>28</b>	29	30	31	29	30					
October							November							December						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5						1	2	1	2	3	4	5	6	7
6	7	8	9	10	11	12	3	4	5	6	7	8	9	8	9	10	11	12	13	14
13	14	15	16	17	18	19	10	<b>11</b>	12	13	14	15	16	15	16	17	18	19	20	21
20	21	22	23	24	25	26	17	18	19	20	21	22	23	22	23	24	<b>25</b>	26	27	28
27	28	29	<b>30</b>	31			24	25	26	<b>27</b>	<b>28</b>	<b>29</b>	30	29	30	31				
Holidays and Observances																				
Jan 1 New Year's Day							April 21 Easter Sunday							Nov 11 Veterans Day						
Jan 21 Martin Luther King Day							May 27 Memorial Day							Nov 28 Thanksgiving Day						
Feb 18 Presidents' Day							July 4 Independence Day							Nov 29 County Holiday						
April 1 Cesar Chavez Day, observed							Sept 2 Labor Day							Dec 25 Christmas Day						

# Fresno County Zoo Authority

## Retention Policy

Adopted September 30, 2015

Revised January 30, 2019

### Purpose

This Policy provides requirements for Agreements between the Fresno Chaffee Zoo Corporation (ZooCorp) and any party acting as a Construction Manager at Risk, or as Project Manager, in the event there is no Construction Manager at Risk, for construction of Measure Z funded capital projects, and the process for the disbursement of Measure Z funds and release of funds in escrow when there is an agreement for security deposits in lieu of retention.

### Definitions

1. "Agreement" shall be defined herein as a valid\_executed contract.
2. "Construction Manager at Risk" shall be defined as an individual, partnership, joint venture, corporation, or other recognized legal entity, that is appropriately licensed in this state, including a contractor's license issued by the Contractors' State License Board, and that guarantees the cost of a project and furnishes construction management services, including but not limited to, preparation and coordination of bid packages, scheduling, cost control, value engineering, evaluation, preconstruction services, and construction administration.
3. "Project Manager" shall be defined as a qualified individual or firm authorized by contract with ZooCorp to be responsible for planning, organizing, and overseeing the various tasks of a construction project, including overseeing schedules, budgets, and communication between ZooCorp and contractors in order to ensure that a project can meet expected scope and performance requirements according to plans and specifications on budget and on schedule, and at acceptable risk, quality, safety and security levels.

1 4. "Retention" shall be defined as the percentage of the Measure Z funds retained by  
2 the ZooCorp for security purposes relating to work to be performed on claims  
3 reimbursed for Capital Projects over \$30,000, and/or for which there is a  
4 Construction Manager at Risk, (or Project Manager, in the event there is no  
5 Construction Manager at Risk). Retention shall be no less than five percent (5%).  
6 If the Authority has approved a finding by the ZooCorp, on a project by project  
7 basis, during a properly noticed and normally scheduled public hearing and prior  
8 to bid, that a project is substantially complex and therefore requires a higher  
9 retention amount, Retention may be greater than five percent (5%), but not more  
10 than ten percent (10%).

11 5. "Escrow Account" shall mean an account established at a financial institution or  
12 bank by ZooCorp for purposes of depositing and holding Retention funds paid by  
13 the Authority to ZooCorp, pending disbursement, to the Construction Manager at  
14 Risk, (or Project Manager, in the event there is no Construction Manager at Risk).

#### 15 **Requirements**

- 16 1. ZooCorp requests for funding for construction of Capital Projects over \$30,000  
17 and/or for which there is a Construction Manager at Risk, (or Project Manager, in  
18 the event there is no Construction Manager at Risk), shall be received for staff and  
19 Board member review at least 30 days before the Board meeting at which the  
20 funding request will be made, and shall include an Agreement with the construction  
21 firm or Project Manager stating the requirement for Retention and its terms.
- 22 2. Requests for funding for the design of Capital Projects over \$30,000 shall be  
23 received for staff and Board member review at least 30 days before the Board  
24 meeting at which the funding request will be made, and shall include an Agreement  
25 with the design firm stating the requirement for Retention and its terms.

#### 26 **Procedures for Payment of Invoices by the Authority**

27 ZooCorp invoices are received, reviewed, and paid in accordance with the terms  
28 of the December 21, 2005 Agreement Regarding Procedures For Distribution Of Tax

Revenue To The Chaffee Zoo, as amended, and with the Authority's Procedures for Approving and Administering Measure Z Funds.

**ZooCorp's Deposit of Funds Received from Authority**

No later than two business days from its receipt of funds from the Authority for reimbursement of project invoices, ZooCorp shall deposit Retention funds in the appropriate Escrow Account. Within one business day of deposit of Retention funds in the Escrow Account, ZooCorp shall send proof of the deposit to the Authority.

**Certification to the Authority**

Prior to releasing any Retention funds from the Escrow Account, ZooCorp shall request the release at an Authority Board meeting, at the same time presenting written certification that all conditions of the Escrow Agreement have been met, that the construction project is final and complete in accordance with the construction contract, and that the release of funds in the Escrow Account is appropriate. Such written certification shall include certification from the project architect or lead engineer that the project has been completed in accordance with the plans and specifications.

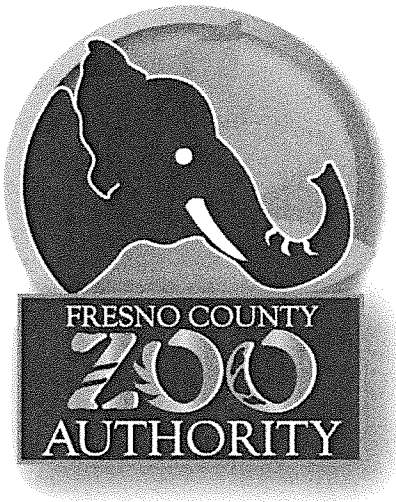
**Disputes**

1. The ZooCorp shall advise the Authority in writing of any dispute between ZooCorp and the Construction Manager at Risk, (or Project Manager, in the event there is no Construction Manager at Risk), regarding retention funds within 30 days of such dispute coming to the attention of ZooCorp.
2. The construction contract shall require that any settlement agreement between the Construction Manager at Risk, (or Project Manager, in the event there is no Construction Manager at Risk), and ZooCorp involving retention funds be made public.
3. Any previously released retention funds that are recouped by ZooCorp as part of a settlement with the Construction Manager at Risk, (or Project Manager, in the event there is no Construction Manager at Risk), shall be returned by ZooCorp to the Measure Z Capital Fund.

1 **Authority Consent to Distribution of Escrow Funds**

2       Upon receipt of the required written certification from ZooCorp that the project is  
3 final and complete in accordance with the construction contract, the Authority will not  
4 unreasonably withhold its consent to the release of the funds held in escrow. If it  
5 withholds consent, the Authority will set forth in writing its objections, stating those items  
6 that are not final and complete according to the construction contract.

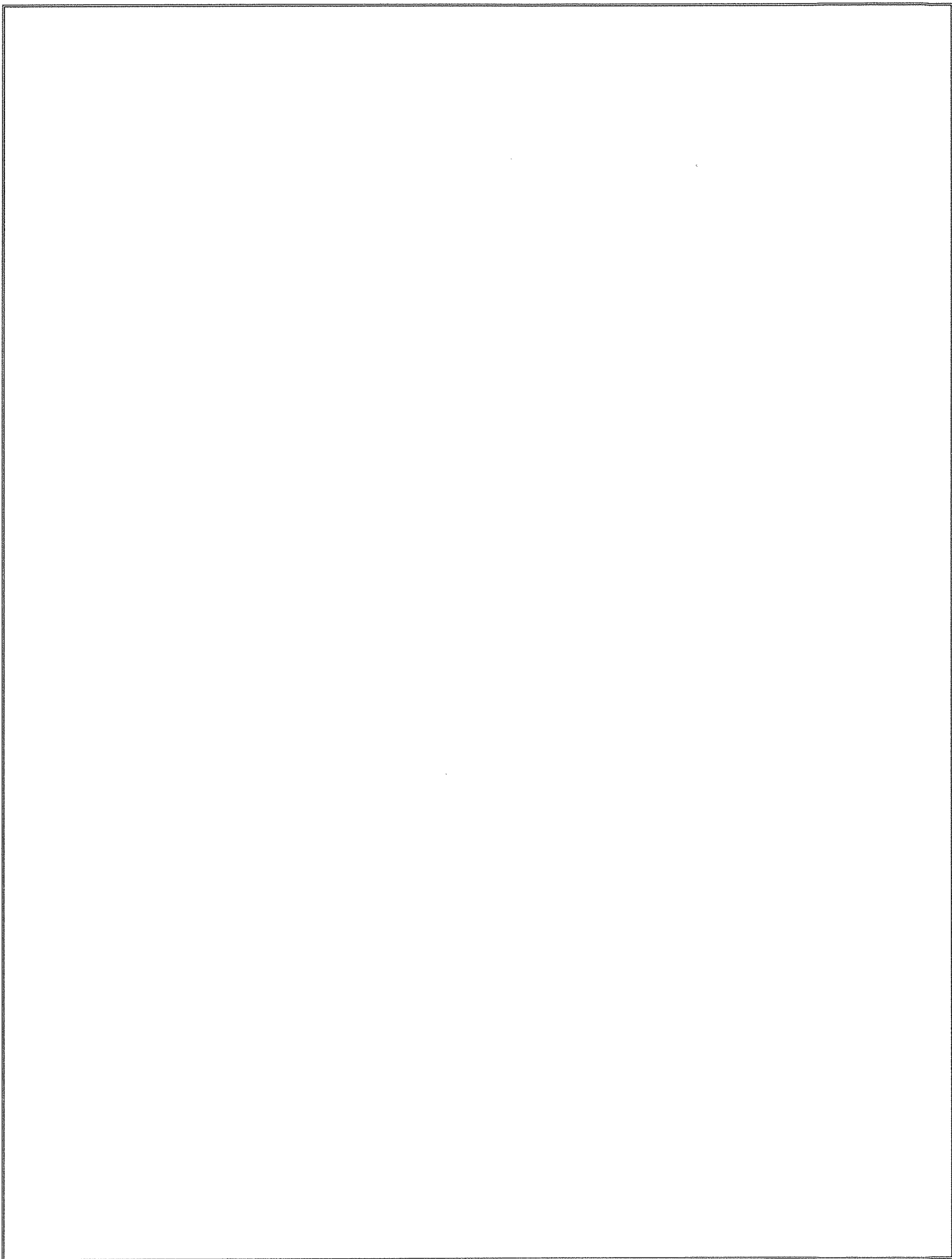
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# **Fresno County Zoo Authority Procedures for Approving and Administering Measure Z Funds**

