



Minnesota State Zoological Board.  
Zoo-Related Organizations Files.

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Nov 19, 1981  
Bo mtg.

SUMMARY OF CHANGES IN  
LATEST SOCIETY OFFER  
NOVEMBER 18, 1981

- I. Society will provide the following services within its budgetary limitations -
  - A. Sponsorship of a continuing education program at the Zoo
  - B. Sponsorship of the Zoo Volunteer program
  - C. Coordination and publication of a periodic newsletter on behalf of the Society, Zoo and Foundation

The Zoo has a right to cancel the above services upon 90 days notice. However, the Society has the right to conduct its own education program and to publish its own newsletter if the Zoo cancels the above services.

II. Gate admission for Society members

- A. Request 40% discount from regular gate price as a basis for determining value of admissions
- B. The above amount less the Society's cost of administering the education, volunteer and newsletter programs, shall be transferred to a special account on the Society's books and records. Zoo shall have use of the funds within 45 days of its request.

III. Society grants the Zoo control over its activities, etc. at the Zoo site only

IV. The Society and the Zoo shall determine the policies, etc. relating to the newsletter. No mention of Foundation involvement at this level.

V. Society requests volunteer hour credit be extended to May 31, 1983. If agreement is not extended beyond 1983, Society has right to offset hours against gate receipts.

VI. No mention of prior year commitments made but not paid, ie the \$42,000 (Hetland has a check for this amount)

VII. No mention made of disposition of fund balance as of May 31, 1981 estimated to be in excess of \$200,000

ESTIMATED DIRECT CONTRIBUTIONS TO THE  
ZOO BASED ON NOVEMBER, 1981 SOCIETY PROPOSAL

Estimated value of free access to Zoo by Society Members at full gate price @ actual 1981 use	\$ 118,000
Less - additional 40% requested by the Society	( <u>47,000</u> )
Net revenues per proposal	\$ <u>70,000</u> )
Less Expenses:	
Continuing Education	\$( 25,000 )
Volunteer Program	( 16,000 )
Newsletter	( 15,000 )
Net benefit to the Zoo	\$ <u>15,000</u> =====

It release - a newsletter  
with input from  
members re paying dues

Plan

Proposal 4 part

1. MBS pare down ~~by~~ staff & cuts

a) ~~Public~~ education

Sponsorship

→ 301C

2) ~~2~~ +10% cut across the Board -

pre joint review w/ BMB (Staff)

3. Zoo assume resp for public education  
Speakers Bureau

3. MBS retain resp for

a) annual membership program including MB

b) volunteer services, as in past

no see MBS as an outlet to vent  
out concerns.

c) joint publication

d) special fund raising - a special project  
of Zoo

4. Reciprocity agreement: -

as 19 Nov - Portland cog'd by:

a) Pay for membership admissions directly in case  
of offer by out of pocket cuts for vol, newsletter,  
etc direct p.

b) All other funds rec'd by Zoo level into  
separate acct for Zoo direct or BMB (donations)  
based on some formula re each one  
minimal reserve to be 30 days (not) applied

Good annual  
cost from  
me 5 mos.

Case 1 a)

20

MINNESOTA ZOOLOGICAL GARDEN

PROPOSED POSITION STATEMENT  
REGARDING THE RECIPROCITY AGREEMENT  
WITH THE MINNESOTA ZOOLOGICAL SOCIETY

OVERALL RESPONSIBILITIES

- (1) Operate the Zoo in a reasonable and prudent manner for the citizens of the State of Minnesota.
- (2) Part of the above responsibility consists of overseeing and approving all activities which take place in the name of the Zoo by any organization.
- (3) Make the Zoo accessible to all of the citizens of the State of Minnesota.
- (4) Encourage and maintain a broad base of support from the citizens and communities of the State.

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THE RECIPROCITY AGREEMENT

- (1) The Society has provided a wealth of support and valued services to the Minnesota Zoo since its inception down to the present time. Without the Society, those early years would have been considerably more difficult. For this contribution, the Zoo is, and always will be, very grateful. In addition, the Zoo looks forward to continuing support from the Society in areas other than the reciprocity areas.
- (2) The Zoo has come of age as it has been operating for over three years and the parent/child relationship of the Society to the Zoo is no longer necessary.
- (3) The June, 1981 Legislative Auditor's report raised certain questions regarding the Zoo/Society relationship in the following areas:
  - (a) The untenable position of the Zoo staff having to work effectively with several independent boards.
  - (b) Duplicate media promotion.

- (c) Duplicate advertising campaigns.
  - (d) Individual newsletters.
  - (e) Inadequate control over the animal sponsorship program.
  - (f) Each organization has its own ideas how to best promote the Zoo. This could create chaos and inefficiencies in operating the Zoo and ineffective management of the Zoo.
- (4) The Zoo Board believes that a potential exists for conflicting interests between the Zoo and the Society i.e. see exhibit
  - (5) The Zoo Board believes that all activities carried on by the Society on behalf of the Zoo should be performed only with the prior approval of the Zoo Board.
  - (6) The Zoo Board believes it needs a broad base of citizen and community support to prosper and function in an efficient manner.
  - (7) The Zoo believes that it can perform the annual membership drive, the volunteer program and the education program which was the significant part of the former reciprocity agreement with the Society in a more efficient manner, thus benefiting the people of the State of Minnesota.

SIGNIFICANT FINANCIAL FACTS PERTAINING TO  
THE SOCIETY/ZOO RELATIONSHIP

- Society Revenues for the year ended May 31

1979	\$386,000	} \$ 997,000
1980	311,000	
1981	<sup>300,000</sup> 271,000 (estimate)	

- Society Direct Contributions to the Zoo for the Years Ended May 31

1979	\$ 28,000
1980	19,000
1981	29,000

- Society Value of Zoo Admissions for 1981 - \$116,000  
(per Society-prepared work sheet) =====

- Society has spent over \$420,000 on membership procurement and General and Administrative expenses out of approximately \$1,000,000 in Revenues over the past three years.

- Cost of Memberships to the Society for 1981 (per Society work sheet and exclusive of advertising, promotion, and general administrative costs) -

	<u>Cost</u>	<u>Membership Fee</u>
Family	\$ 5.91	\$ 32.50
Individual	5.91	21.50
Donor	5.91	50.00 to 99.00
Supporting	25.91	100.00 and up

- Society Value of Zoo Support for 1981

Volunteer program	\$16,000
Education program	25,000

- Approximately 1/2 to 2/3 of the Volunteers are not members of the Society.

- Society keeps all fees collected as part of the Education Program. The Zoo gets none of these fees.

Memo from the desk of -

JIM HETLAND

Ed -

This is the Society's  
proposal. I have noted  
~~of~~ areas of change  
on the agreement. Mark  
wants to present it about  
11:30 on the 19th.

See you Tuesday

cc: R. Slows      J.H.S.  
R. Arnet  
S. Iserman  
9d

AGREEMENT

This agreement is made effective \_\_\_\_\_, 1981, by and between the Minnesota Zoological Board, an independent agency of the State of Minnesota ("the Zoo Board"), and Minnesota Zoological Society, a Minnesota non-profit corporation ("the Society").

R E C I T A L S

A. Pursuant to Minnesota Statutes, the Zoo Board has the responsibility and the authority to set policy for and to operate the Minnesota Zoological Garden ("the Zoo"), including the authority to contract for services to be provided for the Zoo.

B. The Society is a non-profit Minnesota corporation formed for the purpose of assisting and supporting the Zoo by providing, among other things, special services and programs for the Society's members and members of the community which will enhance the Zoo's image and encourage Zoo attendance.

C. The Zoo Board desires to contract with the Society for the following services to be provided by the Society within its budgetary limitations:

- (1) Sponsorship of a continuing education program at the Zoo;
- (2) Sponsorship of the Zoo volunteer program;
- (3) Coordination and publication of a periodic newsletter on behalf of the Society, the Zoo and the Minnesota Zoological Foundation; and

(4) Sponsorship of such other activities or events as may be agreed upon by the parties hereto from time to time which shall be designed to enhance the Zoo's image in the community and to promote and develop attendance at the Zoo.

D. The Zoo Board recognizes that the Zoo derives a certain benefit, the value of which cannot be readily determined, as a direct consequence of the Society's membership and promotional activities, other than those services enumerated in paragraph C above, which do not involve or directly affect the Zoo or usage of Zoo facilities by Society or its members.

IT IS THEREFORE AGREED AS FOLLOWS:

1. Term of Agreement. This agreement shall become effective as of \_\_\_\_\_, 1981 and shall continue in force until May 31, 1983, and shall thereafter be automatically renewed for successive one (1) year terms (hereafter "contract years") until terminated as hereafter set forth.

2. Termination. This agreement may be terminated by either party without cause at the end of any contract year by giving written notice of such termination to the other party not less than 90 days prior to the end of such contract year, provided, however, that no such termination shall alter membership rights of any Society member whose membership term has not then expired.

3. General Duties of the Society. At all times during the term of this agreement, the Society shall:

(a) Recruit a broad-based membership in the Society throughout the State of Minnesota;

(b) Develop general public support for the Zoo;

(c) Sponsor within its budgetary limitations activities and programs designed to enhance member and public interest in, and knowledge of, animals and the Zoo and its programs;

(d) Pursue the foregoing activities at Society expense unless otherwise agreed in close cooperation with the Zoo Board and the Zoo staff;

(e) Upon agreement between the Zoo Board and Society, perform such other services as will benefit the Zoo.

4. Specific Services to be Performed by the Society. In addition to the general duties of the Society set forth in paragraph three hereof, the Society shall, within its budgetary limitations, provide the following services to the Zoo:

(a) Sponsorship of a continuing education program at the Zoo;

(b) Sponsorship of the Zoo volunteer program;

(c) Coordination and publication of a periodic newsletter on behalf of the Society, the Zoo and the Minnesota Zoological Foundation.

The foregoing programs shall be administered by the Society in close coordination with the Zoo Board which shall have the right at any time, upon 90 days notice, to terminate the Society's sponsorship of any one or more of such programs and to assume administration of any such programs, provided, however, the Society shall have the right, independent of the Zoo, to conduct a continuing education program and to publish its own periodic newsletter fol-

lowing termination of such services by the Zoo but without any offset against gate admissions for the cost of administering or sponsoring such continuing education program or publication of a periodic newsletter.

5.1 Gate Admission for Society Members. In consideration of the good will and other intangible benefits which the Society, through its members, provides to the Zoo by promoting and enhancing the Zoo's image and encouraging Zoo attendance by the public, the Zoo shall provide Society members the right to access to the Zoo at a group discount rate which shall result in a 40 percent discount from the prevailing gate admission charge in effect from time to time for individuals attending the Zoo. It is acknowledged by the parties hereto that such group discount rate is a discount in excess of the normal group discount rate offered by the Zoo and that such special group rate is offered to the Society members attending the Zoo in recognition of the benefits and services which the Society provides to the Zoo upon which it is either difficult or impossible to place a specific monetary value.

*negotiated  
25-30  
35 etc*

5.2 Except as hereafter expressly set forth, Society members and their guests shall be required to pay the prevailing parking fees charged from time to time to persons attending the Zoo.

5.3 In addition to the group discount for Society members' attendance at the Zoo, the Zoo shall provide to the Society members four single admission guest tickets annually for each annual supporting membership in the Society, six such guest tickets for

*purchase  
at  
group  
rate*

each donor membership, twenty such guest tickets for each patron membership and such other on-site benefits as are set forth in the 1981 Society membership literature.

6. Other Obligations of the Zoo Board. In addition to the benefits set forth in paragraph 5 hereof, the Zoo Board shall provide the following:

(a) Meeting space on a regularly scheduled basis for the Society's board of directors and committees when such use does not interfere with the Zoo operations;

(b) Free parking for volunteers, Society staff and Society Board members when on official Society business or scheduled to work;

(c) Space for a booth at the Zoo located in a mutually satisfactory, conspicuous place at the Zoo site for sale of Society memberships. The Society shall pay the Zoo the sum of \$25.00 per month for the space so allocated for use by the Society.

7. Payment of Gate Receipts by Society and Offset. The Society shall pay the Zoo quarterly, on a calendar quarter basis, the accumulated unpaid balance for gate admissions of Society members to the Zoo, based upon the group discount rate as set forth herein, provided, however, that the amount of such payment shall be reduced by the offset for the cost of services as set forth in paragraph 8 of this agreement. Such payment shall be made by depositing the amount due for such gate admissions, after reduction by the offset set forth in paragraph 8 hereof, in a separate

*The Zoo's offset account*

*at Zoo's discretion*

Society account, which may be drawn upon by the Zoo Board at any time for the uses and purposes hereafter set forth. Any amounts so requested by the Zoo Board from said account shall be transferred by the Society to the Zoo, <sup>joint account</sup> without requirement of approval by the Society Board, within forty-five days of such request by the Zoo Board.

8. Credit for Direct Services by Society.

8.1 The Zoo Board shall give a credit to the Society for the cost to the Society of sponsoring and administering the following direct benefit programs for the Zoo:

(a) Sponsorship of a continuing education program at the Zoo;

(b) Sponsorship of the Zoo volunteer program;

(c) Administration and publication of a joint newsletter on behalf of the Society, the Zoo and the Minnesota Zoological Foundation;

(d) Such other programs as may from time to time be agreed upon in writing by the Society and the Zoo Board.

8.2 The credit to the Society for sponsoring the foregoing programs shall be determined annually by agreement of the parties and shall be applied pro rata each calendar quarter as an offset to reduce the cash payment by the Society to the Zoo for gate admissions of Society members as set forth in paragraph 7 hereof. Such credit shall be cumulated and may be applied retroactively or carried forward for any quarter in a contract year, but any unused credit shall lapse at the end of each contract year.

8.3 The amount of the credit for each contract year shall be determined by the parties hereto and shall be set forth in a letter of understanding signed by an authorized officer or director of the Society Board and of the Zoo Board. The amount of the credit which shall be granted to the Society for the foregoing programs shall be determined by the reasonable cost of administering such programs determined on the basis of estimates of administering such programs made at or prior to the commencement of each contract year. The Society budget for administering such programs shall be given due consideration in determining the estimated amount of the cost of such programs, but shall not be binding upon the Zoo Board.

9. Coordination between Zoo Board and Society. The Zoo Board and the Society, and their respective staffs, shall coordinate their efforts and activities with respect to the Zoo so as to accomplish the goals and purposes of each as effectively as possible. Specifically,

9.1 Designated representatives of the Zoo Board and the Society shall meet at least once each contract year to set goals, evaluate past and pending projects, and review financial matters with respect to the Society;

9.2 The Zoo Board and the Society shall mutually agree as to specific fund raising goals for specific projects. The nature and extent of the Society's participation in any given project which is not expressly provided for herein and the method and timing of the Society's fund raising efforts shall be deter-

mined by Society, giving due consideration to the objectives and financial needs of the Zoo and the fund raising programs of the Minnesota Zoological Foundation.

9.3 Any Society sponsored events or activities conducted on the Zoo site or which involve the Society's members' usage of Zoo facilities shall require prior approval of the Zoo Board or the director of the Zoo. The Society shall reimburse the Zoo for any incremental costs incurred by the Zoo in connection with any such Society programs and activities conducted on the Zoo site or which involve Society's members' usage of Zoo facilities. Such incremental costs, to the extent practicable, shall be determined by the Zoo director in advance of each activity or event.

9.4 Any special fund raising programs, such as animal sponsorship programs, other than direct solicitations, shall be the subject of a separate agreement between the Society and the Zoo board.

9.5 The Society shall adopt policies and procedures to inform its members as to the disposition of their membership fees and other contributions to the Society.

9.6 The Society shall develop policies and procedures to ensure clarity in its advertising and in its public announcements relating to the Society programs and activities.

9.7 The Society and the Zoo Board shall cooperate in developing policies and procedures relating to the administration and publication of the combined newsletter for the Zoo, the Socie-

ty and the Minnesota Zoological Foundation, including policies relating to the following:

- (a) Editorial functions;
- (b) Mailing lists;
- (c) Apportionment and allocation of costs of printing and mailing copies of such newsletter to recipients other than Society members.

Such policies and procedures shall be set forth in a separate agreement to be executed by the Society, the Zoo Board and the Minnesota Zoological Foundation.

9.8 The Zoo Board shall have the right of prior review and approval of Society sponsored educational programs on the Zoo site or held in conjunction with the Zoo.

9.9 The Society shall continue to operate in a reasonable and prudent business manner as required by applicable Federal and State laws and regulations.

9.10 Cash payments to the Zoo for net gate admissions of Society members, after reduction for offsets permitted herein, and cash payments by the Society to the Zoo for the portion of donor and sponsor membership fees in excess of family and individual membership fees as hereafter set forth shall not be utilized by the Zoo for general operations but shall be utilized exclusively for educational equipment and programs, purchase of plants and animals, animal and plant research, and exhibit development and improvements, including exhibit graphics. The determination as to the application of such cash payments to any one or more of the

foregoing purposes shall be made by the Zoo Board. The Zoo shall furnish an accounting to the Society at least quarterly as to the application of such funds.