**Adopted  
November 11, 2005**

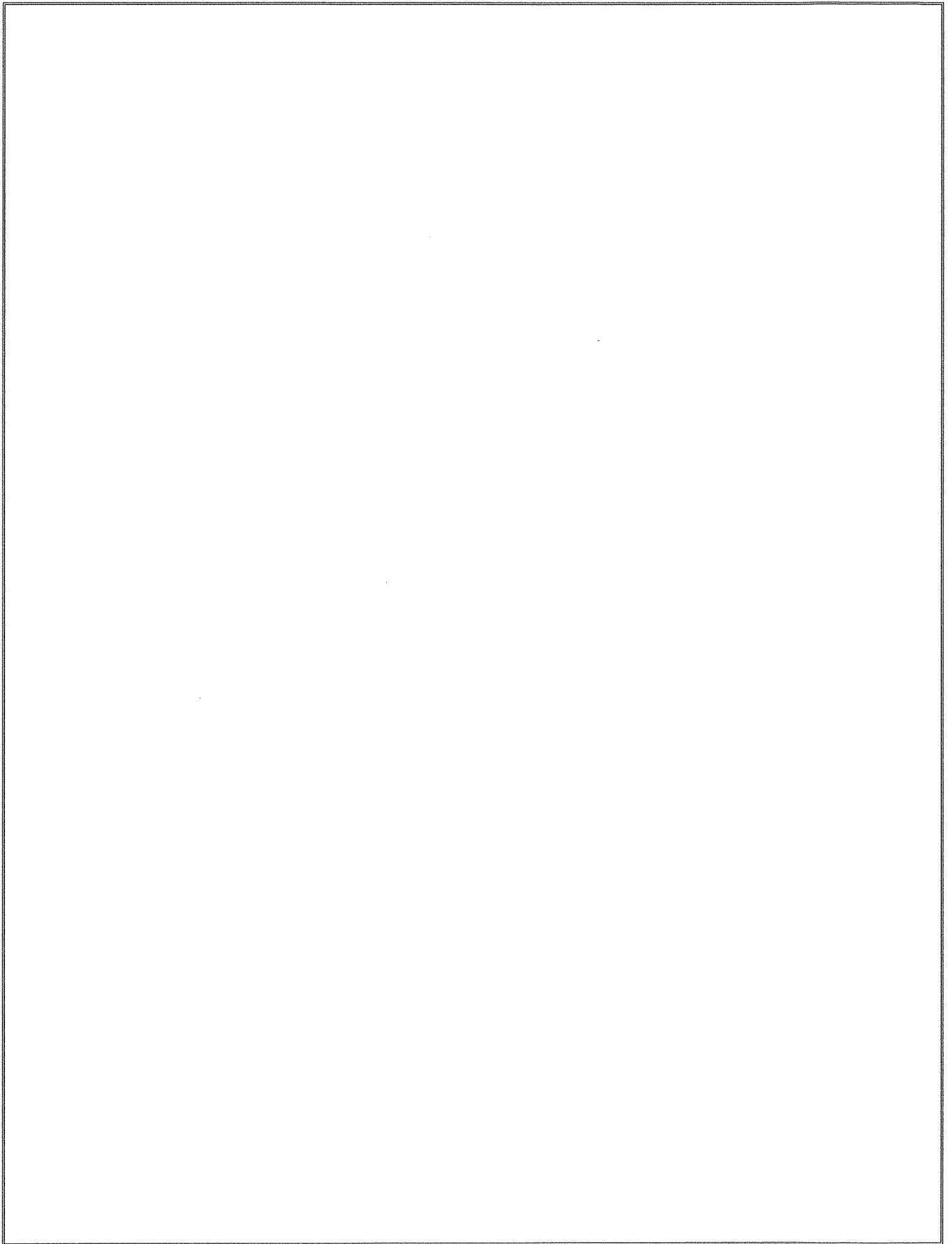
**Revised  
January 30, 2019**





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# INTRODUCTION

## PURPOSE

To provide guidelines for the authorization and administration of Measure Z funds by the Fresno County Zoo Authority (Authority).

## OVERVIEW

On November 2, 2004, the voters of Fresno County approved "Measure Z," a transactions and use tax (sales tax) at the rate of 0.1%, proposed by the Authority, to support the Fresno Chaffee Zoo. On November 4, 2014, Measure Z was extended for another 10 years. The procedures described herein apply to the management and disbursement of Measure Z funds.

Simplified, the Bylaws of the Authority provide that the tax revenue can be used for the administration of the Authority and be allocated to Fresno's Chaffee Zoo Corporation (ZooCorp) for on-going operations, maintenance and capital facilities projects at that location.

The Authority Board (Board) will review and approve Measure Z funded line items of ZooCorp operations and capital projects budgets. Once these line items are approved by the Board, ZooCorp claims for reimbursement will be submitted to the Administrator for review and approval. Approved claims will then be forwarded to the Authority Treasurer (Treasurer) for accounting review before final review by Board members and payment processing.

### Notes:

1) As contemplated by the AGREEMENT REGARDING PROCEDURES FOR THE DISTRIBUTION OF TAX REVENUE TO THE CHAFFEE ZOO between the Authority and ZooCorp,<sup>1</sup> dated December 21, 2005, these procedures provide the method for the requests for and approval of distribution of Measure Z funds.

2) These procedures will be reviewed with the Zoo Authority as needed for opportunity to update, amend, or edit to achieve greater efficiencies.<sup>2</sup>

Staff will report to the Authority as needed on the effectiveness of the procedures described herein and, with Authority approval, may modify the procedures based on additional history, experience or changes in technology.

3) The responsibilities of the Authority Administrator specified in these procedures may be carried out by the designated Authority Coordinator. In the temporary absence of the Coordinator, the Authority may assign those responsibilities to other staff.

4) As per the AGREEMENT BETWEEN FRESNO COUNTY ZOO AUTHORITY AND THE COUNTY OF FRESNO FOR PROFESSIONAL AND TECHNICAL SERVICES (#05-237),<sup>3</sup> dated June 14, 2005, the County of Fresno Auditor-Controller/Treasurer-Tax Collector or his/her designee serves as Treasurer for the Authority.