10. Supporting, Donor and Patron Contributions to Society.

That portion of membership fees received by the Society for memberships in the supporting, donor and patron membership categories which exceeds the cost of extra benefits to such members plus the amount of the membership fee which such members would pay for individual or family memberships, as the case may be, shall be allocated for Society or Zoo purposes in accordance with the expressed desires of the supporting, donor and patron members. In the absence of any express designation, the amount of such excess portion of such membership fees shall be allocated to Zoo purposes. All such amounts received from supporting, donor and patron members in excess of individual or family memberships, as the case may be, which are allocated for Zoo purposes shall be deposited in the Society account referred to in paragraph 7 hereof to be drawn upon by the Zoo Board from time to time pursuant to said paragraph 7. All such funds shall be applied to the uses permitted in paragraph 9.10 hereof.

11. Society Credit for Volunteer Program. As of the date hereof, the Society has accumulated in its favor credits for services provided by Zoo volunteers pursuant to the reciprocity agreement dated October 4, 1978, currently in force and effect by and between the parties hereto. Such credit shall be carried forward as a journal entry in the records of the Zoo and the Society until May 31, 1983. In the event this agreement is automatically renew-

*clear accounts as of date agreement - change*

ed for a succeeding contract year commencing June 1, 1983, all such credits shall be cancelled as of May 31, 1983, and the Society shall not be entitled to any further benefit from such credits. In the event this agreement is not automatically renewed for a contract year commencing June 1, 1983, and the Society and the Zoo board do not execute a new reciprocity agreement for a term commencing June 1, 1983, the Society shall be entitled to apply any such accumulated credits against gate admissions of Society members pursuant to the terms of the October 4, 1978 agreement until all such credits have been expended.

12. Pro Rating of Society Membership Fees Upon Termination.

In the event this agreement is not automatically renewed at the end of any contract year, the Society shall following the close of such contract year cease to accept new memberships that grant free or unlimited access to the Zoo or other benefits involving utilization of Zoo facilities except to the extent such benefits will be paid for by the Society. Any unexpired Society memberships in existence at the end of such contract year shall continue in force, and such members whose membership terms have not then expired shall continue to have the same rights and privileges with respect to usage of Zoo facilities and attendance at the Zoo, including unlimited gate admissions without payment of any gate admission fee other than the admission fees paid by the Society to the Zoo pursuant to this agreement. The Society shall make all payments to the Zoo as required herein for gate admissions of its members through the end of such final contract year and thereafter for the gate admissions of Society members whose membership term

has not then expired until the expiration of all such membership terms.

13. Miscellaneous Provisions.

13.1 Notices. All notices or other communications permitted or required to be given by one of the parties hereto to the other party shall be given under the signature of the president or secretary of the Society Board or the Zoo Board, as the case may be, or such other person as may be appointed by their respective boards and designated by written notice of such designation signed by the president or secretary of the respective boards. Such notices or communications shall be delivered to the president or secretary of the board to whom it is directed by hand delivery or by depositing the same in a depository of the United States Post Office, regular first class, certified or registered mail, postage prepaid, properly addressed to the officer of the board to whom it is directed. Such notice shall be deemed to be given or served (i) at the time it is hand delivered, or (ii) if sent by regular U.S. Mail, upon receipt, or (iii) if it is sent by certified or registered mail, at the time it is postmarked with postage prepaid, properly addressed to the respective party. . . .

13.2 Paragraph Headings. The paragraph headings contained in this agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this agreement.

13.3 Amendment. This agreement may be modified or amended only by written agreement executed by the parties hereto.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed to become effective as of the day and year first above set forth.

ATTEST:

MINNESOTA ZOOLOGICAL BOARD

\_\_\_\_\_  
Secretary

BY: \_\_\_\_\_  
Its President

MINNESOTA ZOOLOGICAL SOCIETY

\_\_\_\_\_  
Secretary

BY: \_\_\_\_\_  
Its President

MEJ26/B

*Mark J.*

November 9, 1981

CASH CONTRIBUTIONS TO MINNESOTA ZOOLOGICAL GARDEN FROM THE SOCIETY:

FYE

1974 \$84,000.....1974,1975,1976 Minnesota Aid-to-the-Zoo  
 -1976 Horse Shows

1977 \$137,364.....Zoo Walks in cosponsorship with the Foundation  
 -1978

1978 7,300.....Midwest Federal/Society promotion.

\$228,664

1979 15,000.....for purchase of television cameras

1979 2,500.....for purchase of Zoo Walk materials

1979 2,900.....for visitor information booth

1979 3,000.....for Zoo Walk Sundae Social  
 23,400

1980 912.....for newspaper advertising

1980 2,300.....for Speakers Bureau equipment

1980 200.....for lecture honorariums

1980 200.....for learning excursion packets  
 3,612

1981 98,400.....for Zoo Fund  
 35,000 in restricted account to be drawn upon by zoo

1981 1,600.....for label making machine

1981 500.....for Waterfowl Conference Luncheon

1980 16,000.....for Continuing Education Coordinator  
 -1981 (4,000 not yet pd.)

1981 650.....for Speakers Bureau Projector

1981 32,700.....for Animal Sponsorship Program

1980 3,000.....for AAZPA scholarships to zoo staff  
 -1981 152,850 (4,000 not yet pd.)

1981 42,000.....for research program  
 (not yet pd.)

\$221,862 — (4,000 + 42,000 not yet paid)

AC  
7/23/81

DEPARTMENT

ATTORNEY GENERAL

## Office Memorandum

TO : JAMES L. HETLAND, JR.  
Chairman  
Minnesota Zoological Board

DATE: 11/10/81

FROM : RICHARD S. SLOWES  
Special Assistant  
Attorney General

PHONE: 296-2638

SUBJECT: Termination of Reciprocity Agreement With The  
Minnesota Zoological Society

At its October meeting the Zoological Board requested that I report to it on the legal issues involved in termination of its contractual relationship with the Minnesota Zoological Society. The following are my thoughts on the matter, many of which I have expressed to the Board or its committees in the past.

A. Termination of the Agreement.

The reciprocity agreement between the Board and the Zoological Society is an annual contract with an automatic renewal provision. By giving the Zoological Society notice of its intent to terminate and renegotiate the agreement 90 days prior to May 31, the Board foreclosed automatic renewal of the agreement. Accordingly, without affirmative Board action to extend the existing agreement or adopt a new one, the contract would have terminated on May 31, 1981. Because negotiations have been in progress, the Board has approved several 30 and 60 day extensions of the existing agreement. The most recent extension expires on November 19. If the Board does not take affirmative action to extend the existing contract or adopt a new one, the contract will be terminated on November 19.

B. Zoological Board Obligations After Termination.

The only major obligation of the Board to the Zoological Society that would remain after termination of the agreement relates to free admissions to the Zoo. The Board is required by paragraph VIII of the agreement to grant free entry privileges to the Zoo to all Society members active on the date of termination of the agreement until the expiration of their current memberships. The Society remains obligated to compensate the Zoo for the actual Society use of this privilege in accordance with the terms of the contract. The Society's dollar obligation for those admissions may be offset by the dollar credit for Zoo volunteer hours accumulated prior to the termination of the agreement. Of course, the Society must cease selling new or renewal memberships that promise free

James L. Hetland, Jr.  
November 10, 1981  
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admission to the Zoo on the date of termination of the agreement. In addition to free admission for Society members, any Society guest passes distributed prior to the date of termination as an incident of Society membership must also be honored by the Zoo.

The only additional issue that I see relating to continued Board obligation to Society members concerns special Society members events at the Zoo as provided for in paragraph II.D of the agreement. I don't know what the extent of this benefit has been in the past, so I am not certain what the contractual expectations of Society members would be in this regard. However, if, for example, in the past there have been two members events at the Zoo each year, it would be appropriate for the Board to continue to make the Zoo available for these events for Society members who joined prior to the termination of the agreement. Of course, the Society should bear all costs of any such events, including a fee for rental of the facility, if the Board wishes. This is one of the issues that should be resolved in the discussions of additional closeout procedures pursuant to paragraph VIII.D of the agreement.

I am not aware of any other benefits of Society membership for which the Board would have any continuing responsibility. Of course, the Society itself may have some continuing obligation to honor other commitments to its members, such as the subscription to Animal Kingdom magazine.

C. Relationship With The Society After Termination.

Of course, the termination of the reciprocity agreement would by no means necessitate the dissolution of the Minnesota Zoological Society. However, it would raise significant questions concerning the continued activities of the Society, its relationship with the Minnesota Zoological Garden, and the disposition of the funds it has raised through the sale of memberships in the past. In addressing these issues, it is important to note that based on its current articles of incorporation, the sole purpose of the Society at this time is:

[t]o assist and support the Minnesota Zoological Garden in the accomplishment of its purposes whether through rendering financial assistance or performing services or otherwise and to do all other acts and things incidental to the furtherance of the authorized objectives of said Garden.

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November 10, 1981  
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Termination of the reciprocity agreement would not necessarily mean that the Society could not continue to serve its purpose as stated above. For example, termination of the agreement would not of itself terminate the Animal Sponsorship Program. However, continuation of the Animal Sponsorship Program or implementation of any activities by the Society in the name of or on behalf of the Zoo could only be undertaken with Zoological Board approval. It would therefore be necessary for both the Board and the Society to determine whether a continuing relationship on that basis, beyond the reciprocity agreement, would be feasible and satisfactory to both parties. If it is not, as a practical matter, it would seem necessary and logical to me that the Society would have to amend its articles of incorporation to change its purpose.

This squarely raises the issue of the disposition of the substantial sums of money currently held by the Society which have been raised through the sale of memberships granting free admission to the Zoo. Our attorney in charge of regulating charitable solicitations informs me that Minnesota is a "trust" state regarding funds solicited by non-profit corporations. This means that if a non-profit corporation exists and raises funds for a particular purpose, it holds those funds in trust for the accomplishment of the purposes for which they were raised. The corporation cannot subsequently change its purposes and divert those funds to the new cause.

Based on this legal principle, the stated purpose of the Society,, and the representations made to, and the perceptions of, the public in the solicitation of the funds, it is my conclusion that the Society would not be permitted to use its current fund balances for purposes other than to benefit the Minnesota Zoological Garden. The precise mechanism and means by which those funds would be devoted to that purpose in the event of termination of the agreement would be another matter to be resolved in discussions pursuant to Paragraph VIII.D of the agreement.

#### D. Zoo Implementation of Society-Related Programs.

The final issue to be discussed is that of operation by Zoo staff of programs which the Society is currently operating or participating in. It is my understanding that Ed Kohn and the staff have identified five such areas: (1) annual admission sales; (2) the volunteer program; (3) continuing education; (4) a periodical publication; and (5) the Animal Sponsorship Program. I have discussed each of the programs with Ed Kohn and Steve Iserman and have found no legal basis on which to conclude that the Zoo could not fully execute each of these programs on its own. The problems,

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to the extent that any exist, relate to financial or other practical aspects of implementation, and not to legal ones.

I hope that this answers most of the questions that have been troubling the Board. If any of the Board members have additional questions or would like further clarification on any of these matters, I will be happy to discuss this with them either prior to or at the Board meeting.

RSS:fw  
cc: All Board Members  
Ed Kohn  
Steve Iserman



12101 Johnny Cake Ridge Road  
Apple Valley, MN 55124  
612/432-9010

October 30, 1981

Mark E. Jacobson, President  
Minnesota Zoological Society  
1450 Lincoln Avenue  
St. Paul, Minnesota 55105

Dear Mark:

The Minnesota Zoological Board, at its October 15, 1981 meeting, agreed to extend the contract terms of the original Reciprocity Agreement between the Minnesota Zoo and the Minnesota Zoological Society until the Zoo Board's next meeting, November 19, 1981, at which time the Zoo Board will take action on the following motion by the Finance & Audit Committee:

MOTION that the Minnesota Zoological Board not renew the reciprocity agreement with the Minnesota Zoological Society and that between October 15, 1981 and March 31, 1982, the Board and/or its designated committee will work closely with the Society to carry out the provisions of Paragraph VIII, subparagraph "D" of the Reciprocity Agreement.

Sincerely,

Edward Kohn  
General Director

EK:gd

cc: James L. Hetland, Jr.  
Richard Arndt  
Richard Slowes

MINUTES OF MEETING OF  
MINNESOTA STATE ZOOLOGICAL BOARD  
October 15, 1981  
Minnesota Zoological Garden

The Minnesota State Zoological Board met Thursday, October 15, 1981 in the Administration Building at the Minnesota Zoological Garden.

Members Present: Richard Arndt, Patricia Davies, Steve Doyle, Randall Gort, Toni Hengesteg, James L. Hetland, Jr., Harveydale Maruska, Hazel Reinhardt, James Weaver, Paul Zollman, James W. Kennedy.  
Members Absent: Herbert Goldenberg

Others Present: Thomas St. Martin, Agency Controller; Richard Slowes, Special Assistant Attorney General; Phyllis Saltzman, Minnesota Zoological Society; Robert Voigt, Minnesota Zoological Garden Foundation.

Staff Present: Edward Kohn, David Bender, Tom Chapel, Ladd Conrad, Sanford Friedman, Sue Hoffman, Steve Iserman, Ginny Davies, Secretary.

May it be noted that all material presented at this meeting has been presented to each Board member, a copy is on file in the office of the Board and by reference made a part of these minutes.

Chairman James L. Hetland, Jr. called the meeting to order at 4:00 p.m.

#### Review of Minutes

Chairman Hetland called for review of the minutes of the Minnesota Zoological Board meeting of September 10, 1981. There being no additions or corrections, the minutes were approved as mailed.

#### Finance Report

S. Iserman presented the financial report, noting that attendance was up for the month of September, partially due to the good weather during the first few weeks of the month. H. Reinhardt asked if the calendar year attendance comparison could be broken down by category as is the attendance/revenue comparison to provide information on which categories are going up or down. S. Iserman agreed to make that adjustment to the calendar year attendance page.

S. Iserman also pointed out that the first full month of the monorail unified fare shows no significant change in ridership percentage, a trend which has continued in the first few weeks of October.

P. Davies requested that the statement that figures have been adjusted for the strike period be added to each page which excludes the strike period, rather than the statement on the cover page that states that all pages have been adjusted for the strike except as noted.

H. Reinhardt asked if the adjustments for the strike could be simplified and added that she felt the Board should be supplied with raw data since she does not feel that a simple representation of attendance for the same dates is a valid adjustment or necessarily meaningful. S. Iserman noted that staff did control, in the representation, for free day and the number of weekend days. D. Bender, in

responding to H. Reinhardt's question about a comparison of weather conditions, noted that the average weather for those two months were almost identical to the previous year. T. Hengesteg observed that an analysis of the weekend weather would be especially helpful since weekends are the high attendance days. P. Davies objected to a change to unadjusted figures because there would be no basis for comparison on which to judge staff's performance. She stressed the importance of continuing data throughout a period of years. However, if staff finds that "4" weekend days were compared to "1" weekend days, she would agree to dropping the adjusted figures. E. Kohn observed that there may have been a biasing element from the bird show which was at its height during the summer of 1980 and that to take that period of time as standard for those calendar days is risky. E. Kohn suggested that both the unadjusted figures and the adjusted figures (noted with an asterick) be given to give both real data and adjusted data.

MOTION by T. Hengesteg, seconded by H. Reinhardt, that the Minnesota Zoological Board receive unadjusted figures in the financial report with proforma adjustment for the strike period. MOTION CARRIED UNANIMOUSLY.

S. Iserman drew attention to the materials distributed at the meeting which included the quarterly report for the Board's information on the Foundation Short Range Development Program and the FY 1981 Year End Finance Report, which will be discussed next month after Board members have had a chance to review it. R. Arndt requested that the annual finance report be an agenda item on the November Finance & Audit Committee meeting.

#### General Director's Report

E. Kohn introduced Tom Chapel to the Board and asked him to report on the negotiations in progress with 4-H. T. Chapel reported that a document had been formulated several months ago by zoo staff and 4-H staff regarding cooperative programs. Now a small committee consisting of three 4-H people and K. Lundgren and T. Chapel of zoo staff will begin meeting to identify activities which can be implemented almost immediately. One facet of the committee's task will be to identify funding sources for joint projects.

J. Hetland, referring to the item in the director's report about the possibility of a zoo photo being used on a telephone directory, asked if credit was given to the zoo in such cases. S. Hoffman responded that credit would be given on the inside front cover.

P. Davies asked if a written report was available from J. Brennan after her trip to the Bronx Children's Zoo Museum. S. Friedman responded that it was being prepared and would be provided for Board information. In response to a request, E. Kohn reported that there is no standard procedure for written trip reports, that oral reports have been acceptable under some circumstances, and that he would report back to the Board on whether written reports may be commonly expected.

P. Davies commented that the attendance summary for September would have been more meaningful if it was noted that Labor Day weekend in 1981 was in September, whereas it was split in August/September in 1980. She also noted that September 1980 was down 33% from Sept. 1979.

There being no further questions, the director's report was accepted.

Finance & Audit Committee

R. Arndt, Finance Committee chairman, noted that all Board members were present at the joint Finance/Public Affairs committee meeting when the zoo's admission and discount programs were discussed. The joint committee recommends deferral of an admission hike based upon staff's recommendation, detailed in the memo to the Board dated October 14.

MOTION by R. Arndt, seconded by J. Weaver, that the zoo admission structure remain unchanged through 1982.  
MOTION CARRIED UNANIMOUSLY.

Finance Committee Chairman Arndt also reported that the ski concessionaire contract for winter '81-'82 was discussed. The committee recommends award of the contract to Nature Plain, Inc. for the coming winter season, based on staff's recommendation.

MOTION by R. Arndt, seconded by T. Hengesteg, that the ski concessionaire contract for winter season 1981-82 be awarded to Nature Plain Inc. MOTION CARRIED UNANIMOUSLY.

The Finance Committee, joined by all Board members present today, also discussed the reciprocity agreement between the Board and the Society. R. Arndt reported that a resolution was passed which, mindful of the Society's contributions in the past, was presented with mixed emotions.

MOTION by R. Arndt, seconded by P. Davies, that the Minnesota Zoological Board not renew the reciprocity agreement with the Minnesota Zoological Society and that between October 15, 1981 and March 31, 1982, the Board and/or its designated committee will work closely with the Society to carry out the provisions of Paragraph VIII, subparagraph "D" of the Reciprocity Agreement. Further, the Chairman of the Minnesota Zoological Board shall notify the Society in writing of this action.

MOTION by T. Hengesteg, seconded by P. Zollman, to table the motion until the December Board meeting. MOTION CARRIED UNANIMOUSLY.

E. Kohn drew attention to a problem identified by R. Gort and R. Slows regarding reciprocity. R. Slows stated that an extension of the reciprocity agreement may not be assumed by the motion to table. Without some Board action to extend, the contract expires October 31.

J. Weaver thought the contract should be extended until the date of the next Board meeting, November 19. He asked why the motion had been tabled until December, adding that he assumed that was the next Board meeting. J. Hetland noted that December was specified to give time to assess the impact and to answer questions raised at the Finance Committee meeting. R. Arndt stressed that if the contract is extended, it is important that the general director and legal counsel begin work immediately to insure necessary preparation by the next meeting.

MOTION by R. Arndt, seconded by J. Weaver, to extend the reciprocity contract to November 19, 1981 with the director, in cooperation with the Assistant Attorney General, preparing transition information in the interim. MOTION CARRIED, with R. Gort opposing.

E. Kohn asked what staff was to prepare, to which J. Hetland responded that the Board needed to know the status of fund balances; the Board's responsibilities with regard to contractual obligations and relationships; what the Board can or should do with regard to annual memberships; issues of program continuity; and other transition requirements and considerations.

#### Public Affairs Committee Report

Committee Chair H. Maruska presented the committee report, beginning with a request from the Society for approval of two additional sponsorship projects. He asked P. Saltzman to report to the Board on the proposed projects.

P. Saltzman reported that a ball, similar to the Symphony Ball, had been suggested by members of the community to encourage a specific segment of the population to visit the zoo. The Society Board approved the idea of the ball in August, pending Zoo Board approval, and further development of the idea, which is currently conceived as a \$50-\$75/plate dinner tentatively planned for May 22, 1982, the zoo's fourth birthday. The funds raised would be channeled through the sponsorship program. R. Arndt asked if the Society would retain their normal 30% of the profits and if any expenses would be incurred by the zoo. P. Saltzman said zoo costs would be for staff time and extended exhibit hours; since the zoo is the beneficiary, there is a question of whether the zoo should be involved in the financing.

H. Maruska stated that the purpose was to reach a group of people who have not had much association with the zoo up to this time. The idea has worked for other zoos. He added that the committee felt that if the project paid expenses the first year, it would establish an annual event which would improve in future years. T. Hengesteg noted that although she shared the desire to extend the zoo's reach to the targeted segment of the community, she was not convinced that the sponsorship program was the appropriate vehicle.

J. Hetland observed that the zoo could not directly tackle such a project due to lack of time and staff. H. Maruska stated that the committee recommends that the Board approve further planning by the Society for such an event.

J. Weaver asked if a major project such as a ball might not compete with the Foundation's proposed capital drive. R. Voigt responded that the Foundation had considered such an event for cultivation purposes, but had hesitated because of the amount of work entailed. R. Voigt added that the concept is good from the Foundation's standpoint and the Foundation would appreciate the Society taking the initiative. R. Arndt stated that although he felt the idea of a ball should be investigated, he felt a more appropriate use of the funds raised would be for capital development rather than the sponsorship program.

S. Doyle stressed that the Society wanted approval to develop the idea further. J. Hetland added that questions such as whether the zoo would have to close for a time in preparation for the event would have to be answered. P. Saltzman added that if the project is to be done this spring, the chairman would have to begin work within a few weeks. P. Davies noted that the Symphony Ball is a long-standing event in the Twin Cities. The committee for that ball begins working one full year in advance of the next one. She felt that the May timeline is unrealistic. P. Saltzman responded that some of the people involved in the Symphony Ball thought a May time frame feasible. T. Hengesteg stated that no time line should mold a Board decision.

MOTION by J. Weaver, seconded by P. Davies, that the matter of a Society ball be tabled until the November meeting when the reciprocity motion will be considered by the Board. MOTION CARRIED, with S. Doyle, P. Zollman, R. Arndt, and H. Maruska opposing.

P. Davies, as a member of the prevailing side, asked that the matter be reconsidered.

MOTION by P. Davies, seconded by T. Hengesteg, that the motion to table be reconsidered. MOTION CARRIED, with J. Weaver opposing.

MOTION to table FAILED with J. Weaver opposing.

Additional discussion on the matter of the ball followed. T. Hengesteg stated that the Board should consider the issue of the ball and clarify sponsorship of it. She added that she opposed being pressured into voting on a ball as structured into the sponsorship program. She asked if the Board was willing to consider the issue of a ball, and, if so, she would like the Board's direction to be specified.

R. Arndt did not think the ball should be considered until the reciprocity agreement was resolved. H. Reinhardt and T. Hengesteg were concerned with being pressured by time considerations and whether or not the Society sponsorship program was the most appropriate vehicle. S. Doyle asked why the Board was opposed to the initiative of the sponsorship program. J. Hetland responded that there is a greater need for capital funds than for additional funds from the sponsorship program. R. Arndt added that he is enthused about the sponsorship program and interested in the idea of the ball; however, he is concerned with how the funds would be used under the sponsorship guidelines. He added that the Board looked at the sponsorship program as an activity to involve more people as small contributors with the zoo rather than to bring in major funds.

MOTION by P. Davies, seconded by R. Arndt, that the Minnesota Zoological Board not endorse consideration of a ball at this time and that consequent planning for such a May, 1982 ball be suspended. MOTION CARRIED, with S. Doyle and H. Maruska opposing.

H. Maruska reported that the Society also proposed a project, Run Wild at the Zoo, which is in very preliminary planning stages. The run, also in the service of the sponsorship program, would be to raise funds for the zoo and increase the zoo's visibility. S. Doyle added that the committee has no recommendation for the Board at this time. Further plans will be presented to the committee next month.

Committee Chair Maruska also reported that two types of activities to encourage legislative awareness were briefly discussed at the committee meeting and will be developed further for discussion next month. The two activities now being considered are cross-country ski days for the legislators in January and a legislative family day in April when the legislators and their family and press representatives could visit the zoo as family units.

At H. Maruska's request, D. Bender reported that the marketing seminar leads were being followed up with calls and contacts using the video tape show produced by Public Programs in cooperation with the ad agency, Coleman & Christison, which was used at the seminars. The Board then viewed and applauded the show. S. Doyle observed that the audio visual staff did its usual exemplary job. J. Hetland asked that the Board's appreciation be relayed to the staff involved.

#### Administrative Committee Report

J. Hetland reported that the administrative committee considered and recommends approval of a reorganization plan. E. Kohn pointed out the changes from the last approved plan: (1) the merger of Management Services and Business Services into one division, the intention of which was indicated in the February approved plan. S. Iserman will lead the merged department. (2) Group Sales program is now to report forward through Public Programs division. (3) Physical Facilities has been renamed Facilities and Construction and recruitment of a division head has been started. The position being developed with state personnel would incorporate construction management services as an additional responsibility of the division. P. Burns will continue as operations chief of the division, the position he held prior to April 1979 when he picked up full responsibility for the division.

MOTION by J. Hetland, seconded by R. Arndt, that the organization chart as presented be approved. MOTION CARRIED UNANIMOUSLY.

Chairman Hetland also reported that the committee had evaluated the director's progress toward FY 1981 goals and objectives as required by the amended by-laws. In general, the committee found that the goals were performed and the objectives met, with the exception of the attendance goals which were beyond the control of the director. With regard to the general job description, the committee suggested areas for improvement: that the director focus on improving the relationship with the Board, sharpen the focus of issues brought to the Board and increase delegation of detail work to allow more time to work with the Board on policy issues. R. Gort asked if the committee had discussed the suggestions for improvement with the director. J. Hetland reported that he had discussed them with E. Kohn, but at the director's request, the committee will also review with him. P. Davies commented that the committee's action in recommending a salary increase for the director should be a matter for the Board to act on. J. Hetland stated that the chairman, as the director's immediate supervisor, makes a salary recommendation which then goes through the state salary system. P. Davies asked if the committee was aware that the recommended salary increase puts the zoo director above the salary levels of the heads of Corrections and Transportation, with respective budget responsibility of \$100 million and \$400 million. She added that Governor Quie did not give the other heads of departments any increase. J. Hetland stated that he assumed the state would consider that.

R. Gort asked if the director's goals for this year would come to the Board for discussion. J. Hetland reported that they will come to the Board next month and the Board may request changes.

Minnesota Zoological Garden Foundation Report

R. Voigt reported on the fund-raising seminar sponsored by the Foundation on October 1 which was attended by P. Davies, R. Arndt, and R. Gort from Zoo Board, Tom Chapel from zoo staff, 5 Society Board members, and 13 representatives of the Foundation. The purpose of the seminar, presented by Mr. Rosso, was to review the role of Board members in capital campaigns. R. Voigt spoke briefly to the major points brought out at the seminar and added that a written report would be forthcoming. A series of meetings will be scheduled by the Foundation in order to give practice using the case statement materials.

R. Voigt reported that the capital drive material will be presented in first draft form to the Foundation Board next week. S. Iserman and D. Bender of zoo staff are providing financial and marketing information and zoo photographer J. Perrone is providing photographs for use in the materials.

The Foundation nominating committee will be meeting in preparation for the annual business meeting on Thursday, November 5 and election of new directors. There are a number of positions for appointment for one year terms. The remaining elected positions are for three year terms.

E. Kohn reminded all Board members of the breakfast scheduled for December 5 in recognition of J. Tilton and F. Alexander.

There being no further business, the meeting adjourned at 5:40 p.m.

James L. Hetland, Jr., Chairman

Richard Arndt, Vice Chairman

DEPARTMENT MINNESOTA ZOO"6"  
**Office Memorandum**TO : James Hetland, Chairman  
Minnesota Zoological Board

DATE: October 28, 1981

FROM : Edward Kohn  
General Director PHONE: 432-9010 x300SUBJECT: MZG/MZS OPERATING RELATIONSHIP

You have asked that I review the zoo's operating alternatives in the event of reciprocity contract termination and in the context of the overall relationship of the MZG and the MZS.

In so doing I suggest that contract renegotiation, though of significant practical import to the operations of both parties, is secondary in importance to another concern. The overriding issue is that of the respective roles of the zoo's support organizations and of the Zoo Board and the Zoological Garden.

Interorganizational Relationships

In a thoughtful 12-page section devoted to these relationships in his report of June, 1981, the Legislative Auditor (please see Attachment "A") comments, "One of the most confusing aspects of the zoological environment in Minnesota involves the question of purpose and responsibilities of the MZG and the State Zoological Board, the MZGF, and the MZS" and "Depending upon who you talk to, you will get various opinions as to whether it is best to continue the current organizational structure for zoological activities or to combine the Zoo, the Society and the Foundation into one or two separate entities." Although the report notes, "We do not intend to take a position on that question in this report", it expresses clear support for the process of review and remedy initiated by the Interboard Committee early this year.

The Zoo Board's February 12, 1981 "Recommendations for the Organization of the Minnesota Zoological Board" and the Legislative Auditor's previous report to Zoo Board (for the years ended June 30, 1975, 1976, and 1977) both have dealt as well with the issue of the tripartite assembly of boards and possible overlap of their functions. In addition, the three Boards in 1978 gave extensive consideration to funding a directed study on the subject of Society/Foundation merger on the basis that merger might advantageously incorporate the strengths of two support organizations into one. The resulting benefits of presenting a clearer image to the public would be notable. There is ample awareness of how unaware the media and Society annual members are of the organizational separateness of the Zoo and the Society, in contrast with both Boards' members clear sense of distinction between the two. The issue of role combination is not a new one and by speaking to it now, the Zoo Board would serve rather than expand an ongoing agenda of concern. The tendency for most three-body problems is to reassemble in one good pair bond and one isolate, or "odd man out." Merger may be a viable management alternative to that outcome.

1. Common Site. The Interboard Committee proposed that the Society and the Foundation combine office functions at one location, as one step in the process of possible future organizational consolidation. The zoo can provide a sound building on Johnny Cake Ridge Road with 1,600 square feet for use by our support organizations.

The space might be reviewed by the parties as an optional site for relocating all or most of their continuing functions. The disadvantage of separation from urban population centers should be at least partially offset by the advantages of closer support and interaction with the zoo they both serve. Competitive rental terms (required by the State) can be established. To take fullest advantage of the consequent closer physical association, the Boards might then consider initiating a deliberate study of the viability and need for organization merger of the Foundation and Society. (Perhaps the jointly managed Freshwater Biological Research Foundation and Society pose one model. There are others worth studying.)

2. Support Role Clarification. Since its incorporation in 1975 under the Minnesota Non-Profit Corporation Act, the Foundation has been directed and operated exclusively in a support function to the zoo. The Foundation has never deemed it appropriate to require that the Zoo Board apply to it and negotiate with it for the use of funds it has raised for the zoo. Though its views are sought, the Foundation awaits and then serves the Zoo Board's determined capital priorities. Nor have its articles of incorporation ever contemplated independent purposes.

The Society, on the other hand, when incorporated in 1961, included in its articles responsibility to establish and operate a zoo as well as "To encourage public interest in the science of zoology; to conduct places of recreation and education for the benefit, advantage and amusement of the public so that it may acquire a better understanding of the science of zoology and kindred subjects; to engage in research in, and to prepare, publish and disseminate information to the public concerning the science of zoology." (Article I.3.) In 1975 the Society Board authorized a change in articles replacing entirely the original purposes statement with the following, "To assist and support the Minnesota Zoological Garden in the accomplishment of its purposes whether through rendering financial assistance or performing services or otherwise, and to do all other acts and things incidental to the furtherance of the authorized objectives of said garden."

The point here is that the Society acts in part as though it remains governed by the original article of purposes. When mention is made by some of its Board members of the Society's interest in performing its own research and publishing its own findings independent of the zoo, it is not a support organization that is speaking but rather that of an independent organization with a mission of its own. A lot of the continuing confusion and uncertainty regarding respective responsibilities, I believe, rests on perception, by at least some, of the Society's purpose and role as a body not only independent of the zoo in origin and incorporation but in mission as well. Some of the recent misunderstandings on the appropriate process for fellowship funding, as well as the question of respective responsibilities for publication content and program coordination, may stem from a role perception that might not yet have made the full transition to the operating reality of the zoo today.

### Reciprocity Agreement

The issue of termination of the reciprocity agreement carries with it a number of practical considerations.

In 1978, the Zoo Board waived contractually all costs to the Society for the latter's membership service of unlimited annual free entry into the zoo, in exchange for the receipt by the zoo of volunteer services at estimated value as great as that of the lost gate. Those volunteer services, being substantially available to the zoo independent of contract with the Society, provide no basis of fair return to the State for the value of goods (free entry) provided by the State. This inequity has been perceived ever more consistently over the past two years, necessitating renegotiation.

On January 22, 1981, the Minnesota Zoological Society was advised of the Minnesota Zoological Board's intention to seek renegotiation of the reciprocity agreement between the two. In the months since, members of the Minnesota Zoological Society Board and the Zoo Board have sought earnestly and in good faith, though without success, to define clearly the terms of a revised and acceptable balance of benefits to both parties as a basis for contract renewal.