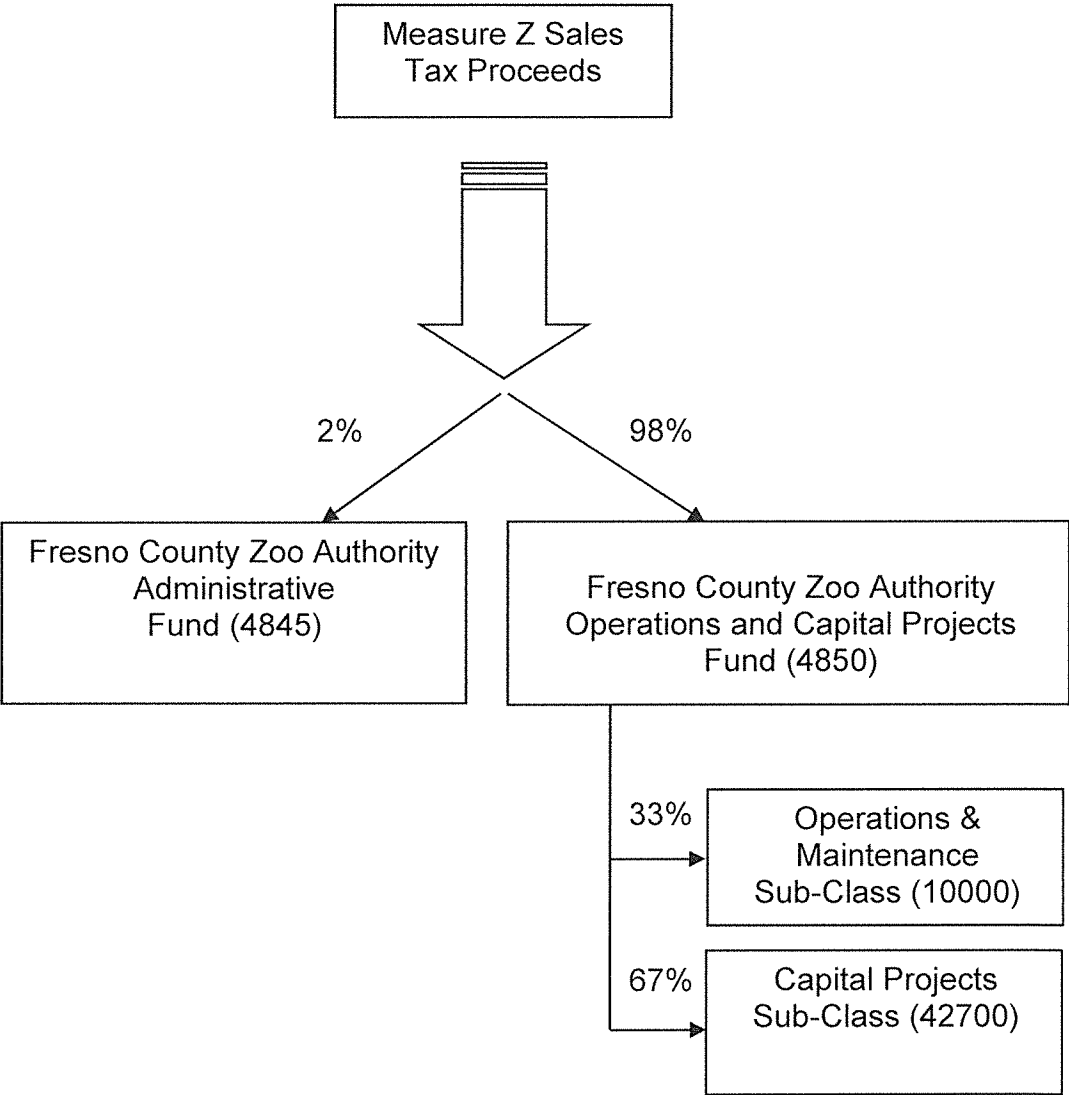
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<sup>1</sup> See Appendix V, Document A

<sup>2</sup> Procedures were previously revised on February 22, 2006, October 25, 2006, January 17, 2007, November 28, 2007, August 26, 2009, September 28, 2011, March 28, 2012, June 29, 2016 and February 13, 2018.

<sup>3</sup> See Appendix V, Document B

**Exhibit 1 – Financial Management System Overview**



## FINANCIAL MANAGEMENT SYSTEM

Through its approval of this procedure, the Authority has adopted a method of financial management that intends to be responsive to the needs of a small staff, while assuring payment procedures and monitoring controls that assure high accountability in the expenditure of public monies.

The Authority's financial management records will be maintained by the Treasurer in PeopleSoft, the County of Fresno's financial information system.

- There are two separate funds used to track and record all Measure Z financial activity. (Exhibit 1, page 2) Procedures regarding these funds are outlined in the Zoo Authority Bylaws.<sup>4</sup>
- Fund 4845 has been established to track and record Authority administration costs. The Bylaws provide that *"Up to 2% of the tax proceeds shall be allocated for administrative costs of the Authority. This administrative allocation shall be made based upon budgeted estimates of administrative costs prior to any distribution of tax revenues in any fiscal year to the Corporation "Administrative costs" shall mean actual expenses incurred by the Authority. Apportionment of any overhead and/or accounting of actual costs shall be accomplished in accordance with the standards and procedures found Title 2 Code of Federal Regulations, Subtitle A, Chapter II, Part 225."* Procedures regarding this fund are outlined in Zoo Authority Policies and Administrative Procedures, beginning in Section 1, page 4.
- In accordance with the Bylaws, the remaining annual tax proceeds will be allocated to reimburse qualifying ZooCorp operating and capital project claims. This Measure Z activity is tracked using fund 4850. Within this fund, two sub-classes (10000 and 42700) have been established to segregate monies available for disbursement to ZooCorp to be used in operations (10000) and capital facilities projects (42700). Procedures regarding this fund are outlined in Zoo Authority Policies and Procedures for Approval and Disbursement of Funds to Fresno's Chaffee Zoo Corporation, beginning in Section 2, page 11.
- All funds are deposited with the Fresno County Treasury and earn interest.

Once the funds are disbursed to the ZooCorp, the Authority's oversight extends to request monthly financial reports, annual audited financial statements with auditor's report, and annual agreed-upon procedures report of ZooCorp. The audited financial statements and/or related note disclosures must provide information specific to revenue and expenditures of Measure Z dollars related to on-going operations, maintenance and capital facilities projects at the Fresno Chaffee Zoo.

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<sup>4</sup> Appendix V, Document C

## SECTION 1

### ZOO AUTHORITY POLICIES AND ADMINISTRATIVE PROCEDURES

#### **I. Authority Annual Budget and Control Policies:**

As a matter of policy, the Authority intends to maintain the flexibility necessary to administer Measure Z funds through a minimalist approach, with emphasis on delivering oversight and performing due diligence in using public monies.

The Authority shall adopt an annual budget of its own administrative expenditures each fiscal year (July 1 to June 30). The adoption of the annual budget shall be done during an Authority public meeting no later than one day prior to the start of the next fiscal year. The Authority's proposed annual budget will be available for public inspection at least fifteen days prior to the meeting. The Authority is not required to adhere to the specific requirements of the County Budget Act.

While the Authority may vary from this schedule, the anticipated timeline for the Authority to prepare and approve its own budget is as follows:

Suggested Budget Timeline	
March	Review Authority's current year spending and create forecasts for next fiscal year Measure Z revenues, administrative 2%, and expenditures)
April	Present and discuss draft Authority Budget at Public Meeting
May	Review and Approve Budget at Public Meeting

The annual budget is a line item budget consisting of several categories (object level) which may include Salaries and Employee Benefits, Services and Supplies, Equipment, and Other Charges. It is the Authority's policy that revenue exceeding expenditures during the budget/fiscal year will be added to the Administrative fund balance and held there until otherwise designated by the Authority Board.

#### **II. Contracted Staff Responsibilities**

As per the *Agreement Between the Fresno County Zoo Authority and County of Fresno for Professional and technical Services*,<sup>5</sup> Fresno County will provide staff for the following tasks:

##### ***A. Auditor-Controller/Treasurer-Tax Collector:***

The Auditor-Controller/Treasurer-Tax Collector (Treasurer) will provide staff to serve as accountant and treasurer for the Authority, and will exercise the fiscal responsibility to review, account for, and process payment of claims that are consistent with Authority approved budget appropriation limits at the line item level.

The Authority accepts the Treasurer's opinion on generally accepted accounting principles (GAAP), and will defer to the Treasurer on the appropriate accounting and reporting treatment for financial transactions related to the Administration, recording, and disbursement of Measure Z funds.

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<sup>5</sup>Appendix V, Document B