In their searching for alternative modes of payment for members' free admission there has recurred one distinct difference between the positions of the two parties. Whatever the estimated dollars, the Society has proposed to pay only in amounts that are net over all other expenses in its accounts at the end of the accounting period. Since the Zoo Board cannot waive its responsibility to make sure that the State gets a fair return for its goods, it has had no choice but to propose looking over the Society's shoulder at its budget, fiscal operations and operating reserves thus conflicting with the Society's sense of independence and responsibility.

The clear alternative (practiced elsewhere) would be to seek payment for the goods up front. Portland's Metropolitan Service District and the Friends of the Portland Zoo recognized this in their agreement (please see Attachment "B") under which the Friends pay a set fee to the zoo for each membership sold. (A second feature of the Oregon contract is perhaps quite germane to another area of concern here: the distribution of donor income. In Portland, such funds are deposited to an escrow account to be cleared periodically for the zoo's capital needs by mutual agreement.)

At the North Carolina Zoo, as well, direct billing is made for society member entry. At the Cleveland Zoo a contract between its Society and Metro Parks has been based on direct pay at regular admission rates for the past two years. The use of such a method will likely become increasingly standard for public zoos subsidized through extended tax districts or jurisdictions.

Here, the Zoo Board's negotiators have not been granted recognition from the Society Board of the merits of such a direct pay approach, though it has been presented clearly several times. Indeed, it has been rejected outright. Were it to be applied here, the Zoo might propose the fee be based on group rates and an estimated two visits per year by a family size estimated at four members, perhaps adjusted for the direct net costs of other solicited services.

In the absence of an acceptable direct pay method, there appears to be no alternative to contract termination. In such an event, a number of practical concerns regarding operations and the timing of their change need be considered.

1. Annual Sale Transition Campaign. The current Society membership level of approximately 8,000 families and 1,000 individual memberships with a 70% renewal rate represents quite a working investment. To realize as fully as possible the benefits of this extensive investment would require a very deliberate strategy of conversion from Society sale to zoo sale of annual passes so that from the consumer's perspective there is scarcely a hiccup of concern. This will take months to carefully stage with sensitivity to public relations planning, lists management, continuing renewal management and more. Such a conversion can best be accomplished with the full cooperation of the Society Board and staff. There is no reason to assume that such cooperation cannot be achieved. If it is clearly in the best interests of the zoo to directly manage annual sales, then the people of good will who have the interests of the zoo at heart can find a basis to work together on the transition.

2. Current Fiscal Year Commitments. During the early stages of negotiation with the Society, the Zoo Board agreed to honor the Society's current fiscal year budget. The Society asked for such assurance in the late spring so that it could soundly commit

to its membership renewal drive and so that its activities could begin their new fiscal year on June 1, 1981 with approved budget plans for the year. The Zoo Board gave such assurance and suggested that except for the Society's obligation of \$42,000 in grant monies to the zoo (reserved for that purpose by the Society as an end-of-year balance from the previous year), and except for assurance that the zoo would receive no less than 70% of the gross receipts from the sponsorship program, there would be no other anticipated impacts on the Society's current year budget. Reciprocity negotiations instead would impact primarily on the Society's next fiscal year budget beginning June 1, 1982.

There may thus be fair reason, in addition to sound management of a transition campaign, to defer until late spring 1982 the zoo's assuming full responsibility for annual sales. The intervening months would be needed to work out with the Department of Finance and with our legislative committees operating plans for distribution of annual sales proceeds, and to do so hopefully in cooperation with the Society.

3. Mutual Work on Close-Out. Contract procedures for termination of the annual sales/reciprocity agreement call for the parties working together on close-out procedures to best assure the mutual good. Under such a process could come understandings on the availability to the zoo of portions of present fund balances as an operating source for the zoo's start-up management of annual sales and renewals. The Society has pointed out that its membership income is greatest in the spring. Consequently, as an alternative to some adjustment of its current fiscal year budget, dedication to the zoo of a portion of undedicated funds would be desirable to enable the zoo to conduct the sales program.

These comments are based on the assumption that the Society would choose to continue as a viable entity. Should the Society Board choose instead to dissolve its corporation then, under its articles, all of its assets following payment of all liabilities of the corporation would be distributed to the zoo.

### Joint Activity Review

The following brief comments on joint activities assume Society continuation and, thus, partial service to the zoo in several areas. Should such service not be possible, then operating plans could be made ready promptly for full performance by the zoo of all programs.

1. Continuing Education. The Society has funded through an \$8,000 annual grant to the zoo our coordinator of continuing education through February, 1982. In addition, it schedules, promotes and administers the fees and professional payments for the courses. We propose to not offer spring classes in 1982 and to plan instead on a new program beginning in the summer season to be funded through zoo-administered class and summer sessions with fees collected directly by the zoo. Special classes are integral to the zoo's overall education program. Breaking out one cluster of them as a Society operation is not efficient and is a source for role confusion in the public mind.

We may welcome continued Society interest and grant support for future programs, with a discount option for annual members. Enrollment drives, however, would be broadened well beyond annual members.

Several new and more extensive class options would be explored. One major option that has proven very financially successful at other institutions such as the Bronx Zoo, Cincinnati Zoo, and Busch Gardens is summer camps for students. A 10-week long program, with repeat curriculums, could deal with 15 students per session. Running from 10:00 - 4:30 p.m. daily, the classes could be staffed by naturalists, volunteers,

interns, and temporary help as needed. The fees charged, approximately \$75-\$100 per student, could make the program entirely self-supporting.

A brochure could go out for fall/winter (September-February) paid for by summer monies with an accent on adults' and young children's classes. Included in fall/winter would be the special contract classes for the gifted and Breck Schools. Other options include film series, lectures and field trips for a fee.

By changing the format, class schedules would be produced at a lower cost and could be made available to a wide range of individuals through distribution at professional offices, organizations, on the zoo site, to school groups, 4-H groups, Scout troops, and Park and Recreation programs.

2. Publication. The Society's primary orientation in recent years has shifted to membership services. Its publication services have logically borne this emphasis. The Society staff has been exceptionally cooperative and professional in their effort to cast their membership service newsletter in a manner useful as well for the zoo's public needs. But there are practical limits to such accommodation and I believe, therefore, that the zoo should return directly to the task, unless at some point the Society should decide to reform its priorities to focus on public education and communication.

We would review options for direct production of a zoo periodical through contract advertising assistance and in cooperation with other public programs in the State, such as other public zoos, 4-H, Minnesota Naturalist Association, horticultural and waterfowl societies and education groups.

3. Volunteer Program. Support of the volunteer program is one of the Society's proudest achievements. We now directly manage all facets of the program except for initial recruitment and annual recognition. We do so in cooperation with the volunteer's own organization, ZooVAP. Though we believe we could take on recruitment and recognition services with additional part-time clerical support, I recommend that we continue to welcome those services from the Society should it wish to provide them.

4. Animal Sponsorship Program. In the first eight months of the sponsorship project, revenues gained by the Society have not matched the Society's expenses. If we add the cost of zoo services sought by the Society for the program's support the imbalance is greater. Comparable programs have proven to be profitable elsewhere but usually by on-site administration. Until one full year of the program has passed, it is premature to judge its viability. I recommend that we continue with the program through the Society until Spring 1982 and then, with the Society, thoroughly review performance and potential in addition to considering whether direct operation might reduce costs and increase net proceeds to a level adequate to justify continuation.

5. Donor Programs. I recommend that the Society and the Zoo Board study and adapt the Portland Metro method (see Attachment "B", Paragraph 7.4) for management of donor funds and gifts received by the Society on behalf of the zoo.

6. Annual Memberships. I have suggested earlier in this memo some of the time constraints and practicalities of the zoo's assuming annual sale responsibilities as well as the desirability of a thoroughly professional marketing transition.

For the purpose of illustrating how annual pass revenues earned directly by the zoo could be distributed several assumptions are made based on Society projections for FY 1982.

With 7,300 family, 1,500 individual, 250 supporting, and 250 donor passes at adjusted rates of respectively \$30.00, \$20.00, \$50.00, and \$100.00, total annual revenue would

round to \$290,000.

With payment made quarterly to the General Fund for actual gate attendance at the group sales rate, \$100,000 of the annual revenue would be so directed.

On a preliminary basis we estimate need for a program budget of \$105,000 including approximately \$55,000 in salaries and \$50,000 in supplies and expenses (data processing, postage, special printing, poster and other expenses). On this basis, \$85,000 would remain net to the zoo gift fund.

Since payment would be made to the General Fund at group rate at the close of each quarter, all revenue could be deposited in our gift fund under current authority. However, in order to hire against the fund, special authorization would be needed from LAC or the Legislature. We could seek such authority in early 1982.

As a direct zoo operation all facets of our marketing and promotions services could effectively carry annual sales promotions including group sales, general admission marketing and on-site sales. For example, admissions operations could be expanded to explicitly give every visitor the option of applying the day's admission charge as a credit against annual pass purchase on the same day.

Again, the zoo's chances to sustain the high renewal rate achieved by the Society would rise with thorough cooperation of both parties.

EK:gd

Attachments

cc: Richard Slowes, Assistant Attorney General (for review and comment)

STATE ZOOLOGICAL BOARD

SECTION I

RELATIONSHIPS AMONG ZOOLOGICAL ORGANIZATIONS

One of the most confusing aspects of the zoological environment in Minnesota involves the question of purpose and responsibilities of the following zoological organizations:

Minnesota Zoological Garden and State Zoological Board  
Minnesota Zoological Garden Foundation  
Minnesota Zoological Society

Each of the organizations has played an important role in the development and continuing operation of the state Zoo in Minnesota.

Following are brief descriptions of the structure, funding, and purpose of each of the organizations and a discussion of various problems encountered in their inter-relationships. Another zoological organization, Minnesota Zoo Ride, Inc., which also has had a significant effect on activities at the Minnesota Zoo, is discussed in the second section of this report dealing with the monorail.

Minnesota Zoological Garden (Zoo) and State Zoological Board (Zoo Board).

The Minnesota Zoological Garden is under the supervision and control of the State Zoological Board, a state agency created in 1969. As a state agency, it is subject to the ultimate control of the State Legislature. The Zoo Board is composed of 12 members appointed by the Governor, one of whom is a non-voting member from Dakota County. The Zoo Board appoints a director, who is responsible for organization and operation of the Zoo. The approved complement of the Zoo is 164 positions.

The Zoo receives funding for daily operations through legislative appropriations from the state General Fund. The original capital development funding for the Zoo was provided from general obligation bonds of the state. Laws of 1973, Chapter 207, Section 3, Subd. 6, authorized the sale of bonds totaling \$23,025,000 (plus an additional \$2,350,000 if equally matched by other than state appropriations) for construction of the Zoo.

The Zoo charges visitor admission fees which are set by the Zoo Board within limits established by the Legislature. Visitor fees, as well as any concession or gift store revenues, are deposited as nondedicated receipts in the General Fund. Fees for the monorail and international species inventory system are deposited as dedicated revenue to the Special Revenue Fund.

A summary of all receipts deposited with the State Treasurer during fiscal years 1978, 1979 and 1980 is included as Exhibit A to this report. Further analyses of various receipt types are included in other report sections. A summary of expenditures, including encumbrances, for the three years is included as Exhibit B.

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The following comparison shows the percentage of General Fund operating expenditures which were funded from revenue collections deposited to the General Fund by the Zoo:

<u>General Fund</u>	<u>Year Ended June 30</u>		
	<u>1978</u>	<u>1979</u>	<u>1980</u>
Revenue	\$ 678,250	\$2,385,533	\$2,204,224
Expenditures, Including Encumbrances	\$3,437,383	\$4,362,672	\$5,254,336
Portion of Operating Expen- ditures Recovered From Revenue Collections	20%	55%	42%

Minnesota Zoological Society (Society).

The Society is a nonprofit organization whose stated purpose is to provide public support to the Zoo through financial assistance and program services. The Society was incorporated in 1961, is governed by a 21 member Board of Directors, and currently operates with six full-time and two part-time employees.

The main source of funding for the Society is from their membership program. Persons who purchase annual memberships in the Society receive various publications in return, as well as free admission to the Zoo for the year. The current membership fees and estimated number of members are as follows:

<u>Membership Level</u>	<u>Annual Fee</u>	<u>Approximate Number of Current Members</u>
Individual	\$ 18.50	1,600
Family	28.50	6,300
Supporting - Family plus 4 guest passes	50.00	350
Donor - Family plus 6 guest passes	100.00	250
Total		<u>8,500</u>

During the year ended May 31, 1980, the Society collected approximately \$190,000 from membership fees.

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To provide for compensation to the Zoo for the free admissions and other benefits granted the Society, the Zoo Board and the Society have entered into a reciprocity agreement. In accordance with the agreement, the Society is to compensate the Zoo for all visitors who use Society memberships or guest passes to enter the Zoo. Compensation currently is based upon the Zoo's established group admission rates. The Society does not directly pay the Zoo for these admissions, but instead, the total dollar value is used to reduce the accumulated credit which the Society receives for the volunteer activities program (Zoo VAP). Under the agreement, the Society receives a credit equal to an agreed upon hourly rate of pay for each hour of work performed by volunteers. The Society receives credit for all volunteer hours worked whether or not the volunteer is a Society member. During the year ended June 30, 1980 over 28,000 volunteer hours were worked at the Zoo.

The reciprocity agreement between the Society and the Zoo was to expire on May 31, 1981; however, a 60-day extension was granted. Representatives of the Boards of the two agencies are currently renegotiating the agreement. One of the options under consideration is to eliminate the offset of Society admissions against volunteer hours worked. Different methods of compensating the Zoo for free Society admissions are under consideration.

The Society operates various programs to promote the Zoo and inform citizens of Zoo activities. For the year ended May 31, 1980, the Society expended funds on the following programs:

<u>Program Area</u>	<u>Amount Expended</u>
Membership Activities	\$ 60,022
Membership Procurement	79,311
Volunteer Activities	5,363
General and Administrative Support	63,075
Direct Support to Zoo	<u>18,975</u>
Total	<u>\$226,746</u>

### Minnesota Zoological Garden Foundation (Foundation).

The Foundation is an independent, nonprofit corporation established to develop a program within the private sector for financial support of the Zoo. The Foundation has a board of directors consisting of 35 members, 11 appointed by the Zoo Board and 24 selected from the general public by the Foundation Board itself. The Foundation currently has three full-time staff members.

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The Foundation was incorporated in 1975 and had as its initial objective, to solicit and collect the \$2,350,000 in construction matching funds. By 1978, pledges totaling \$2,350,000 were received from commitments made both to the Foundation and directly to the Zoo.

The Foundation does most of its soliciting and receives most donations from corporations in the Twin Cities area. In the four years ending June 30, 1980, the Foundation received contributions or commitments totaling \$1,418,430.

The majority of the donations received are restricted for Zoo capital improvements, in some instances for specific projects. The Foundation also receives limited unrestricted contributions and other revenue, such as interest income, which are used to pay their operating expenses. For the year ended June 30, 1980, the Foundation expended the following amounts:

<u>Program Area</u>	<u>Amount</u>
Management and General	\$ 41,955
Fund Raising	60,401
Contributions to Zoo:	
Capital Development	1,292,000
Educational Facility	130,000
Program Grants	14,873
Emergency Fund	<u>4,959</u>
Total	<u>\$1,544,188</u>

There are certain advantages to having three organizations involved in activities of the Zoo. For example, it allows a great many people who have an interest in zoological activities and a desire to promote and improve the Minnesota Zoo to work in these areas without being direct employees of the state. Also, there is a theory heard often that private individuals and businesses do not like to donate money to the state but instead would be willing to provide funding to a private foundation to work on behalf of a specific program such as the Zoo. As a part of this, the Zoo is probably able to operate various different programs or projects which normally would not be funded by the state, especially in a time of inflation and budget cutbacks.

However, there are also disadvantages to the current arrangements. Having three separate organizations with three separate governing boards, each with their own ideas on how best to promote zoological activities, could create the opportunity for chaos in attempting to efficiently operate and effectively manage the Zoo. Zoo staff are in the somewhat untenable position of not only having to satisfy the Zoo Board and the Legislature, but also having to work effectively with the staff and boards of the Society and the Foundation in order to properly operate the Zoo.

There also is a possibility of duplication or overlap of services. For instance, both the Society and the Zoo operate media promotional and advertising campaigns on behalf of the Zoo. Also, all three of

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the organizations publish various informational and promotional brochures or newsletters. Having all of these functions under one organization could provide savings through better planning and coordination of services.

Finally, the current organizational arrangements do not subject all activities and programs related to the Zoo to the applicable state procedures and controls which are designed to assure accountability and management stewardship.

Depending upon who you talk to, you will get various opinions as to whether it is best to continue the current organizational structure for zoological activities or to combine the Zoo, the Society, and the Foundation into one or two separate entities. We do not intend to take a position on that question in this report. However, in this section we will address some of the problems with procedures and controls which we feel exist under the present organization.