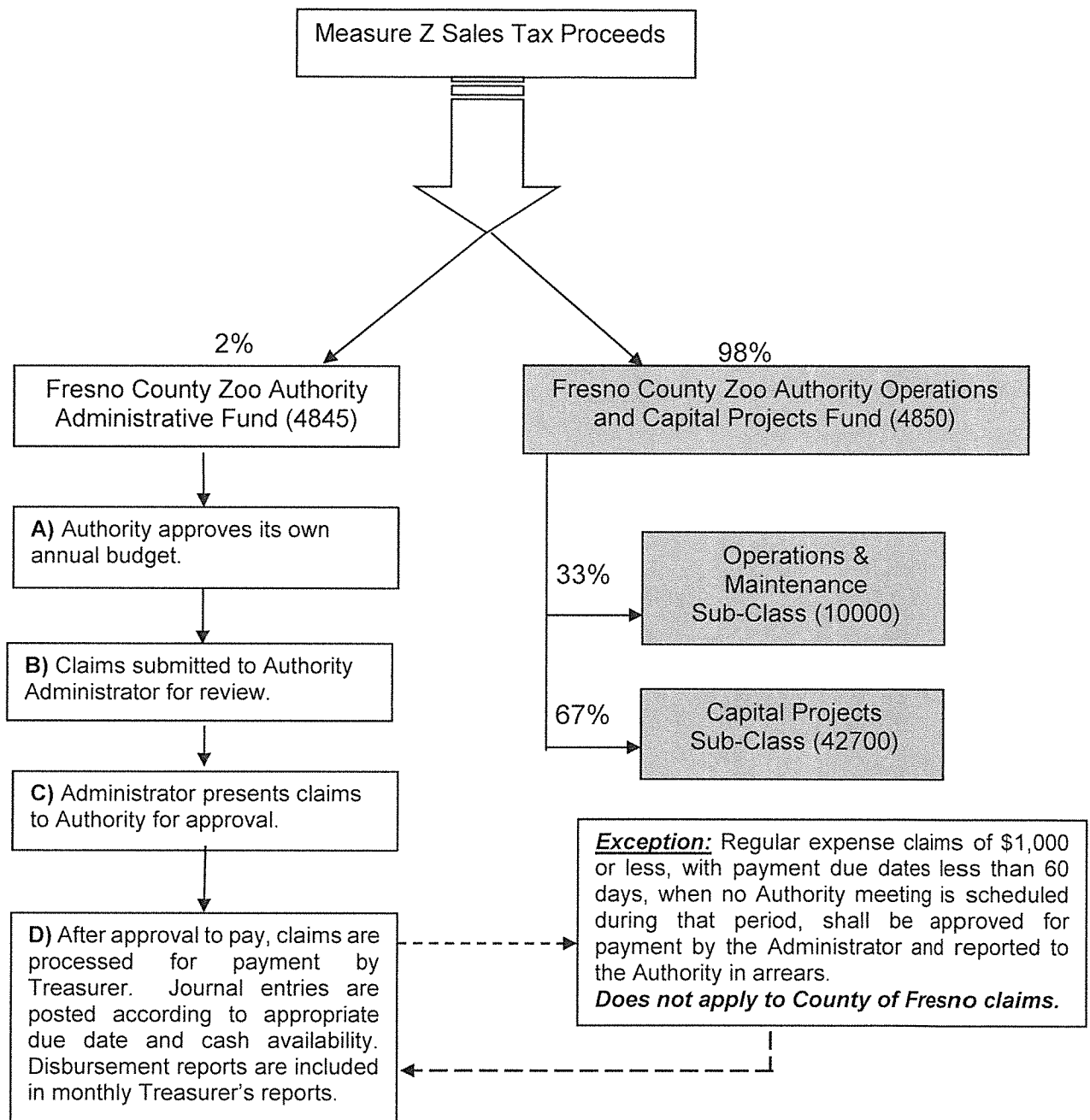
***B. Responsibilities of Authority Administrator (or Designated Coordinator):***

The Authority Administrator (County Administrative Officer) will act as a management official of the Authority to provide full administrative support, and to ensure separation of duties for internal control purposes. The Authority Administrator, or designated Coordinator, will act on behalf of the Authority to perform all of the following functions:

- 1) Make allowed/authorized purchasing requests.
- 2) Receive, review, and gain appropriate approval for Authority administrative claims prior to submitting them to the Treasurer for payment.
- 3) Receive, review, and approve or deny payment of all ZooCorp claims based on supporting documentation submitted to substantiate each claim; ensure that claims are consistent with the Board-authorized project plan, and approved budget appropriation limits at the line item and project levels.
- 4) Forward approved claims to the Treasurer for payment
- 5) Request for and review all documentation required by these procedures from external entities (including ZooCorp and the City of Fresno) to ensure compliance by ZooCorp. This documentation includes, but is not limited to, reports on annual audit and agreed-upon procedures engagement required of ZooCorp. In addition, the Administrator will communicate any findings or reportable conditions identified in the review of these documents to the Authority Board.

As management for the Authority, the Coordinator will have the authority (on approval by the Authority Board Chair) to request from other Authority Staff the preparation of documents that may provide additional financial information to the Board. This includes, but is not limited to, additional accounting reports from the Treasurer and legal opinions from Legal Counsel that may clarify financial matters. Such requests should be made in writing or via e-mail. Authority staff (Treasurer, Legal Counsel, etc.) should provide the requested documentation within 14 business days of the request.

## Exhibit 2 – Zoo Authority Claims Approval Process Overview





### **III. Authority Financial Policies:**

- A. In the absence of an Authority policy to the contrary, the Standards and Procedures for Counties, State of California, will be used as the Authority guide on fiscal matters.
- B. All expenditures of the Authority will be on a "claims" approval basis tracked against approved budget categories. (See *Authority Claims Approval Process/Procedures* below.)

### **IV. Authority Administrative Claims Approval Process/Procedures:**

The following information pertains to payment for Authority expenses, based on the Authority's own approved administrative budget. These adopted procedures, as part of the financial management system of the Authority, provide for a high degree of accountability, monitoring, and tracking. All expenditures must be claim based, i.e., a bill or claim for payment in writing.

Only claims for reimbursements or for payments for goods and services, acceptable in the Measure Z Ordinance and Authority Bylaws will be accepted and approved by the Authority Administrator, reviewed by the Authority Board, and processed for payment by the Treasurer. For the most expeditious reimbursement, claims from supporting County departments should be submitted to the Administrator on a regular basis in order to be considered for approval at the next scheduled Authority Board meeting.

#### *A. Non Fresno-County Related Expenses*

- 1) All claims must be submitted to the Authority Administrator. The Treasurer will not accept any direct requests for claims of Authority administrative expenses.
- 2) The Administrator will review all claims and/or vendor invoices against the approved budget line items (i.e., funds must be in the appropriate category).
- 3) Claims submitted with insufficient/inappropriate documentation, against an unapproved budget line item, or exceeding budget limits will be rejected by the Administrator and returned to vendors for revision.
- 4) Upon completion of review and approval of claims, the Administrator will forward them to the Treasurer for payment processing.
- 5) Once an Administrator-approved claim is received the Treasurer will review, account for, and process payment in a timely manner, provided the claim is within budget appropriation limits at the line item level.
- 6) If sufficient cash is not available to pay a valid claim, the Treasurer will contact the Administrator, who will seek direction from the Authority at the next public meeting by presenting the claim and a recommendation to the Authority.
- 7) Treasurer's reports will be available monthly, tracking the expenditures, the categories, the level of expenditures and the amount available for future spending.
- 8) In addition, the Administrative and Trust Funds will be reconciled and reports will be furnished to the Authority as part of the Treasurer's Report for further tracking of expenditures and reporting their status.

*B. Fresno-County Related Expenses*

- 1) All claims must be submitted to the Authority Administrator. The Treasurer will not accept any direct requests for claims of Authority administrative expenses.
- 2) The Administrator will review and summarize all claims, forward to the Treasurer for review, and present the summary to the Authority for its approval prior to submitting the claims to the Treasurer for payment.
  - a) *Exception:* Where summarizing and seeking Authority approval prior to submission to Treasurer would delay payment more than sixty days from the claim due date, the Administrator is authorized to submit claims of less than \$1,000 on an individual basis to the Treasurer for expeditious payment processing, and the Administrator is further directed to report the payment in arrears to the Authority.
- 3) Authority approval will be documented in the Board's meeting minutes authorizing the specific payment within a rounding tolerance of \$1.00. Unpaid County of Fresno invoices have no expiration date and will be paid as presented to the Board.
- 4) Claims will be reviewed by the Treasurer for their appropriateness and to ensure it is within budget appropriation limits at the line item level.
- 5) No claim for reimbursement shall be paid without formal approval of the Authority, unless the approval is delegated to the Authority Administrator.
- 6) Where approval is delegated to the Authority Administrator, authorization to pay claims is derived from an approved budget.
- 7) Claims for reimbursement or payment of administrative expenses on behalf of the Authority shall be approved by the Authority Administrator, or his or her designee, reference the source of the authorizing approved budget (specifically, the account to be charged) and be submitted to the Treasurer in writing.
- 8) Records of all claims paid will be kept in accordance with the County of Fresno Records Retention Schedule and may be maintained as paper records ("hard copy") or scanned and maintained electronically ("soft copy") for audit purposes and future reference.

## **V. Authority Purchasing Policies:**

The Authority may contract with any department or agency of the United States, with any public agency, including but not limited to, the County of Fresno, or any county, city or district, with any vendor or with any person upon any terms and conditions that the Authority finds in its best interest.

With the exception of the contract with the County of Fresno for staff services, contracts for the purchase of services, supplies, equipment, and materials in excess of ten thousand dollars (\$10,000.00) shall be awarded through competitive bidding processes, except in an emergency declared by the Authority, or by an executive committee to which the Authority has delegated responsibility to make that declaration.

If after rejecting bids received under the above, the Authority determines and declares that, in its opinion, the services, supplies, equipment or materials may be purchased at a lower price on the open market, the Authority may proceed to purchase these services, supplies, equipment, or materials in the open market without further observance of the provisions regarding contracts, bids, or advertisements.

The Authority may use the purchasing/bidding capabilities of the County where timely application and the combining with its larger volume purchasing abilities would be advantageous to the Authority.

Wherever feasible, the Authority will establish contracts that are negotiated and created on a not to exceed basis with a delineation of the goods and/or services to be provided.