A special committee composed of three members each from the Zoo, Society, and Foundation Boards, is reviewing the current relationships among the groups to determine if any changes in organization or procedures should be made in the future. We feel this is a positive step and hope the committee will address some of the questions raised in this report.

Current financing procedures between the three zoological organizations provide inadequate control over the expenditure of funds and incomplete financial information for decision making.

The Zoo receives various gifts and grants for operating and capital development purposes. A majority of this funding comes from the Society and the Foundation. The Zoo has statutory authority to accept either cash or in-kind gifts and grants.

In December 1979 and July 1980 the Society approved grants to the Zoo totaling \$106,400 for eight projects as described below:

<u>Project</u>	January 1, 1981	
	<u>Original Budget</u>	<u>Revised Budget</u>
Biotelemetry Computer Program	\$ 25,000	\$ 25,000
Animal Health Interns and Equipment	10,000	2,025
Silk-Screening	25,000	-0-
Zoo Lab Relocation and Equipment	5,000	4,999
Public Service Communication Equipment	8,400	8,396
Lectureships and Professional Development	15,000	15,000
Short-Term Seasonal Internships	10,000	4,698
Continuing Education	8,000	8,000
Balance to be Reprogrammed		<u>38,282</u>
Total	<u>\$106,400</u>	<u>\$106,400</u>

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Although the Society provides funding for the Zoo, they do not normally make a cash payment of the grant amount. Instead, the Society itself operates the various programs or purchases the appropriate equipment or supplies provided for in the grant agreement. The completed project (whether services or equipment) is then given to the Zoo.

Since April 1979, the Foundation has provided funding for a short-range development program at the Zoo. The individual projects within the program are determined by the Zoo Board with approval by the Foundation Board. Reallocation of funds between projects or inclusion of additional projects is approved by both groups. The following summary identifies the type of projects included in the program:

<u>Project</u>	<u>Original Budget</u>	March 1, 1981 <u>Revised Budget</u>
<u>Public Space</u>		
Conference Center	\$100,000	\$260,000
Winter Entry Redesign	30,000	61,110
Discovery Center	20,000	21,755
Plaza Retail Development	21,500	20,000
Other	<u>122,000</u>	<u>22,260</u>
Total	<u>\$293,500</u>	<u>\$385,125</u>
<u>Staff Space</u>		
Zookeeper, Scuba, Office	\$ 20,000	\$ 35,955
Public Safety, Communication	10,000	-0-
Other	<u>20,000</u>	<u>1,306</u>
Total	<u>\$ 50,000</u>	<u>\$ 37,261</u>
<u>Operational Modifications</u>		
Storeroom	\$120,000	\$118,000
Haybarn	-0-	57,777
Small Animal Management Facilities	50,000	50,000
Plastics Production Shop	30,000	-0-
Other	<u>65,000</u>	<u>3,500</u>
Total	<u>\$265,000</u>	<u>\$229,277</u>
<u>Exhibits</u>		
Bison/Wapiti/Musk Ox	\$325,000	\$477,088
Pheasantry	150,000	-0-
Tiger Partition	20,000	8,045
Tiger Maternity	-0-	23,000
Artificial Trees/Rockwork	-0-	66,384
Other	<u>18,000</u>	<u>77,640</u>
Total	<u>\$513,000</u>	<u>\$652,157</u>

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<u>Project</u>	<u>Original Budget</u>	March 1, 1981 <u>Revised Budget</u>
<u>Graphics</u>		
Master Graphics	\$ 50,000	\$ 96,000
Other	<u>7,000</u>	<u>1,014</u>
Total	<u>\$ 57,000</u>	<u>\$ 97,014</u>
<u>Equipment</u>		
Silkscreen Shop	\$ 25,000	-0-
Electric Carts	-0-	9,831
Picnic Tables	-0-	8,088
Other	<u>10,400</u>	<u>21,381</u>
Total	<u>\$ 35,400</u>	<u>\$ 39,300</u>
<u>Horticulture</u>		
Other	<u>\$ 12,000</u>	<u>\$ -0-</u>
<u>Animal Acquisition</u>		
Bison	\$ 4,000	\$ 7,500
Clouded Leopard	10,000	18,500
Tapir	10,000	14,495
Musk Ox	-0-	20,000
Other	<u>6,000</u>	<u>21,597</u>
Total	<u>\$ 30,000</u>	<u>\$ 82,092</u>
Grand Total	<u>\$1,255,900</u>	<u>\$1,522,226</u>

The procedures for operation of the Foundation grant program are somewhat different than the Society. The majority of grant funds are received in cash from the Foundation. When money is needed for current obligations under the program, the Zoo submits a request for an advance of funds. From April 1979 through February 1981, \$1,160,609 had been received by the Zoo in cash advances. These monies are deposited in the State Treasury in a Gift Fund appropriation account. Expenditures are made in accordance with appropriate state procedures and guidelines.

However, the total of all Foundation grant funds is not received through cash advances. Instead, when the Zoo does not want to process an expenditure through the state system, they send the invoice directly to the Foundation for payment. This procedure eliminates the established state controls over such areas as contracting and selection of vendors. The Foundation has not established any procedures to monitor these payments either. They do not require formal contracts with the vendors. Instead they pay whatever invoice the Zoo submits and deduct the amount from the next cash advance. The following amounts have been paid directly by the Foundation for the short-range development program from June 1979 through February 1981:

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<u>Goods/Service</u>	<u>Total Paid</u>
Graphic Design and Signage	\$ 97,172
Construction and Remodeling	28,760
Furnishings and Office Equipment	13,378
Netting, Trees and Plantings	<u>9,932</u>
Total	<u>\$149,242</u>

In addition to the short-range development program, the Foundation has also established an "emergency fund" for the Zoo. The fund is to be used for the procurement of supplies and equipment deemed by the Zoo Board to be of an emergency nature or not able to be purchased because of budgetary constraints. From July 1978 through February 1981, \$46,539 has been expended from the fund. Among the items purchased were a video camera costing \$32,018 (\$15,000 of which was paid from a contribution from the Society), public address system equipment, strollers, fencing, bleachers, typewriters, a currency verifier, resuscitators, and a microwave oven.

The payments from this fund are made directly by the Foundation also. They have not established any control procedures to monitor the fund except to require the Zoo to provide a justification of why the equipment is needed and the reasons it cannot be purchased through the operating budget and the state procurement system. All decisions regarding selection of vendors are made by the Zoo with the Foundation acting only as a paying agent.

Operating the various grant programs under the current procedures whereby the Society gives completed projects to the Zoo and the Foundation pays individual invoices upon request is advantageous to the Zoo. They do not have to become involved in the detailed administrative procedures necessary to complete a specific project. They also are given more flexibility in the selection of vendors and the determination of type of services to be provided.

However, operating in this way eliminates the purchasing, contractual, and accounting control features present when transactions are processed through the state system. It is the responsibility of the granting agencies to establish adequate procedures to assure accountability over the expenditure of funds. In addition, since there is no direct flow of cash between agencies, the gifts and grants are not recorded in the state's accounting or budget systems. As a result, the Legislature, which funds the Zoo's operating costs, is not given complete financial information on the total capital and operating expenses of the Zoo. This is particularly important with capital development costs, because although the state may not provide funding for the actual construction of new buildings or exhibits, the operating expenses which are paid from state appropriations may increase as a result of the construction.

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### RECOMMENDATIONS

1. The Zoo Board should develop a formal policy defining procedures for the acceptance of cash and in-kind gifts and grants. As a part of the policy, the Zoo Board should work with the Foundation and Society Boards to establish adequate control procedures over the expenditure of in-kind grant funds.
2. The Zoo Board should disallow the transmittal of invoices to the Foundation for payment where adequate procedures have not been established to assure proper accountability.
3. When preparing annual financial reports and biennial budget requests, the Zoo should include information on the type and amount of in-kind grants received.

The Zoo Board has not developed adequate procedures and controls over the use of funds raised by the Society through promotions made on behalf of the Zoo.

One of the primary purposes of the Society is to promote the Zoo to the general public. This is accomplished through various advertising campaigns as well as special promotional events. In some instances the promotional events are also intended to raise funds for Zoo activities. Prior to the Zoo's opening, the Society and Foundation sponsored horse shows and zoo walks to raise a portion of the matching funds required for Zoo construction.

In 1981 the Society, with the approval of the Zoo Board, began an animal sponsorship program. Under the program, persons are asked to donate a specified amount of money to sponsor the care of an animal for one year. The amounts varied, depending upon the type of animal and ranged from \$10 for many smaller animals to \$4,000 for the bottlenosed dolphin. In exchange for the donation, contributors will receive various information regarding their animal and the program and will have their name and the animal's name shown on a special display at the Zoo.

The Society developed various brochures and media advertising for the program and there was a kick-off promotion at the Zoo in March. The advertising did state that the program was sponsored by the Society rather than the Zoo, but did not identify that the Society is a separate organization not subject to state control.

All donations for the program go directly to the Society. At a March 1981 meeting of the Zoo Board, Society personnel stated that they hoped to collect approximately \$100,000 during the first year of the program. (As of April 1981, \$27,000 had been donated.) The Society has budgeted \$40,000 for administrative costs of the program which will be paid from the donation proceeds prior to any distribution to the Zoo. (The administrative costs are basically fixed costs regardless of the amount of donations.)

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The Zoo Board did not have any formal written agreement with the Society detailing how or when the Zoo would receive any funds from the program or what the money would be used for. The Zoo Board adopted some proposed financial guidelines for the program at its February 1981 meeting, but these were not formally accepted by the Society prior to implementation of the program. The guidelines did not address the issues of payment procedures, administrative costs, or allowable uses of the funds received. Society staff stated that it was their intention to make quarterly payments to the Zoo of the net revenue after deducting for administrative costs.

The promotional literature for the program is somewhat misleading in stating that individual contributors will be sponsoring the care of a specific animal for a year (a procedure under which it most likely would be impossible to function). Society staff said that the only restriction put on the funds given to the Zoo would be that they be used for general areas of animal care such as shelter, presentation, behavior enrichment, and exhibit development. These funds are to be over and above the amounts received from state appropriations for normal operating expenses.

Since the Society is an independent organization, the Zoo Board would not normally have the authority to tell them how to run their agency or programs. However, the Society regularly solicits funds on behalf of the Zoo. Outside parties may be confused by the structure of the various zoological organizations and could assume that donations to a program such as animal sponsorship are going directly to the Zoo to be used exclusively for animal care. The Board, therefore, has an obligation to ensure that all solicitations made on behalf of the Zoo are handled properly.

### RECOMMENDATIONS

4. The Zoo Board should develop formal written procedures for the operation of any fund raising or solicitation program conducted on behalf of the Zoo by a non-state agency such as the Society.
5. The guidelines should be incorporated in a formal agreement between the Zoo Board and the Society, or other agency, which would include a definition of:
  - the purpose of the fund-raising program and how it is to be conducted;
  - the relative roles of the organizations involved and whether the Zoo will have to provide staffing, supplies or other services;
  - the estimated amount of administrative costs and whether they will be paid from proceeds of the fund-raising program or by existing resources of the Zoo or Society; and
  - the allowable uses of the revenue accruing to the Zoo from the program and how these uses relate to the normal operating budget of the Zoo.

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6. Promotional material should include a statement that fund-raising activities are being conducted by the Society or other agency, which is not subject to state control.

Current procedures do not provide adequate control over admission of Society members to the Zoo.

As stated earlier, the Society members receive free admissions to the Zoo as a part of their annual membership fee. From its opening in May 1978 through December 1980, approximately 78,000 adults and 55,000 children were admitted to the Zoo based upon Society memberships. At the established group rates, these admissions are valued at over \$220,000.

The justification for allowing free admission to Society members is that the Society provides valuable services for the Zoo in return. If this theory is accepted, it is important to verify that only Society members are granted free admission.

As Society members enter the Zoo, they are required to show only their membership card to admissions personnel at the entry gate. Since no additional form of identification is required, it would be possible for Society members to give others their membership cards to use to gain free Zoo admission.

Requiring a second form of identification is not an unusual procedure to assure proper usage of membership cards. Other area organizations have implemented this control feature.

### RECOMMENDATION

7. Zoo admissions personnel should require a second form of identification when allowing visitors free access to the Zoo based upon a Society membership card.

Zoo employees have been given complimentary Society memberships in conflict with state rules and regulations.

For the last year, all permanent and seasonal employees of the Zoo have been given complimentary memberships in the Society by that organization. Depending upon the employee's marital status, they received either an individual (\$18.50 value) or family (\$28.50 value) membership. The complimentary memberships entitle the employees to publications of the Society as well as unlimited free access to the Zoo for all family members. The Society began giving the complimentary memberships following a determination by the Attorney General's staff that Zoo employees were not entitled to free admission as a part of their employment.

The rules of the Department of Employee Relations (formerly Department of Personnel) (2 MCAR §2.277) provide in part:

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"An employee shall not directly or indirectly receive or agree to receive any payment of expense, compensation, gift, reward, gratuity, favor, service or promise of future employment or other future benefit from any source except the state for any activity related to the duties of the employee unless otherwise provided by law."

In addition, Minn. Stat. Section 85A.03, Subd. 2, which relates to employment of staff at the Zoo, provides, in part:

"All other such persons employed shall be in the classified service of the state civil service with the same rights and privileges as other state officers and employees."

The gift of complimentary Society membership to Zoo staff is a benefit related to the duties of the employees which is not granted to other state officers and employees.

RECOMMENDATION

8. The Zoo Board should not allow the Society to give free memberships to Zoo employees.

## AGREEMENT

This agreement is made effective July 1, 1980 by and between the METROPOLITAN SERVICE DISTRICT, a municipal corporation (Metro) and FRIENDS OF THE WASHINGTON PARK ZOO, an Oregon non-profit corporation (Corporation).

## R E C I T A L S

A. Pursuant to Oregon law, Metro maintains and operates the Washington Park Zoo (Zoo).

B. Corporation is a tax-exempt, non-profit Oregon corporation organized to encourage and aid the development of the Washington Park Zoo as an educational and recreational center and for the purpose of providing citizen support for the Zoo.

C. To facilitate implementation of the duties and purposes of Metro and Corporation with respect to the Zoo, the parties wish to enter into this agreement defining the relationship between them.

## IT IS THEREFORE AGREED AS FOLLOWS:

1. Term of Agreement. This agreement shall become effective when signed by both parties and shall continue in force until June 30, 1981 and thereafter unless terminated by either party.

2. Termination. This agreement may be terminated by either party without cause. Termination shall be accomplished by written notice delivered or mailed to the other party specifying a date, not less than 30 days from the date on which the notice is received, on which termination is to become effective.

3. Amendments. This agreement may be amended by mutual

consent. Amendments may be suggested in writing by either party and shall become effective when signed by both parties.

4. Duties of the Corporation. At all times during the term of this agreement, the Corporation shall:

4.1 Recruit a broad-based membership in the Corporation from throughout the Metro jurisdiction;

4.2 Develop general community support for the Zoo;

4.3 Encourage volunteer participation at the Zoo;

4.4 Produce and disseminate in a timely and scheduled manner information about the Zoo and activities of the Corporation through a monthly newsletter, a Zoo Calendar, an annual report, an information booth at the Zoo, and other means of communication;

4.5 Promote the Zoo's capital development program by conducting fund-raising campaigns, soliciting and obtaining grant funds and encouraging bequests to the Corporation for the use and benefit of the Zoo;

4.6 Keep and maintain membership files;

4.7 Schedule, coordinate, publicize and underwrite special events, classes and lectures which will educate the public and promote public awareness of the Zoo;

4.8 Sponsor educational classes and wildlife trips to enhance member interest in, and knowledge of, animals;

4.9 Pursue these activities in close cooperation with the Zoo staff and at its own expense, except as hereafter provided, or as agreed by the parties from time to time;

4.10 Upon agreement between Metro and the Corporation, perform such other services as will benefit the Zoo; provided

however, that the Corporation shall do nothing inconsistent with, or which would jeopardize, its status as a tax exempt, non-profit corporation.