## **VI. Authority Contract Policies:**

The Authority Administrator is authorized on behalf of the Authority to enter into agreements and contracts or purchases for services and supplies up to a maximum amount of \$5,000 per vendor per year, or for multi-year contracts up to a maximum of \$5,000, in accordance with an approved budget.

Contracts or purchases with vendors exceeding \$5,000 limit must be presented to the Authority Board for approval. Any contract with the County of Fresno (for contracted staff services) must be presented to the Authority Board for approval.

## **VII. Authority Financial Reporting and Audits:**

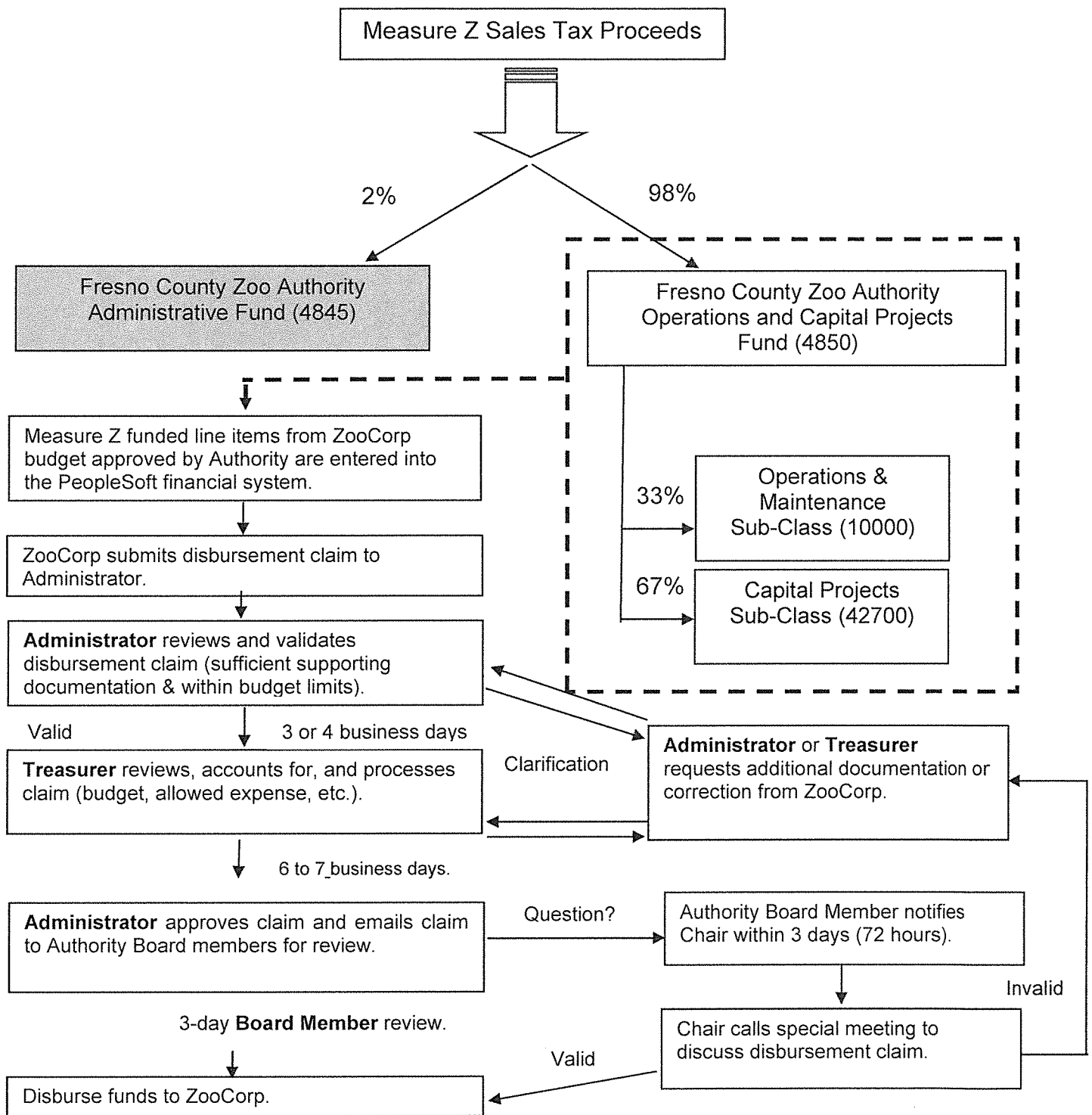
The office of the Auditor/Controller–Treasurer/Tax Collector will prepare the Authority’s Financial Statements at the end of each fiscal year. These financial statements will be audited by an external certified public accountant or firm (independent auditor) as selected by the Authority Board or committee appointed by the Board. The annual audit will be conducted in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The report issued by the independent auditor as well as the related financial statements will be presented to the Authority Board and the general public at an Authority publicly noticed meeting. Notice of this presentation will be communicated to the public via the Authority’s website at least 15 days prior to the meeting.

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### ***Inquiries Related to these Policies and Procedures:***

Questions regarding these policies and procedures should be directed to the Administrator or may be raised during public comment at any Authority publicly noticed meeting.

### Exhibit 3– Zoo Corporation Claims Approval Overview



Fresno County Treasury processing and electronic funds transfer may require up to 4 days.

## SECTION 2

### ZOO AUTHORITY POLICIES AND PROCEDURES FOR APPROVAL AND DISBURSEMENT OF FUNDS TO FRESNO'S CHAFFEE ZOO CORPORATION

#### **I. Operations**

##### *A. Operations Budget*

- 1) Each year, ZooCorp shall present operations budget line items (accounts) to be funded by Measure Z for approval by the Authority Board. At least 30 days prior to requesting approval, the budget shall be provided for Board and staff review. The segregated line items shall be specifically identified in ZooCorp's budget and shall be funded 100% (up to the budget amount) with Measure Z operations funds.
- 2) When ZooCorp's operations budget has been presented and Measure Z funded line items have been approved by the Authority, and as long as all other funding criteria as specified in the bylaws and claim supporting documentation requirements are met, the Authority adopts a policy of a standing authorization delegating final claim approval authority to the Administrator (or designated Coordinator) and approving the Treasurer to release funds to ZooCorp in accordance with the Administrator's signed approval and Board approved budget limits.

##### *B. Disbursement of Measure Z Funds for Operations*

- 1) ZooCorp shall submit a monthly operations claim separately for each month of the year within 60 days after the end of the month, with the exception of the first claim of ZooCorp's fiscal year, which shall be submitted within 90 days after the end of the month of December. Expenditures submitted more than 6 months after expenses are incurred will require explanation before processing. In addition, expenditures submitted more than 12 months after expenses are incurred will require Authority Board action.
- 2) The Disbursement Claim form (Appendix I) shall be used by ZooCorp. This form may be modified as mutually agreed by the Authority and ZooCorp.
- 3) Reimbursement shall be requested for incurred expenses only, with the exception of prepaid expenses or deposits on goods/services previously authorized through an Authority Board action at a public meeting.
- 4) Each operations claim shall contain expenses incurred only during the current ZooCorp budget year (January 1-December 31). Reimbursement will not be processed for expenses incurred in prior years, unless authorized through an Authority Board action at a public meeting. The lone exception is the claim for December expenses, which will occur in the subsequent Zoo Corp budget year.
- 5) Claims submitted shall have supporting documentation for expenses, including copies of the general ledger and/or other financial reports extracted from ZooCorp official accounting system, invoices and vendor contracts. Copies of invoices of \$1,000 or more shall also be included. Additional supporting documentation, including but not limited to invoices below \$1,000, may be requested of ZooCorp at the discretion of the Authority Board and/or staff.
- 6) In general, disbursements to ZooCorp will be equal to or greater than \$100,000 at a time.

- 7) The Authority does not need to take action for each disbursement or release of funds subsequent to approval of the ZooCorp budget line items. The Administrator is granted standing authority to approve claims submitted by ZooCorp. The Treasurer is granted authority to disburse funds (initiate the cash transaction) in accordance with budget limits, when the Treasurer receives the approved claim from the Administrator. Except in the absence of the Administrator, the Treasurer will not accept claims directly from ZooCorp. While the Treasurer can *receive* claims, it should be noted that *approval* must still be provided by the Administrator before the claim can be processed.
- 8) All disbursement claims shall be submitted to the attention of the Administrator, or in the absence of the Administrator, to the Treasurer. The disbursement request may be submitted as a "hard copy" (paper with an original ink signature) or emailed (preferred) from the ZooCorp Chief Financial Officer (CFO) or authorized person. See Section V.B., page 16 for documentation of authorized persons.
  - a) Hard copy disbursement claims shall be sent to: County of Fresno, Administrative Office Attn: Zoo Authority Coordinator, 2281 Tulare Street, Room 304 Mail Stop #20, Fresno, CA 93721.
  - b) E-mailed disbursement claims shall be sent to the Authority Coordinator, and a copy emailed to the Treasurer.
- 9) Disbursement claims shall reference the Operations Fund as the source of the approved budget. (See Disbursement Claim Form, Appendix I.)
  - a) Any disbursement request that would exceed the monthly budgeted amount of a particular Measure Z funded line item shall include explanations by ZooCorp management and details of variances of 25% or \$25,000 (whichever is less).
  - b) The Administrator will work directly with ZooCorp to ensure all required documentation to support the claim is provided, and to verify that the claim request is within approved budget limits at the line item level. Through each step in the claim process, the Administrator, Treasurer and ZooCorp CFO or designee will maintain communication by email to track the claim, anticipate and manage any problems, and minimize delays.
- 10) Payment of the claims will be processed as expeditiously as possible, within a maximum 16 business days from receipt of a complete claim to the Administrator: three days for Administrator review, six days for Treasurer review, three days for Board review, and up to four days for Fresno County Treasury processing and electronic funds transfer, unless extraordinary circumstances allow faster or require slower processing of the request.
  - a) Requests for clarification or additional documentation may delay the review process until resolved.
  - b) Claims will be processed in the order received, although ZooCorp may request that claims be processed in a particular order (e.g. an Operations claim before a Capital claim).
  - c) Claims will not be processed concurrently; each claim will be processed to the point of Authority Board review before a subsequent claim is processed.
- 11) After review, the Administrator will notify the ZooCorp CFO, and forward the claim to the Treasurer for review.

- 12) The Treasurer will review the claim for accounting form to ensure disbursement is in compliance with the approved budget limits, and accounting principles generally accepted in the United States (GAAP).
- 13) If sufficient cash is not available to pay a valid disbursement claim, the Treasurer will seek direction from the Authority at the next regularly scheduled public meeting, or specially requested meeting, by presenting the claim and a recommendation to the Authority.
- 14) Upon the completion of review of a claim, the Treasurer will email the claim to the Administrator for approval. The Administrator will then forward the claim to all members of the Zoo Authority Board for review and notify the ZooCorp CFO.
  - a) Any Authority Board member wishing to question or object to the claim must contact the Chair and Administrator, within 3 business days of the date and time of the claim email, and request a special meeting be arranged.
  - b) The Chair will notify the Authority Administrator to call a meeting for discussion of the claim. The special meeting called by the Chair shall be held as soon as it can be reasonably arranged for a quorum to be present at said meeting.

Note: No discussion of the disbursement claim or approval/denial can happen among Board members via email. Discussion and action must be taken during a public meeting.
  - c) If no request for a special meeting is received by the Administrator from a Board member by the expiration of the time specified in 13a above, the Treasurer will then direct payment for the claim to be processed expeditiously.
- 15) Disbursement of Funds:
  - a) The Treasurer will forward EFT confirmation or other record of disbursement to the Administrator and ZooCorp. The Administrator will then post the claim to the Zoo Authority website.
  - b) EFT fees will be charged at the current County of Fresno rate published in the annual Master Schedule of Fees. The disbursement claim must reference the appropriate banking information.

## **II. Capital Projects**

### **A. *Capital Projects Budget and Plan***

ZooCorp shall provide reports on current and future projects at each Authority Board meeting, and provide updates as needed to the Zoo's Master Plan.

- 1) For each capital project funding request, ZooCorp shall provide to the Administrator an agenda item for the proposed project for the Authority's consideration, including a description of the proposed project, conceptual design, major contractors, a summary of bid proposals, as well as a ZooCorp approved estimated budget, and Zoo Project Manager and contractor(s) agreements and/or proposal(s) that include a detailed scope of work. These documents shall be provided to Authority Board members and staff for review at least 30 days before requesting approval by the Zoo Authority Board. The budget shall include segregated line items (accounts) and related request amounts; that may be adjusted within the total budget. If a project budget includes a contingency line item, and contingency funds are later requested for reimbursement, an explanation of the expenditure will be noted on the Disbursement Claim form (Appendix I). Funding requests for project design or construction over \$30,000, and/or for projects with a contract that includes a Construction Manager at Risk shall follow the Authority's Retention Policy, adopted September 30, 2015. (See Appendix II, Definitions, Paragraph 3, and Requirements, Paragraph 1.) The Authority Board or staff may request additional information from ZooCorp on the planned projects prior to hearing a request for funding.
- 2) The budget for a specific major project may be requested in one lump sum, but will only be approved at the discretion of the Authority Board. In the event that a budget is approved for an entire project that will be constructed over a period of time exceeding one Authority fiscal year (July 1-June 30), any unexpended appropriations will be encumbered (rolled over) at year end. The encumbered appropriations will be available to pay for construction in progress for a period not to exceed two (2) fiscal years or 24 months, after which ZooCorp may request approval of a re-appropriation of unspent funds for incomplete projects at an Authority Board meeting. The request shall include a presentation on the projects and progress to date.
- 3) ZooCorp may present to the Authority Board an annual capital projects budget request, and/or at any meeting may request funds for specific capital projects. At the request of ZooCorp and with the approval of the Authority Board, a specific project budget may be modified for large project changes. If after funding has been approved for a project, there is a change in scope involving the cost, budget, design, or timeline of the project, or a change with a previously contracted service provider, ZooCorp shall notify the Authority, and take appropriate action as possible to modify agreements with contractors or sub-contractors, and provide them to the Authority. ZooCorp shall then request re-approval of the project's funding under the new scope of work or new or amended agreements at the next Authority meeting, after which further reimbursement may be claimed.
- 4) When ZooCorp capital projects budgets have been approved by the Authority, and as long as all other funding criteria as specified in Authority bylaws, financial procedures, and claim supporting documentation requirements are met, the Authority adopts a policy of a standing authorization, delegating final claim approval authority to the Administrator (or designated Coordinator) and approving the Treasurer to release funds to ZooCorp in accordance with the Administrator's signed approval and Board approved budget limits.



*B. Capital Projects Policy*

All capital project claims submitted by ZooCorp for reimbursement shall be in accordance with the Authority's Measure Z Capital Projects Policy. Adopted June 24, 2009, the Policy defines the criteria of capital projects that qualify for reimbursement of Measure Z funds. (See Appendix III.)

*C. Disbursement of Measure Z Funds for Capital Projects*

Procedures for the disbursement of funds for Capital Projects claims are similar but not identical to Operations claims. Differences are found below in paragraphs 1, 5, 9a, 10, 13 and 14c.

- 1) The ZooCorp may submit capital claims on an as-needed basis, usually within 60 days after the end of a month, with the exception of the first claim of the ZooCorp's fiscal year, which shall be submitted within 90 days after the end of the month of December. Expenditures submitted more than 6 months after expenses are incurred will require explanation before processing. In addition, expenditures submitted more than 12 months after expenses are incurred will require formal Zoo Authority Board action.
- 2) The Disbursement Claim form shall be used by ZooCorp. This form may be modified as mutually agreed by the Authority and ZooCorp.
- 3) Reimbursement shall be requested for incurred expenses only. No prepaid expenses or deposits on goods/services will be reimbursed, unless authorized through an Authority Board action at a public meeting.
- 4) Each Capital claim shall contain expenses incurred only during the current ZooCorp budget year (January 1-December 31). Reimbursement will not be processed for expenses incurred in prior years, unless authorized through an Authority Board action at a public meeting. The lone exception is the claim for December expenses, which will occur in the subsequent Zoo Corp budget year.
- 5) Claims submitted shall have supporting documentation for expenses, including copies of the general ledger and/or other financial reports extracted from ZooCorp's official accounting system. Claims will be reviewed and processed for reimbursement only after Authority staff determines that provided invoices signed contracts or signed proposals, bonds, and invoices include sufficient detail of work. Invoices of Project Managers and their employees under contract with ZooCorp who may simultaneously work on multiple projects, and design firms or contractors whose agreements or proposals include hourly rates rather than progress billing, shall also include each employee name or job title, duties or tasks accomplished, hourly rate and hours worked on each project. (See new Appendix IV, Employee Hours Template for Invoices for Measure Z Funds.) Copies of invoices of \$1,000 or more shall also be included. Additional supporting documentation, including but not limited to invoices below \$1,000, may be requested of ZooCorp at the discretion of the Authority Board and/or staff.
- 6) In general, disbursements to ZooCorp will be equal to or greater than \$100,000 at a time.
- 7) The Authority Board does not need to take action for each disbursement or release of funds subsequent to approval of the project budget. The Administrator is granted standing authority to approve claims submitted by ZooCorp based on the approved project budget, and the Authority's Capital Projects Policy. The Treasurer is granted authority to disburse funds (initiate the cash transaction) in accordance with project budget limits for line items when the Treasurer receives the approved claim from the Administrator. Except in the absence of the Administrator, the Treasurer

will not accept claims directly from ZooCorp. While the Treasurer can *receive* claims, it should be noted that *approval* must still be provided by the Administrator before the claim can be processed.