5. Duties of Metro. At all times during the term of this agreement, Metro shall:

5.1 Provide a Zoo staff person under the supervision and direction of the Zoo Director to assist the Corporation in performance of its duties hereunder, including assistance in preparation of membership drives, the annual calendar, newsletters and annual report and such other matters as the parties shall mutually agree; provided, however, that the Corporation shall reimburse Metro for its actual costs incurred in providing services to the Corporation;

5.2 Provide an annual Zoo pass and discounts in the Zoo gift shop for Corporation members who have been issued individual, numbered and dated annual membership cards on the basis set forth in Section 6 hereof;

5.3 Provide publicity and space at the Zoo to assist the Corporation in performing its duties hereunder, as follows:

5.3.1 Meeting space on a regularly scheduled basis for the Corporation's board of directors and committees;

5.3.2 Office space for the Corporation's secretary or other employee; provided, however, that Corporation shall pay all costs associated with any equipment, supplies, and telephone installed in such office;

5.3.3 Provide space for an information booth, the cost of which shall be paid by the Corporation, located in in a conspicuous place on Zoo grounds from which

information regarding the Zoo and the Corporation can be dispensed;

5.3.4. Provide space for signs and such other publicity on the Zoo grounds relating to the Corporation as the parties shall agree from time to time;

5.3.5. Such other space as the parties shall agree from time to time.

5.4 Sponsor at least three events at the Zoo for the Corporation's membership, the nature and timing of which shall be determined by mutual agreement and in coordination with the Zoo Director and staff;

5.5 Provide two Metro Councilors and a designee of the Executive Officer to serve as members of Corporation's Board.

6. Coordination between Metro and Corporation. Metro and the Corporation shall coordinate their efforts and actions with respect to the Zoo so as to accomplish the goals and purposes of each as effectively as possible. Specifically:

6.1 Designated representatives of the Corporation and the Zoo shall meet at least once each calendar quarter to set goals, evaluate past and pending projects, and review financial matters with respect to Corporation;

6.2 Solicitation of grant funds from specific sources shall be made by mutual agreement between Metro and the Corporation;

6.3 The Corporation and Metro shall mutually agree as to specific fund raising goals for specific projects. The nature and extent of Corporation's participation in any given project and the method and timing of fund raising efforts

shall be determined by Corporation.

6.4 Metro recognizes that it is in the best interest of both parties, during the first few years of this Agreement, that the Corporation be established on firm financial basis and accordingly will consider proposals from the Corporation for funding of specific projects.

7. Allocation of Membership Fees and Special Contributions.

As additional consideration for the obligations to be performed by Metro hereunder, the Corporation shall allocate to the Zoo the following amounts:

7.1 From the fee received for an individual membership, a sum equal to 2-1/2 times the Metro resident adult admission to reimburse Metro for the cost to Metro of such individual member's annual pass and discounts. Such sum shall be paid to the Zoo fund by the tenth of each month for memberships received during the previous month;

7.2 From the fee received for a family membership, a sum equal to 2-1/2 times the Metro resident admission for 2 adults and 2 children to reimburse Metro for the cost to Metro of such family's annual pass and discounts; such sum shall be paid to the Zoo fund by the tenth of each month for memberships received during the previous month;

7.3 The amounts to be paid by the Corporation pursuant to sections 7.1 and 7.2 are assumed to constitute at least 80% of the total gate fees which would otherwise be paid by Corporation members for annual zoo admission.

7.4 Any sums received by the Corporation in excess of the minimum amount established for an individual or family

membership, and any other donations received by the Corporation (unless otherwise provided by the donor thereof) shall be deposited in a special account which shall be designated the Friends of the Washington Park Zoo Building Fund. Disposition of this fund shall be as provided in Section 8 hereof.

8. Building Fund. At the beginning of each year the Corporation and Metro shall mutually determine the project or projects for which the Building Fund shall be used and, if more than one project, the relative percentage of the Building Fund which it shall contribute to each such project. Contributions from the Building Fund to such project or projects shall be made at least annually.

IN WITNESS WHEREOF, the parties have executed this agreement on this 7th date of October, 1980, but effective July 1, 1980, any corporate signatures being by authorization of the board of directors.

FRIENDS OF THE WASHINGTON  
PARK ZOO

By: Day L. Dwyer  
President

By: J. B. D. O.  
Corporate Secretary

METROPOLITAN SERVICE DISTRICT

By: Richard W. Anderson  
Executive Officer

shall be determined by Corporation.

6.4 Metro recognizes that it is in the best interest of both parties, during the first few years of this Agreement, that the Corporation be established on firm financial basis and accordingly will consider proposals from the Corporation for funding of specific projects.

7. Allocation of Membership Fees and Special Contributions.

As additional consideration for the obligations to be performed by Metro hereunder, the Corporation shall allocate to the Zoo the following amounts:

7.1 From the fee received for an individual membership, a sum equal to 2½ times the Metro resident adult admission to reimburse Metro for the cost to Metro of such individual member's annual pass and discounts. Such sum shall be paid to the Zoo fund by the tenth of each month for memberships received during the previous month;

7.2 From the fee received for a family membership, a sum equal to 2½ times the Metro resident admission for 2 adults and 2 children to reimburse Metro for the cost to Metro of such family's annual pass and discounts; such sum shall be paid to the Zoo fund by the tenth of each month for memberships received during the previous month;

7.3 The amounts to be paid by the Corporation pursuant to sections 7.1 and 7.2 are assumed to constitute at least 80% of the total gate fees which would otherwise be paid by Corporation members for annual zoo admission.

7.4 Any sums received by the Corporation in excess of the minimum amount established for an individual or family

Amendments to the July 1, 1980, FOZ-METRO Agreement

The parties to the above Agreement hereby amend said Agreement as follows:

A. Sec. 5, item 5.5 shall read in pertinent part:

...to serve as full, voting members of Corporation's Board.

B. Sec. 7, new item 7.3 to read as follows and change remaining section numbers accordingly:

From the fee received for a senior citizen's membership, a sum equal to 2-1/2 times the senior citizen's admission to reimburse Metro for the cost to Metro of such senior citizen's annual pass and discounts. Such sum shall be paid to the Zoo fund by the fifteenth of each month for memberships received during the previous month;

C. Sec. 7.1 and 7.2 shall read in pertinent part:

...by the 15th of each month....

D. Sec. 7, new 7.4 shall read in pertinent part:

...Corporation pursuant to Sections 7.1, 7.2 and 7.3.

E. Delete all references in Section 7 to "Metro resident" admission.

F. Because of the recent Zoo fee increases and the FOZ's difficulty in adjusting to said increases, the FOZ fees for July 1, 1981 to September 30, 1981, as provided in sections 7.1 and 7.2 of the agreement, shall be paid at a multiple factor of 2 rather than 2-1/2. Fees prior to July 1, 1980, shall be based on the unrevised fee structure at a factor of 2-1/2 and fees after September 1, 1981, shall be based upon the revised fee structure at a factor of 2-1/2.

FRIENDS OF THE WASHINGTON  
PARK ZOO

METROPOLITAN SERVICE DISTRICT

By: Cheris J. Wilhess  
President

By: Richard J. Smith  
Executive Officer

By: \_\_\_\_\_  
Corporate Secretary

Date: Apr 9 1981

Date: \_\_\_\_\_

POINDEXTER AND JACOBSON, P.A.  
ATTORNEYS AT LAW

STEPHEN J. POINDEXTER  
MARK E. JACOBSON

430 MARQUETTE BUILDING  
400 MARQUETTE AVE.  
MINNEAPOLIS, MN 55401  
(612) 340-0234

October 13, 1981

Mr. Richard Arndt  
669 Laura Court  
Mendota Heights, MN 55118

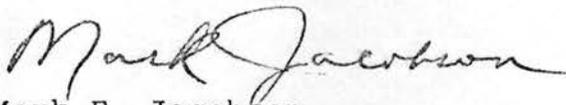
RE: Guidelines for Reciprocity Agreement

Dear Mr. Arndt:

Bob Bonawitz requested that I forward to you the Guidelines for Reciprocity Agreement Between Minnesota Zoological Garden and Minnesota Zoological Society.

The enclosed guidelines are in the form submitted by the Zoo Board with revisions by the Society Board's executive committee made with the approval of the Society Board.

Sincerely,



Mark E. Jacobson

MEJ/jmh

Enclosure

cc: Robert L. Bonawitz  
Dennis Albrecht

GUIDELINES FOR RECIPROCITY AGREEMENT BETWEEN  
MINNESOTA ZOOLOGICAL GARDEN AND MINNESOTA ZOOLOGICAL SOCIETY

Responsibility of the Zoo Board-

The Zoo Board has the responsibility of setting policy and operating the Minnesota Zoological Garden. Part of that responsibility runs to making sure that all activities, programs, fund raising, etc. relating to the Zoo are carried out in the best interests of the Zoo, including those activities, events, etc. which may be sponsored by other related or unrelated organizations. The Zoo Board also has the authority to contract for services with outside parties and in that context wishes to contract for certain services from the Minnesota Zoological Society which has provided the Zoo with long and valued support toward attainment of a world class zoo.

Services to be performed by the Minnesota Zoological Society in support of the Zoo within the Society's budgetary limitations-

- (1) Sponsor a continuing education program at the Zoo
- (2) Sponsor the Zoo volunteer program
- (3) Publish a periodic newsletter on behalf of the Society, the Zoo and the Minnesota Zoological Foundation
- △ — (4) Sponsor a zoo-related research program
- (5) Conduct other activities or events which will enhance the Zoo's attendance and/or community image. Any such events or activities conducted on the Zoo site or which

*Bl needs current input on and off-site who zoo name and*

*△ - Images do not require*

*run maintenance*  
▷

involve the Society's members' usage of Zoo facilities will require the prior approval of the Zoo Board of Directors. Any special fund-raising programs, such as the Animal Sponsorship Program, will be covered in a separate agreement between the Society and the Zoo.

For providing the above services, the Zoo will give the Society the right to-

- (1) Provide Society members the right to free access to the Zoo and other on-site benefits as contained in the 1981 Society membership literature. Memberships shall be sold for a period of not less than twelve (12) months.
- (2) Use Zoo meeting facilities when such use does not interfere with Zoo operations
- (3) Free parking for volunteers, Society staff and Society Board members when on official Society business or scheduled to work
- (4) Sell Society memberships at the Zoo in space designated by the Zoo Director at a monthly rental of \$25.00.

Other Matters-

- (1) The Society will print and control its membership cards which shall serve as the Society's members' Zoo admission authorization. The Zoo will print and control all free passes to the Zoo. Any free passes requested by

the Society, other than the membership cards, must be approved and distributed by the Zoo Director

- (2) The Society will reimburse the Zoo for any and all incremental costs incurred by the Zoo in connection with Society programs and activities. Such incremental costs will be identified by the Zoo Director prior to the conduct of the event or class.
- (3) The Society should adopt a procedure to inform its members regarding the final disposition of their contributions, i.e., for Society operations or designated for the Zoo
- (4) The Society will develop policies and procedures to insure clarity in its advertising and/or public announcements relating to Society programs and activities.
- (5) An editorial committee shall have final approval of content of the combined newsletter. The editorial committee shall be comprised of one representative each from the Society, the Zoo and the Foundation. The Society representative on said committee shall have the editorial responsibility for the combined newsletter. The newsletter shall be distributed to the then current Society members and up to 1,000 other recipients designated by each of the Zoo and the Foundation. The incremental cost of printing and mailing in excess of 1000

△  
Content  
review  
is  
your  
control

Separate  
opinion

each by the Zoo and the Foundation shall be paid to the Society by the requesting organization.

- (6) Zoo Director will have prior review of Society sponsored educational and research programs held in conjunction with the Zoo.
- (7) This agreement will be automatically renewable each year unless notice of termination is given by either party at least ninety (90) days prior to the end of the contract year (May 31), provided, however, that no such termination shall alter membership rights of any Society member whose membership term has not then expired.

#### Financial Responsibility of the Society to the Zoo

- (1) The Society shall be a source of funding for education, research and other special programs.
- (2) The remainder of the prior pledges and commitments formally approved by the Society for the Zoo (approximating \$42,000.00) will be disbursed to the Zoo upon request pursuant to prior Society Board approval.
- (3) Annual contributions commencing with the Society's fiscal year beginning May 1, 1982, will take the form of:
  - (a) All dollars received over the amount equivalent to the family and individual membership fee plus all amounts received in excess of the fund balance described in subparagraph (b) of this paragraph 3 will be deposited in a separate Society account for future use by the Zoo upon quarterly request by the treasurer of the Zoo Board for the uses described

in paragraph (4) below. The amounts so requested shall be transferred within 45 days of such request.

- (b) The Society will maintain an operating fund balance approximately equal to nine (9) months of operating expenses based upon the annual budget adopted by the Society Board. Any amount in excess of such fund balance shall be transferred monthly to the Society's Zoo account referred to in subparagraph (a) above.
- (4) The Zoo will furnish an accounting to the Society at least annually as to the use of the funds received from the account referred to in subparagraph (3)(a) above. Such funds will not be utilized for the general operations of the Zoo but will be utilized for educational equipment and programs, purchase of plants and animals, animal and plant research, and exhibit development and improvements, including exhibit graphics.
- (5) The Society shall continue to operate in a reasonable and prudent business manner as required by applicable Federal and State laws and regulations.
- (6) The Society Board and/or individuals designated by it will meet with the Zoo Board or its designated committee at least annually during the term of this agreement to present the Society's proposed objectives, programs and budget for the succeeding year for information and discussion purposes.



# Minnesota Zoological Society

September 30, 1981

Richard Arndt  
669 Laura Court  
Mendota Heights, MN 55118

Subject: Guidelines for Reciprocity Agreement

Dear Dick:

The guidelines which were unanimously adopted by the Zoo Board in its August 20, 1981 meeting included several of the items which I had previously mentioned would be of concern to the Society's Board of Directors. As a result, I presented the Zoo Board's August 20, 1981 guidelines to the Society Board of Directors for review and comment.

The Society's Board of Directors has chosen to speak mainly to three areas. First, the overall tone and scope of the guidelines as adopted on August 20, 1981; second, the Society's expressed objectives with respect to Society and Zoo Board relationships; and, third, the specific changes which the Society wishes to see incorporated into the guidelines so that they express a spirit of cooperation and unity of purpose.

## I. Scope and Tone:

The Society Board members received the Zoo Board proposed guidelines with shock and dismay. As one member of the Society Board stated, "At first reading of the document, it seemed to me that the Society was not addressed as a private organization whose membership of more than 8,000 members has exercised in the past, and continues to exercise, the right to vote within the organization."

The Society was not addressed in tone or scope as a viable structure with a twenty-year history of support to the principles upon which the Minnesota Zoological Garden was conceived, developed and implemented. Nor was the Society addressed in the guidelines as an organization with a competent staff, fully capable of foresight and growth, performing with high standards in relationship with the Zoological Garden and its Board and with other organizations.

The overall tone and scope, then, of the document was perceived as totally lacking in recognition of the spirited support of an autonomous, historical and viable organization that seeks to promote the welfare of the Zoo.

II. Society Expressed Objectives:

The Society's Board of Directors wishes to reiterate its oft repeated desire to be a participating, dedicated and loyal member of what has so frequently been referred to as "the Zoo family of organizations". Truly there ought to be such a family, a family in which its members do not harbor great needs for dominance, control and power but rather, where they pursue common goals with mutual respect and a full understanding of the needs and obligations of one another.

I made the request to add item 6 of the Financial Responsibilities Section of the proposed guidelines in order that Board-to-Board communications might be improved and because it is our belief that synergism will result if our individual efforts are properly coordinated.

III. Specifics Regarding Proposed Guidelines:

As to the specifics related to the guidelines, please refer to the attached guidelines which were adopted by the Society at its Board Meeting of September 24, 1981. Please note that the attached document changes the language received from the Zoo Board by crossing out certain sections and inserting others. The newly inserted items are underlined.

Dick, the Society Board members have requested that I continue to work directly with you to resolve this matter. Based upon our past two discussions, I remain confident that we can quickly reach an agreed basis upon which the actual Society/Zoo Board agreement(s) may be developed.

Sincerely,



Robert L. Bonawitz  
President  
Minnesota Zoological Society  
Board of Directors

cc: All Zoo Board Members for information.

RLB/dab

The following guidelines were unanimously adopted by the Minnesota Zoological Society Board of Directors at its meeting on September 24, 1981.

MINNESOTA ZOOLOGICAL GARDEN BOARD GUIDELINES FOR RECIPROCITY AGREEMENT  
BETWEEN THE MINNESOTA ZOOLOGICAL GARDEN AND THE WITH MINNESOTA  
ZOOLOGICAL SOCIETY

Responsibility of the Zoo Board

The Zoo Board has the responsibility of setting policy and operating the Minnesota Zoological Garden. Part of that responsibility runs to making sure that all activities, programs, fund raising, etc. relating to the Zoo are carried out in the best interests of the Zoo, including those activities, events, etc. which may be sponsored by other related or unrelated organizations. The Zoo Board also has the authority to contract for services with outside parties and in that context wishes to contract for certain services from the Minnesota Zoological Society.

The above language has not been disturbed. However, the Society suggests that the language be changed to reflect two organizations seeking to work together in a cooperative effort for a common objective. Suggested language for the Agreement follows:

"In consideration of their common interests, a long history of cooperation, and the Zoo Board's recognition of the long and valued support by the Society for the zoo, it is agreed that the Zoo Board and Society will continue to work together toward attainment of common goals and to establish an equitable exchange of zoo benefits for services rendered by the Society.