- 8) All disbursement claims shall be submitted to the attention of the Administrator, or in the absence of the Administrator, to the Treasurer. The disbursement request may be submitted as a “hard copy” (paper with an original ink signature) or emailed (preferred) from the ZooCorp CFO or authorized person See Section V.B., page 18 for documentation of authorized persons.
  - a) Hard copy disbursement claims shall be sent to: County of Fresno, Administrative Office Attn: Zoo Authority Coordinator, 2281 Tulare Street, Room 304, Mail Stop #20, Fresno, CA 93721.
  - b) E-mailed disbursement claims shall be sent to the Authority Coordinator, and a copy emailed to the Treasurer.
- 9) Disbursement claims shall reference the Capital Projects Fund as the source of the approved budget. (See Disbursement Claim Form, Appendix I.)
  - a) The Administrator will work directly with ZooCorp to ensure all required documentation to support the claim is provided, and to verify that the claim request is within approved budget limits at the line item level. Through each step in the claim process, the Administrator, Treasurer and the ZooCorp Chief Financial Officer (CFO) or designee will maintain communication by email to track the claim, anticipate and manage any problems, and minimize delays.
- 10) Payment of the claims will be processed as expeditiously as possible, within a maximum of 18 business days from receipt of a complete claim to the Administrator: four days for Administrator review, seven days for Treasurer review, three days for Board review, and up to four days for Fresno County Treasury processing and electronic funds transfer, unless extraordinary circumstances allow faster or require slower processing of the request.
  - a) Requests for clarification or additional documentation may delay the review process until resolved.
  - b) Claims will be reviewed in the order received, although ZooCorp may request that claims be processed in a particular order (for example, an Operations claim before a Capital claim).
  - c) Claims will not be reviewed concurrently; each claim will be processed to the point of Authority Board review before a subsequent claim is processed.
- 11) After review, the Administrator will notify the ZooCorp CFO, and forward the claim by email to the Treasurer for review.
- 12) The Treasurer will review the claim for accounting form to ensure disbursement is in compliance with the approved budget limits, and accounting principles generally accepted in the United States (GAAP).

If sufficient cash is not available to pay a valid disbursement claim, the Treasurer will seek direction from the Authority at the next regularly scheduled public meeting, or specially requested meeting, by presenting the claim and a recommendation to the Authority.
- 13) Upon the completion of review of a claim, the Treasurer will email the claim to the Administrator for approval. The Administrator will then forward the claim to all members of the Zoo Authority Board for review and notify the Zoo Corp CFO. If a project budget included a contingency line item

and contingency funds were requested for reimbursement, an explanation of the expenditure will be noted on the Disbursement Claim form.

- a) Any Authority Board member wishing to question or object to the claim must contact the Chair and Administrator, within 3 business days of the date and time of the claim email, and request a special meeting be arranged.
- b) The Chair will notify the Authority Administrator to call a meeting for discussion of the claim. The special meeting called by the Chair shall be held as soon as it can be reasonably arranged for a quorum to be present at said meeting.  
Note: No discussion of the disbursement claim or approval/denial can happen among Board members via email. Discussion and action must be taken during a public meeting.
- c) If no request from a Board member for a special meeting is received by the Administrator by the expiration of the time specified in 13a above, the Administrator will then direct the Treasurer to process payment of the claim expeditiously.

14) Disbursement of Funds:

- a) The Treasurer will forward the EFT confirmation or other record of disbursement to the Administrator and ZooCorp. The Administrator will then post the claim to the Zoo Authority website.
- b) The EFT fees will be charged at the current County of Fresno rate published in the annual Master Schedule of Fees. The disbursement claim must reference the appropriate banking information.
- c) As per Agreement,<sup>6</sup> for contracts with retention, confirmation of the deposit of funds into an escrow account shall be provided by ZooCorp to the Administrator within 3 days of disbursement.

**III. Authority Staff Accounting Records and Reporting:**

- A. At time of approval, Measure Z funded line items (estimated expenditures and/or disbursements), and estimated sales tax revenue information from ZooCorp budgets will be loaded into the County's PeopleSoft financial system.
- B. ZooCorp disbursements will be tracked against those Measure Z related line items.
- C. At each Board meeting staff will present monthly reports to the Authority regarding Measure Z funds and disbursements to ZooCorp
- D. Records of all claims paid will be kept in accordance with the County of Fresno's records retention policies and may be maintained as paper records ("hard copy") or scanned and maintained electronically ("soft copy") for audit purposes and future reference.

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<sup>6</sup> See Appendix V, Document D

- E. Each uniquely identifiable Capital Project will be assigned a project number in PeopleSoft that will be used to track the project budget as well as transactions to date and to facilitate project level reporting to the Board, ZooCorp or public.

#### **IV. Fresno's Chaffee Zoo Corporation Accounting Records and Reporting:**

- A. To ensure expenses for claims submitted are not also being reimbursed by a third party (such as the City of Fresno), ZooCorp must track expenses for a single project to be reimbursed by multiple entities on separate general ledger accounts (i.e., Improvements-Measure Z, separate from Improvements-City of Fresno).
- B. At least on a monthly basis, ZooCorp shall provide a financial report including variance analysis against budget to the Authority. This report shall consist at a minimum of a Profit & Loss Statement and shall specifically identify Measure Z funded expenditures line items, and shall include explanations and details of any line item variances. ZooCorp shall have a representative at each of the Authority Board meetings who shall be prepared to answer questions from the Board and/or public related to its financial report.
- C. In accordance with Authority requests or other agreements, ZooCorp will generate reports of disbursed amounts tracking the expenditures, categories, level of expenditures, and amounts available for future spending.

#### **V. Additional Documentation:**

- A. Before any disbursement requests are honored, ZooCorp shall provide to the Treasurer a completed "Request for Taxpayer Identification Number and Certification" (IRS form W-9) and a list of persons authorized to approve funding requests on behalf of ZooCorp.
- B. Annually, or when changes in personnel occur, ZooCorp shall provide a list of ZooCorp officials to the Authority, including signatures and email addresses, who are authorized to approve and submit claims for disbursement of Measure Z funds.

#### **VI. Fresno's Chaffee Zoo Corporation Financial Reporting and Audits:**

- A. ZooCorp shall provide the Authority with audited financial statements and an audit report for each fiscal year. The audit of these financial statements shall be performed by an external certified public accountant or firm (Independent Auditor) and shall be conducted in accordance with auditing standards generally accepted in the United States of America. As a specific requirement of the Authority, the audited financial statements shall disclose "separately" (on a Measure Z Tax footnote) all financial activity related to the revenue and expenditures of Measure Z funds by ZooCorp. Operations expenses should be segregated by account name, while capital project expenses should be segregated by both account name and project.
- B. ZooCorp shall also provide to the Authority with an "Independent Accountant's Report on Applied Agreed-Upon Procedures" to be performed by ZooCorp external auditor. As part of these Agreed-Upon Procedures, the external auditor must at a minimum, perform the following procedures: (1) review all (100%) reimbursements to ZooCorp for Measure Z funded expense line items paid by "all other entities or third parties (other than the Authority)", for purposes of determining if any operating and/or capital project expenses reimbursed by the Authority (Measure Z funds) were also reimbursed by a different entity or third party, and (2) review a sample (at least 75% population coverage) of Measure Z claims submitted for operations and capital projects, to determine if Measure Z-funded expenses were accounted for separately.
- C. The audit report, related financial statements, and the "Independent Accountant's Report on Agreed-Upon Procedures" issued by the independent auditor shall be *received* by the Authority no later than

June 30th of the year following the end of the ZooCorp fiscal year. As Authority or ZooCorp business warrants, the Authority may choose to hear the report presentation by June 30th, or at their next meeting. At least 15 days prior to the meeting, ZooCorp shall provide a copy of the audit presentation for the Authority's meeting agenda, and the Administrator will post a notice of the presentation to the Authority's website.

- D. The Zoo Corp shall maintain inventory of all capital improvements purchased with Measure Z capital projects funds regardless of whether the improvements are capitalized or not. ZooCorp management shall present an annual report of capital assets inventory including additions and deletions. The inventory report shall cover a full calendar year (January-December) utilizing the accrual basis of accounting, and should be certified/attested to by ZooCorp external auditor (in writing). The report shall be presented to the Authority Board during a regular public meeting by June 30th of each year, or its next scheduled meeting.

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***Inquiries of ZooCorp's Financial Position:***

For questions related to the financial position of the ZooCorp should be directed to the organization.

***Inquiries Related to these Policies and Procedures:***

Questions regarding these policies and procedures should be directed to the Administrator, or may be raised during public comment at any publicly noticed meeting of the Authority.



# APPENDIX

## Appendix I

### Disbursement Claim for Measure Z Funds

Please remit to:

**Fresno's Chaffee Zoo Corporation**  
894 W. Belmont Ave.  
Fresno, California 93728

★	_____ Disburse via Wire Transfer
Receiving Bank ABA#	_____
ABA #	_____
Account #	_____
Account Title	_____

Disbursement Claim #: \_\_\_\_\_ Claim Submission Date: \_\_\_\_\_

☐ Operations

☐ Capital Projects

*For questions regarding the status of this disbursement request, please contact the Office of the Auditor/Controller-Treasurer/Tax Collector, Financial Reporting & Audits Division, (559) 600-1373.*

☐ Check here if this disbursement request is electronically submitted to the Zoo Authority Administrator

☐ Check here if this disbursement request is electronically approved for payment by the Zoo Authority Administrator.