To achieve the mutual goal of support for and promotion of a world class zoo in Minnesota:

- 1) the Zoo Board has determined that there is a need for broad based community support and participation and,
- 2) that the Society as a non-profit citizen organization can provide special services and programs to involve members of the community and,
- 3) the Board will award the following zoo benefits to members of the Society in recognition of the following services rendered by the Society."

Services To Be Performed By Desired From the Minnesota Zoological Society  
In Support of the Zoo

- 1) Sponsor a continuing education program at the Zoo.

- 2) Sponsor a the Zoo volunteer program.
- 3) Publish a periodic newsletter ~~on behalf of the Society, the Zoo and the Minnesota Zoological Foundation~~ to report on Society and Zoo activities.
- 4) Conduct other activities or events which will enhance the Zoo's attendance and/or community image. All such events or activities ~~will have the prior approval of the Zoo Board of Directors~~ shall be subject to periodic review by the Zoo Board of Directors which shall cooperate with the Society in the development of such events and activities. Any ~~significant~~ programs, which have a direct financial effect on the Zoo, such as the Animal Sponsorship Program, will be covered in a separate agreement between the Society and the Zoo or will receive prior approval of the Zoo Board of Directors.

For providing the above services, the Zoo will give the Society the right to:

- 1) Provide Society members the right to free access admission to the Zoo and other benefits ~~as contained in the 1981 Society membership literature which may be determined from time to time by the Society Board.~~ Such memberships shall be sold for a period of not less than twelve (12) months. Any change in Society membership benefits which would involve increased membership usage of zoo facilities or change the amount paid for the usage of such facilities shall be subject to prior Zoo Board of Directors approval.
- 2) Use Zoo meeting facilities when such use does not interfere with Zoo operations.
- 3) Free parking for volunteers and Society staff and Society Board Members when on official Society business or scheduled to work.
- 4) Sell Society memberships at the Zoo in space designated by the Zoo Director at a monthly rental of \$25.00.

#### Other Matters

- 1) The Society will print and control its membership cards which shall serve as the Society member's zoo admission authorization. The Zoo will print and control all free passes to the Zoo. Any free passes requested by the Society, ~~in addition~~ other than those earned as part of the membership contribution, must be approved and distributed by the Zoo Director.
- 2) The Society will reimburse the Zoo for ~~any and all~~ the incremental costs incurred by the Zoo in connection with Society activities, ~~events, education classes, etc.~~ such as special events or education classes. Such incremental costs to be identified by the Zoo Director prior to the conduct of the event or class.

- 3) The Society shall adopt a procedure to inform its members regarding the final disposition of their contributions, i.e. for Society operations or designated for the Zoo.
- 4) The Society, in concert with the Zoo Board, will develop policies and procedures to insure clarity ~~clarify~~ in its advertising and/or public announcements relating to their programs and events.
- 5) Zoo Director to have ~~final approval of content of combined newsletter~~ and prior review of Society sponsored educational programs held in conjunction with the Zoo. Zoo Society and Zoo Director and Staff shall cooperate in preparing the content of the combined newsletter. The Zoo Director shall have final approval of any contributions of Zoo Staff. The Society shall have full and final approval for editing and publishing the combined newsletter and shall be responsible for all publication costs. The Society will mail 2,000 copies of the newsletter to addresses provided by the Zoo.
- 6) The contract will be automatically renewable each year unless 90 day notice by ~~either party is given~~ of termination is given by either party at least 90 days prior to the end of the contract year, provided, however, that no such termination shall alter membership rights of any Society member whose membership term has not then expired.

Financial Responsibility of the Society to the Zoo

- 1) The Society shall not be ~~the principal~~ the only source for additional Zoo funding but shall remain a primary source of indirect financial assistance.
- 2) An annual dollar contribution is desirable and the balance of the 1981-82 contribution will be determined and dispersed by the Society. ~~will be the remainder of the prior pledge and commitments of the Society to the Zoo approximating \$42,000. is \$--~~
- 3) Annual contributions commencing with the Society's fiscal year beginning May 1, 1982, will take the form of:
  - a) All dollars received over in excess of the family or individual fee, plus any amount received in excess of the cost to service ~~i.e. all dollars received in excess~~ the donor and supporting level categories, will be designated in a separate Society account for future use by the Zoo, unless the contributing member specifically requests that such funds be earmarked for Society sponsored programs. ~~at its discretion for capital or other related projects. Such transfer shall be made on May 31 of each year or earlier if the Society desires.~~ The funds so generated for Zoo use will be disbursed to the zoo following written request therefor from the Zoo Board, at such time as the funds are required for projects meeting the mutual desires of the Zoo Board and the Society.

- b) The Society will determine as of June 1, 1981, and annually thereafter, a base level of fund balance (such fund balance shall not exceed \$25,000 ~~or approximately 90 days of working capital needs~~, the budgeted amount approved by the Society Board of Directors for annual operation of the Society, its programs and functions. Any amount in excess of such fund balance shall be transferred ~~annually at the end of the the Society's fiscal year (May 31) or earlier if the Society desires, to a restricted account for future Zoo use at its discretion for capital and other related projects.~~ quarterly to the Society account for Zoo use as set forth in paragraph (a) for disbursement.
- c) Any funds transferred to the Society account for zoo use described in paragraph (a) may upon prior approval of the Zoo Board of Directors be drawn upon by the Society for (1) emergency needs such as temporary cash requirements and (2) special expenses for zoo related projects.
- 4) The ~~Zoo~~ Society Board will furnish an accounting to the ~~Society~~ Zoo Board of Directors at least quarterly as ~~to the use of the funds received from (2) and (3) above.~~ for the funds in paragraph 3 above.
- 5) The ~~Society~~ shall operate in a reasonable and prudent business manner during the term of this agreement with every effort made to maximize revenues and hold expenses to a minimum.

This is an unnecessary statement because the Society is already subject to the requirement under applicable Federal and State laws.

However, if it appears necessary to incorporate such a provision, it should read as follows:

"The Society shall be allowed to continue to operate in a reasonable and prudent business manner during the term of this agreement so that it may continue to operate efficiently and achieve one of its objectives in maximizing the annual contribution to the Zoo."

- 6) The Society Board and/or individuals designated by it will meet with the Zoo Board or its designated committee ~~in May of each year~~ at least annually during the term of this agreement to present the Society's proposed objectives and budget for the succeeding year for information and discussion purposes.

August 81  
BD guidelines  
to MZS

MINNESOTA ZOOLOGICAL GARDEN BOARD GUIDELINES FOR  
RECIPROCITY AGREEMENT WITH MINNESOTA ZOOLOGICAL SOCIETY

The following guidelines were unanimously adopted by the Minnesota Zoological Garden Board of Directors at its meeting on August 20, 1981.

Responsibility of the Zoo Board-

The Zoo Board has the responsibility of setting policy and operating the Minnesota Zoological Garden. Part of that responsibility runs to making sure that all activities, programs, fund raising, etc. relating to the Zoo are carried out in the best interests of the Zoo, including those activities, events, etc. which may be sponsored by other related or unrelated organizations. The Zoo Board also has the authority to contract for services with outside parties and in that context wishes to contract for certain services from the Minnesota Zoological Society.

Services Desired from the Minnesota Zoological Society-

- (1) Sponsor a continuing education program at the Zoo
- (2) Sponsor a Zoo volunteer program
- (3) Publish a periodic newsletter on behalf of the Society, the Zoo and the Minnesota Zoological Foundation

*Sm Bd memo: members responses to draft  
to be submitted in writing by 15 Sept to Bot.  
MZS should come thru to review input as Bot  
to prepare position for approval of proposal by  
MZS Bd at next Bd mtg. (4<sup>th</sup> floor, Sept).*

Services Desired from the Minnesota Zoological Society (continued)-

- (4) Conduct other activities or events which will enhance the Zoo's attendance and/or community image. All such events or activities will have the prior approval of the Zoo Board of Directors. Any significant programs, such as the Animal Sponsor Program, will be covered in a separate agreement between the Society and the Zoo.

For providing the above services, the Zoo will give the Society the right to-

- (1) Provide Society members the right to free access to the Zoo and other benefits as contained in the 1981 Society membership literature. Such memberships shall be sold for a period of not less than twelve (12) months
- (2) Use Zoo meeting facilities when such use does not interfere with Zoo operations
- (3) Free parking for volunteers and Society staff when on official Society business or scheduled to work
- (4) Sell Society memberships at the Zoo in space designated by the Zoo Director at a monthly rental of \$25.00.

Other Matters-

- (1) The Zoo will print and control all free passes to the Zoo. Any free passes requested by the Society, in addition to those earned as part of the membership contribution, must be approved and distributed by the Zoo Director
- (2) The Society will reimburse the Zoo for any and all incremental costs incurred by the Zoo in connection with Society activities, events, education classes, etc.
- (3) The Society should adopt a procedure to inform its members regarding the final disposition of their contributions, i.e., for Society operations or designated for the Zoo
- (4) The Society will develop policies and procedures to clarify advertising and/or public announcements relating to their programs, events, etc. (See attached article.)
- (5) Zoo Director to have final approval of content of combined newsletter and prior review of Society sponsored educational programs held in conjunction with the Zoo.
- (6) The contract will be automatically renewable each year unless 90 day notice by either party is given.

Financial Responsibility of the Society to the Zoo-

- (1) The Society shall not be the principal source for additional Zoo funding
- (2) An annual dollar contribution is desirable and the 1981-82 contribution will be the remainder of the prior pledge and commitments of the Society to the Zoo approximating \$42,000
- (3) Annual contributions commencing with the Society's fiscal year beginning May 1, 1982, will take the form of:
  - (a) All dollars received over the family or individual membership fee, i.e., all dollars received in excess of these will be designated in a separate Society account for future use by the Zoo at its discretion for capital or other related projects. Such transfer shall be made on May 31 of each year or earlier if the Society desires
  - (b) The Society will determine as of June 1, 1981, and annually thereafter, a base level of fund balance (such fund balance shall not exceed \$25,000 or approximately 90 days of working capital needs. Any amount in excess of such fund balance shall be transferred annually at the end of the Society's fiscal year (May 31) or earlier if the Society desires, to a restricted account for future Zoo use at its discretion for capital and other related projects.
- (4) The Zoo will furnish an accounting to the Society at least quarterly as to the use of the funds received from (2) and (3) above.

Financial Responsibility of the Society to the Zoo (continued)-

- (5) The Society shall operate in a reasonable and prudent business manner during the term of this agreement with every effort made to maximize revenues and hold expenses to a minimum
- (6) The Society Board and/or individuals designated by it will meet with the Zoo Board or its designated committee in May of each year during the term of this agreement to present the Society's proposed objectives and budget for the succeeding year for information and discussion purposes.

RETURN TO K. WILLIAMS

May, 1981

Spending Policies:

- 1) Fiscal year or annual budgets must be approved by the Society Board of Directors at the May Board Meeting.
- 2) The Executive Director has the authority to authorize payment for any and all items generally outlined or specifically identified in the Budget.
- 3) If new items are required and are not budgeted, the Executive Director must seek board approval when expenditures are expected to exceed the approved budget or for any item exceeding \$500.
- 4) All checks must be signed by two Society authorized persons; comprised of staff and/or board members.
- 5) The Executive Director and an authorized board member will sign all checks, except payroll and day-to-day operational needs which may be co-signed by the Executive Director and the Finance Officer.
- 6) Should situations arise where a board member is not available to sign a check for purposes other than those identified in #5, the invoices for such expenditures must be approved by a board member with an authorized signature the next time checks are signed.
- 7) Purchase orders are required for all special items over \$50.00. Purchase orders must be approved by the Executive Director unless the request is a regular approved budget item.

- 8) ~~Contracts, consulting agreements and other understandings of terms shall be.....~~ *similar instruments shall be approved in writing by the Society President*
- 9) ~~Salaries per.....~~ *Treasurer following legal review by Society's legal counsel & prior*

Adopted by the Executive Committee on 8/27/81 *to expiration by the Executive Director.*

*adjustments such as promotional, merit increases shall be granted by the Ex. D. under the pursuant to & in amounts specified by the Society's guidelines. Adjustments to the Ex. D. Committee.*

BASIC ELEMENTS of SOCIETY/ZOO AGREEMENT

I. Society Obligations and Rights

- A. Sell and operate an annual membership program
- B. Society can sponsor special events at the Zoo with prior Zoo approval
- C. Society has right to publish a periodic newsletter covering activities of the Society, Foundation and Zoo
- D. Society has the right to sponsor a continuing education program at the Zoo
- E. Society has the right to recruit for and administer the Zoo volunteer program
- F. Society has the right to conduct and/or sponsor other activities at the Zoo provided such activities have the prior approval of the Zoo Board

II. Zoo Benefits

- A. The Zoo recognizes that the above obligations and rights of the Society have great benefit to the Zoo and as a result thereof, the Zoo agrees to give the Society and its members the following benefits:
  1. Free entry for its members .. *Expense to zoo for adv of the entry.*
  2. Guest and/or other special free passes as determined by the Zoo Director. Such passes are to be controlled by the Zoo.
  3. Use of Zoo meeting facilities and/or events during normal open hours
  4. Free parking for volunteers and Board Staff when attending meetings
  5. Zoo staff support at the discretion of the Zoo Director when it does not conflict with other Zoo duties
- B. Society to reimburse Zoo for any incremental salary cost or any other out-of-pocket costs of any kind for using Zoo facilities

III. Other Matters

- A. Can Society sell memberships at the Zoo? If so, should they be charged for space?
- B. Society to correct advertising for their events
- C. Society to inform their members re: use of contributions
- D. Reimbursement of Zoo costs for their share of volunteer services
- E. *Annual* sponsorship - Need a separate agreement. Zoo staff to do with Society but prior Board approval is necessary
- F. See III on page 3 of prior outline

*as amended  
in BD mtg.*

*Reciprocity Agreement*

*cc: Board*

INTEROFFICE COMMUNICATION

TO OFFICE FROM SAINT PAUL OFFICE  
FOR SEE BELOW FROM RICHARD M. ARNDT  
DATE AUGUST 14, 1981

CIRCULATE TO:	NOTED
SPECIFIC FILING INSTRUCTIONS This will be returned if not filled in.	
ALSO CHECK (✓) OR WRITE IN COMPANY OR OTHER FILING NAME	
ACKNOWLEDGMENT COPY RETURNED	
BY _____	

SUBJECT: PROPOSED RESPONSE TO SOCIETY PROPOSAL

I have finally re-drafted an outline of our proposed response to the Society relating to the reciprocity agreement. A copy is attached for your review prior to our meeting on August 20th. I would like to see this cleared through the committee and ready for Board approval on that day also, if possible.

Over the past month I have met with the President of the Society and brought him up to date on our deliberations of our July 16th meeting and got his input on certain other matters, which I have incorporated into the draft.

See you on the 20th.

RICHARD M. ARNDT

- cc: Patricia Davies
- James L. Hetland, Jr.
- James Weaver
- Ed Kohn
- Steve Eiserman
- Rick Slows
- Toni Hengesteg

ZOO FINANCE COMMITTEE RESPONSE  
TO SOCIETY PROPOSAL OF JUNE 11, 1981

Responsibility of the Zoo Board

The Zoo Board has the responsibility of setting policy and operating the Minnesota Zoological Garden. Part of that responsibility runs to making sure that all activities, programs, fund raising, etc. relating to the Zoo are carried out in the best interests of the Zoo, including those activities, events, etc. which may be sponsored by other related or unrelated organizations. The Zoo Board also has the authority to contract for services with outside parties and in that context wishes to contract for certain services from the Minnesota Zoological Society.

Services desired from the Minnesota Zoological Society -

- (1) Sponsor a continuing education program at the Zoo
- (2) Sponsor a Zoo volunteer program
- (3) Publish a periodic newsletter on behalf of the Society, the Zoo and the Minnesota Zoological Foundation
- (4) Conduct other activities or events which will enhance the Zoo's attendance and/or community image. All such events or activities will have the prior approval of the Zoo Board of Directors. Any significant programs, such as the Animal <sup>sponsorship</sup> adoption program, will be covered in a separate agreement between the Society and the Zoo

For providing the above services, the Zoo will give the Society the right to -

- (1) Provide Society members the right to free access to the Zoo and other benefits as contained in the 1981 Society membership literature. Such memberships shall be sold for a period of not less than twelve (12) months.
- (2) Use Zoo meeting facilities when such use does not interfere with Zoo operations
- (3) Free parking for volunteers and Society staff when on official Society business or scheduled to work
- (4) Sell Society memberships in space designated by the Zoo Director at the Zoo at a monthly rental of \$25.00

Other matters -

- (1) The Zoo will print and control all free passes to the Zoo. Any free passes requested by the Society, in addition to those earned as part of the membership contribution, must be approved and distributed by the Zoo Director
- (2) The Society will reimburse the Zoo for any and all incremental costs incurred by the Zoo in connection with Society activities, events, education classes, etc.
- (3) The Society should adopt a procedure to inform its members regarding the final disposition of their contributions, i.e. for Society operations or designated for the Zoo.