\_\_\_\_\_  
Fresno's Chaffee Zoo Corporation  
Chief Financial Officer or designee  
Approval Signature

\_\_\_\_\_  
Fresno County Zoo Authority  
Administrator/Coordinator  
Approval Signature



## Disbursement Claim for Measure Z Funds

Disbursement Claim #: \_\_\_\_\_ Claim Submission Date: \_\_\_\_\_

### Request Details

Invoice Date or Date Range (if multiple invoices)	Approved Monthly Budget Covering Invoiced Month(s)	Budget Line Item	General Ledger Account No. and Description	Amount Requested
			Wire Fee	
			TOTAL AMOUNT REQUESTED	

Capital Claim contingency usage, or Operations Claim budget variance explanation:

## Appendix II

### Retention Policy

Adopted September 30, 2015

Revised January 30, 2019

#### Purpose

This Policy provides requirements for Agreements between the Fresno Chaffee Zoo Corporation (ZooCorp) and any party acting as a Construction Manager at Risk, or as Project Manager, in the event there is no Construction Manager at Risk, for construction of Measure Z funded capital projects, and the process for the disbursement of Measure Z funds and release of funds in escrow when there is agreement for security deposits in lieu of retention.

#### Definitions

1. "Agreement" shall be defined herein as a valid executed contract.
2. "Construction Manager at Risk" shall be defined as an individual, partnership, joint venture, corporation, or other recognized legal entity, that is appropriately licensed in this state, including a contractor's license issued by the Contractors' State License Board, and that guarantees the cost of a project and furnishes construction management services, including but not limited to, preparation and coordination of bid packages, scheduling, cost control, value engineering, evaluation, preconstruction services, and construction administration.
3. "Project Manager" shall be defined as a qualified individual or firm authorized by contract with ZooCorp to be responsible for planning, organizing, and overseeing the various tasks of a construction project, including overseeing schedules, budgets, and communication between ZooCorp and contractors in order to ensure that a project can meet expected scope and performance requirements according to plans and specifications on budget and on schedule, and at acceptable risk, quality, safety and security levels.
4. "Retention" shall be defined as the percentage of the Measure Z funds retained by the ZooCorp for security purposes relating to work to be performed on claims reimbursed for Capital Projects over \$30,000, and/or for which there is a Construction Manager at Risk, or Project Manager, in the event there is no Construction Manager at Risk. Retention shall be no less than five percent (5%). If the Authority has approved a finding by the ZooCorp, on a project by project basis, during a properly noticed and normally scheduled public hearing and prior to bid, that a project is substantially complex and therefore requires a higher retention amount, Retention may be greater than 5%, but not more than ten percent (10%).
5. "Escrow Account" shall mean an account established at a financial institution or bank by ZooCorp for purposes of depositing and holding Retention funds paid by the Authority to ZooCorp, pending disbursement, to the Construction Manager at Risk, or Project Manager, in the event there is no Construction Manager at Risk,

#### Requirements

1. ZooCorp requests for funding for construction of Capital Projects over \$30,000 and/or for which there is a Construction Manager at Risk, (or Project Manager, in the event there is no Construction Manager at Risk), shall be received for staff and Board member review at least 30 days before the Board meeting at which the funding request will be made, and shall include an Agreement with the construction firm or Project Manager stating the requirement for Retention and its terms.

(continued)

## **Appendix II**

### *Page 2*

2. Requests for funding for the design of Capital Projects over \$30,000 shall be received for staff and Board member review at least 30 days before the Board meeting at which the funding request will be made, and shall include an Agreement with the design firm stating the requirement for Retention and its terms.

#### **Procedures for Payment of Invoices by the Authority**

ZooCorp invoices are received, reviewed, and paid in accordance with the terms of the December 21, 2005 Agreement Regarding Procedures For Distribution Of Tax Revenue To The Chaffee Zoo, as amended, and with the Authority's Procedures for Approving and Administering Measure Z Funds.

#### **ZooCorp's Deposit of Funds Received from Authority**

No later than two business days from its receipt of funds from the Authority for reimbursement of project invoices, ZooCorp shall deposit Retention funds in the appropriate Escrow Account. Within one business day of deposit of Retention funds in the Escrow Account, ZooCorp shall send proof of the deposit to the Authority.

#### **Certification to the Authority**

Prior to releasing any Retention funds from the Escrow Account, ZooCorp shall request the release at an Authority Board meeting, at the same time presenting written certification that all conditions of the Escrow Agreement have been met, that the construction project is final and complete in accordance with the construction contract, and that the release of funds in the Escrow Account is appropriate. If applicable, such written certification shall include certification from the project architect or lead engineer that the project has been completed in accordance with the plans and specifications.

#### **Disputes**

1. The ZooCorp shall advise the Authority in writing of any dispute between ZooCorp and the Construction Manager at Risk, (or Project Manager, in the event there is no Construction Manager at Risk), regarding retention funds within 30 days of such dispute coming to the attention of ZooCorp.
2. The construction contract shall require that any settlement agreement between the Construction Manager at Risk, (or Project Manager, in the event there is no Construction Manager at Risk), and ZooCorp involving retention funds be made public.
3. Any previously released retention funds that are recouped by ZooCorp as part of a settlement with the Construction Manager at Risk, (or Project Manager, in the event there is no Construction Manager at Risk) shall be returned by ZooCorp to the Measure Z Capital Fund.

#### **Authority Consent to Distribution of Escrow Funds**

Upon receipt of the required written certification from ZooCorp that the project is final and complete in accordance with the construction contract, the Authority will not unreasonably withhold its consent to the release of the funds held in escrow. If it withholds consent, the Authority will set forth in writing its objections, stating those items that are not final and complete according to the construction contract.

## Appendix III

### Measure Z Capital Projects Policy

Adopted June 24, 2009

#### Purpose

The purpose of this policy is to define the criteria of capital projects that qualify for reimbursement of Measure Z Capital Project Funds. In addition to meeting the requirements of this policy, the project and related budget must have been previously approved by the Zoo Authority Board (as required by Ordinance 2004-1) either through the Master Plan or Annual Capital Projects Plan and an adopted capital projects budget.

Measure Z-funded capital improvement projects must meet one of the conditions 1-3.

1. The construction or purchase of a Fresno Chaffee Zoo fixed asset (building, facility, structure, or exhibit), that has a useful operational life of 5 years or longer, and a cost of \$30,000 or more. Capital outlay expenditures required for the intended use of the construction or purchase of the asset may be included at the discretion of the Zoo Authority Board.

OR

2. A major renovation, expansion, or replacement of a current Fresno Chaffee Zoo fixed asset (building, facility, structure, or exhibit) that extends the useful operational life of the asset by 5 years or more, or expands the capacity of an existing asset, and has a cost of \$30,000 or more. Capital outlay expenditures required for the intended use of the renovation, expansion, or replacement of the asset may be included at the discretion of the Zoo Authority Board.

OR

3. Cost required for the acquisition and safe transport of animals that would have a useful life to the Fresno Chaffee Zoo of at least 5 years, including transportation, travel, and health expenses during such transportation and travel.

## Appendix IV

### Employee Hours Template For Invoices For Measure Z Funds

Reserved for business name, addresss, logo, etc.

Prepared for Invoice # \_\_\_\_\_

Page \_\_\_\_ of \_\_\_\_

Billing Period \_\_\_\_\_

Date \_\_\_\_\_

Project Name				
Per agreement, is Retention applicable to this project? Yes _____ No _____				
Employee Name or Title	Duties/Tasks Accomplished this Period	Hours Worked	Pay Rate	Subtotal
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$
Project Total				\$

Project Name				
Per agreement, is Retention applicable to this project? Yes _____ No _____				
Employee Name or Title	Duties/Tasks Accomplished this Period	Hours Worked	Pay Rate	Subtotal
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$
Project Total				\$

Project Name				
Per agreement, is Retention applicable to this project? Yes _____ No _____				
Employee Name or Title	Duties/Tasks Accomplished this Period	Hours Worked	Pay Rate	Subtotal
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$
Project Total				\$

## Appendix V

### Referenced Documents

These documents can be viewed on the Authority's website: <http://www.zooauthority.org/Documents.asp>

<u>Document</u>	<u>Title</u>	<u>Referenced on Page</u>
A	Agreement Regarding Procedures for the Distribution of Tax Revenue to the Fresno Chaffee Zoo (December 21, 2005)	1
B	Agreement Between Fresno County Zoo Authority and County of Fresno for Professional and Technical Services (#05-237, June 14, 2005)	1, 4
C	Fresno County Zoo Authority Bylaws (Amended December 9, 2015)	3
D	Agreement Regarding Escrow Agreements for Security Deposits in Lieu of Retention (October 10, 2014)	15, 18