- (4) The Society will develop policies and procedures to clarify advertising and/or public announcements relating to their program, events, etc. (See attached article)
- (5) Zoo Director to have ~~(input, review, approval or final approval say?)~~ *approval* regarding content of newsletter and Society sponsored educational programs
- (6) The contract will be automatically renewable each year unless 90 day notice, by either party is given

Financial Responsibility of the Society to the Zoo -

- (1) The Society shall not be the principal source for additional Zoo funding
- (2) An annual dollar contribution is desirable and the 1981-82 contribution will be the remainder of the prior pledge and commitments of the Society to the Zoo *approximating totaling \$ 42,000*
- (3) Annual contributions commencing with the Society's fiscal year beginning May 1, 1982 will take the form of -
  - (1) All dollars received over the ~~base~~ *family or individual* membership fee, i.e. all dollars received in excess of ~~stated membership fees~~ will be designated in a separate Society account *at its discretion.* for future use by the Zoo. Such transfer shall be made on May 31 of each year or earlier if the Society desires, *and*
  - (2) The Society will determine as of June 1, 1981, a base level of fund balance (such amount shall not exceed *or approx 90 days of average working capital needs,* \$25,000). Any amount in excess of such fund balance will be transferred at the end of Society's fiscal year (May 31) or earlier if the Society desires, *and each year thereafter* to a restricted account for future Zoo use *at its discretion.*

- (4) The Society shall operate in a reasonable and prudent business manner during the term of this agreement with every effort made to maximize revenue and hold expenses to a minimum
- (5) The Society Board and/or individuals designated by it will meet with the Zoo Board or its designated committee in May of each year during the term of this agreement to present the Society's proposed objectives and budget for the succeeding year for information and discussion purposes

INTEROFFICE COMMUNICATION

CIRCULATE TO:	NOTED
SPECIFIC FILING INSTRUCTIONS This will be returned if not filled in.	
ALSO CHECK (✓) OR WRITE IN COMPANY OR OTHER FILING NAME	

TO OFFICE FROM OFFICE

FOR SEE BELOW FROM RICHARD M. ARNDT

DATE JULY 10, 1981

ACKNOWLEDGMENT COPY RETURNED

BY \_\_\_\_\_

SUBJECT: PROPOSAL FROM MINNESOTA ZOOLOGICAL SOCIETY

A significant portion of our meeting on Thursday, July 16th will be devoted to discussing the proposal received from the Society dated June 11, 1981.

As the Society proposal caught me by surprise at our last committee meeting, perhaps a brief explanation from me as to how we got where we are is in order. Prior to the Society proposal of June 11th, several meetings were held with representatives of the Society to gain additional insight into Society financial operations and data. The "Zoo Requests" which appear in the Society proposal are a result of some inter-board discussion and are not proposals put forth by the Zoo. They were only some suggestions as to what we may think about in the overall contract for the coming year. To my knowledge we have never put forth an "official" request to the Society.

I am also enclosing the information that the Society has made available to me during the discussions mentioned above. In addition I wrote a letter summarizing my thoughts to the Society President, after my review of the Society's financial information. The letter was written on the basis that there would be no funds available to the Zoo after 1982.

See you on the 16th!

Patricia Davies  
James L. Hetland, Jr.  
James Weaver  
Ed Kuhn  
Steve Iserman  
Rick Slowes

COMMENTS REGARDING REVIEW OF SOCIETY PROPOSAL

DATED JUNE 11, 1981

I. Zoo Benefits:

A. Free entry - no problem

B. Guest entry

1. Zoo needs to control free passes; i. e., we should print and prenumber passes.
2. Zoo should approve free passes given out by Society.
3. Guest passes should be Zoo passes, not Society passes.

C. Facility use

1. Meetings should be held during normal open hours.
2. Society to pay any incremental cost of holding such meetings.

D. Members' events

1. Such events to be held during normal Zoo hours.
2. Any additional personnel costs to be paid by Society.

E. Meeting/working space

1. Can we furnish Society space at the Zoo to sell memberships?
2. Remainder probably all right if understanding is that such will not conflict with the Zoo operations.

F. Parking

1. Free parking for volunteers is all right.
2. Free parking for others (Society staff, Board, etc.) only when attending meetings.

G. Staff support

1. Any additional salary costs or other incremental costs to be paid for by the Society.

II. Society-Sponsored Programs/Services:

- A. Membership program operation - no problem
- B. Promotion and membership marketing
  - 1. This contract gives the Society the right to sell only annual memberships.
- C. Special events, public relations and publications
  - 1. Zoo to have final say as to content of newsletter.
  - 2. Foundation to be included in the newsletter.
- D. Continuing education program
  - 1. Zoo to have final say as to programs to be held.
  - 2. Society to correct advertising for the program; i. e., Society-sponsored, not Zoo-sponsored, plus - proceeds go to Society, not to Zoo.
  - 3. What happens to any profit on the programs? Should Zoo receive proceeds for providing space?
  - 4. Society to reimburse Zoo for all incremental costs.
- E. Volunteer services
  - 1. Does this mean that the Society will reimburse the Zoo for the cost of Zoo employees who administer the program? If not, it should, or the language should be changed.
- F. Animal sponsorship
  - 1. Should this be excluded, but included in a separate contract?
  - 2. Much still needs to be defined concerning this program, such as: timing of payment to the Zoo, is 30% reasonable for expenses, etc.?
- G. Auxiliary activities
  - 1. Each and every project and/or activity, other than calendars, where the Zoo is used as a basis to sell something, must be approved by the Zoo Board.

III. Zoo "Requests"/Society Responses

A. Request No. 1

1. What happened to any 1981-82 support?
2. Should we set a minimum contribution? Under present proposal, Society really has no incentive to try to do something for us.

B. Request No. 2

1. Again, why no reference to 1981-82?
2. I believe we need control over the newsletter -- Ed should be responsible for final content.

C. Request No. 3

1. I do not believe we should get Society involved in fund-raising.
2. I believe we should require a cash contribution for each membership over a base number and/or request contributions for amount in excess of standard membership fee.
3. If 2. above is not done, Society needs to tell its donors that the dollars are not passed on to the Zoo but are used for Society operations.

D. Request No. 4

1. The dollars to be received, if this is what we want, should be designated for a purpose. As I recall, this suggestion came from the Society.

MZS  
Background Information

Actual  
4/81

Analysis of Operations -

	<u>1979</u>	<u>1980</u>	<u>1981 (est)</u>
Total Revenue	\$ 386,000	\$ 311,000	\$ 271,000
Total expenses	294,000	280,000	282,000
Direct payment to Zoo	28,000	19,000	-
Animal Sponsorship Costs	-	-	30,000
Excess (deficiency)	<u>64,000</u>	<u>12,000</u>	<u>(41,000)</u>
Ending Fund balance	<u>\$ 228,000</u>	<u>\$ 240,000</u>	<u>\$ 199,000</u>

Animal Adoption Dollars (thru 3/31/81) - \$ 40,000  
 (actual \$ 27,600 thru 4-15-81)

Approved but uncommitted funds for Zoo - \$ 83,000

Analysis of Memberships -

	<u>Actual</u>	<u>Estimate</u>	
	<u>1981</u>	<u>1982</u>	<u>1983</u>
Family	7200	7300	7400
Individual	800	1550	2285
Donor (\$50-100)	250	250	300
Sponsoring (over \$100)	250	250	300
	<u>8500</u>	<u>9,350</u>	<u>10,285</u>

M 2 5  
Background Information

Audit  
5/5/81

Five year forecast -

See attached

Cost of membership to the Society -

	<u>Cost</u>	<u>Membership Fee</u>
Family	\$ 5.91	\$ 32.50
Individual	5.91	21.50
Donor	5.91	* 50.00 (at least)
Supporting	25.91	* 100.00 (at least)

Value of Zoo Admission per Society Worksheet -

	<u>Amount</u>	<u>1981 Number</u>	<u>Dollar Value</u>
Family	\$ 13.60	7200	\$ 97,920
Individual	4.80	800	3840
Donor	25.60	250	6400
Supporting	31.60	250	7900
			<u>\$ 116,060</u>

Staffing Levels -

Full time	6
Part time	2
	<u>8</u>

M Z S  
Background Information

Amel  
5-5-81

Society Schedule of Zoo Support - 1981 (fiscal)

Operation of membership program	\$ 24,000
Promotion and membership marketing	46,000
Special events, Public Relations and Publications	5,000
Continuing Education -	
Literature	11,000
Administrative Time	9,000
Bookkeeping	5,000
Volunteer program	16,000
Animal Sponsorship	20,000
Auxiliary Activities	5,000
	<u>\$ 141,000</u>

MINNESOTA ZOOLOGICAL SOCIETY  
Proposed Actual Income Budget (April 1981)

	1	2	3	4	5	6	7
Revenue	1981	1982	1983	1984	1985	1986	
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
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31							

EFFICIENCY, LINE No. 4636



MATERIALS FOR DISCUSSION

of

ZOO AND SOCIETY RELATIONSHIPS

April 1981

1. Schedule of Costs for Society Support
2. Direct and Indirect Program Benefits to Zoo
3. Society Requested Benefits and Privileges
4. Proposed Budgetary Goals
5. Recognized Income Budget
6. Actual Income Budget
7. Statement of Tax Deductibility on Dues
8. Membership Fee Distribution
9. Definition of Accounting Procedures

MINNESOTA ZOOLOGICAL SOCIETY

Schedule of Costs

Direct and Indirect Support of Minnesota Zoo

*Revised  
1982  
for*

I.	Operation of Membership Program.....	\$ 24.0	} 70%
II.	<u>Promotion and Membership Marketing</u> ...	46.0	
✓ III.	Special Events, Public Relations and Publications.....	5.0	
✓ VI.	Continuing Education.....	25.0	
✓ V.	Volunteer Program.....	16.0	
VI.	Animal Sponsorship Program.....	20.0	
✓ VII.	Auxiliary Activities.....	5.0	
✓ VIII.	<u>Cost of New News letters</u>	<del>10.00</del>	
		\$ 141.0	

*11.3  
9.0  
4.7  
25.0  
Littenton, see  
Town of Ashby*

- Need to spell out handling special
- Ld class - sharing of costs, etc
- Animal adaptive program - separate
- agent
- more than one year?

MINNESOTA ZOOLOGICAL SOCIETY

Direct and Indirect Support of Minnesota Zoo

The Minnesota Zoological Garden is the beneficiary of the programs sponsored by the Minnesota Zoological Society. In recognition of the Society's efforts in the following program areas, the Garden shall award certain benefits and priveleges.

I. Through the Society membership acquisition and renewal programs , citizens join in support of the Zoo project and utilization of the facility. This participation of people produces direct revenues as a result of member and member's guests parking, food and gift shop purchases and monorail ridership. Members serve as off-site ambassadors, indirectly resulting in further Zoo promotion and usage.

II. Through membership marketing and promotion programs, 125,000 metropolitan households receive information about the Zoo and unlimited others are exposed to regularly released p.s.a.'s, news releases, advertising and audio visual presentations and oral communications.

III. Through a variety of special events and collaborative projects, the general public is made aware of the Zoo while experiencing an opportunity to participate directly. Publications help to enhance and expand the Zoo image and use.

VI. The Continuing Education program is totally subsidized by the Society with direct grants, general operation and maintenance, and promotion and publicity. Members and non-members alike participate in the classes expanding the potential of site use and user.

V. Through the Society sponsored portion of the volunteer program, operating funds are granted and management and general operation performed for recruitment and recognition of volunteers.

VI. The Society assumes responsibility and liability for development and implementation of the Animal Sponsorship Program on an on-going basis. Promotion materials, education presentations and general goodwill expands the Zoo's potential and strengthen's image.

VII. Product promotions, poster distribution and calendar marketing assist in promoting the Zoo to a wider and more diverse audience.

REQUESTED BENEFITS AND PRIVILEGES

In recognition of the direct and indirect services and support performed by the Minnesota Zoological Society, the Minnesota Zoological Garden awards the following benefits and privileges to the Society.

A. (same) Unlimited free entry to the admission area of the Zoo upon presentation at the gate of a valid current Society membership card, for each Society membership entitled such privileges, as described previously.

B. Free entry to the admission area of the Zoo for one person upon presentation and surrender at the gate of a Society guest pass.

C. Use of the Zoo Board Room for regularly scheduled meetings of the Society Board of Directors or a sub-committee of the Board, when such use does not conflict with official Zoo business.

D. Special "Members events" at the Zoo, as approved by the Board, which shall be open only to Society members, who will receive free entry. Any entertainment, food or beverages shall be paid for by the Society. The members events shall be held on dates mutually agreed on by the parties hereto.

E. Designated space at the Zoo to organize ZooVAP and Society activities.

F. Free parking and entry to admissions area for volunteers on duty and Society staff or representatives.

G. Zoo staff shall be available as resource people in Society activities to the extent that such services can be provided without interfering with official Zoo operations.

H. Termination Provision: to include free entry privileges to all Society members until the expiration date of each such membership.

*Amended*

*underlined are changes*

*How also for fidelity*

## PRIMARY BUDGETARY GOALS F.Y. '82

I. Increase Membership

- A. Increase membership by 10% of the anticipated year end figure of 8,500 for a total of 9,350.
- B. Retain a minimum of 75% of F.Y. '81 members or 6,375.
- C. Maintain a minimum of 600 donors through new or renewal efforts.
1. expand membership sales and service on-site.
  2. improve on-site sales area.
  3. locate a place on-site for regular Society staff and member activities.
  4. expand direct mail program to new demographics.
  5. develop new programs to capture members and/or enhance Society image.
  6. design a seasonal, short-term or special interest campaign mid year.
  7. expand donor acquisition and recognition programs.
  8. fine-tune all membership services to further improve public relations.
  9. test tele-marketing system to improve renewal rates.
  10. design quarterly "breakfasts" at the zoo for donor members.

*Original on  
point  
S*

II. Expand and Improve Education Opportunities

- A. Design and implement tuition classes for all ages and interests on a quarterly schedule.
- B. Provide an educational activity to members Free twelve times a year.
- C. Increase level of participation and expand the number of classes, lectures and field trips.
1. work closely with Zoo Continuing Education Coordinator to design a variety of activities; emphasis on family participation and zoo awareness.
  2. improve design and function of promotion brochure and produce supplementary handouts.
  3. build educational program to include people who do not live near facility or who have special needs.
  4. mail regular press releases to promote classes, and photo releases to report classes.

III. Enhance and Improve Society Image

- A. Coordinate mailings to current and potential Society members.
- B. Expand programs in sponsorship with other organizations, businesses or persons.
- C. Use media resources to promote Society projects.
- D. Work towards establishing and improving relationships with zoo-related organizations or zoo-interested persons.
  - 1. improve overall layout and content of ZooNews by June 1981.
  - 2. expand use of newsletters and magazines as promotion tool.
  - 3. continue to research member's level of satisfaction and interest.
  - 4. sponsor another lecture series in conjunction with other organizations.
  - 5. involve media people, business representatives and community leaders in Society activities.
  - 6. develop and market a line of products from artwork.
  - 7. modify Annual Open House to broaden scope and participation.
  - 8. design and sponsor annual orientation for information, social and promotion purposes.

IV. Provide Direct Services or Financial Assistance to the Minnesota Zoo

- A. Encourage use of the zoo site by members and guests.
- B. Promote non-member zoo site functions, activities, programs and products.
- C. Improve operation of Animal Sponsorship and work towards increased revenues.
- D. Make a year end cash contribution to the Zoo.
- E. Expand and improve on-site and off-site volunteer program.
  - 1. offer discount tickets for member's guest admissions.
  - 2. promote company organization and group functions at the zoo.
  - 3. mail press releases a minimum of twice a month to announce Society-sponsored zoo-site activities.
  - 4. expand education component of Sponsorship Program in cooperation with Zoo Education Department.
  - 5. design quarterly Sponsorship appeals
  - 6. work to broaden base of volunteer and donor participation in Sponsorship Program.
  - 7. review volunteer services and recommend improvements to strengthen the program.

V. General Operation

- A. Develop short term and long term goals for Society operation.
- B. Revise and strengthen staff functions and continue to improve general office management and operation.
- C. Draft policies for all areas of involvement and activity.
- D. Propose and direct new areas of activity.
  - 1. increase board participation in drafting goals and objectives.
  - 2. review, revise and reorganize staff job descriptions and responsibilities.
  - 3. seek board approval for revised Personnel Policy and Guidelines.
  - 4. work towards more efficient and effective office processing mechanisms.
  - 5. continue to improve office working conditions.
  - 6. utilize staff and board members for new ideas and encourage participation.

ASSUMPTIONS

*8000*

1. Programs unchanged.
2. Major staff unchanged -- clerical reduced by CETA.
3. No income recognized for Continuing Education.
4. Previous funding commitments recognized.
5. All 1981 Sponsorship contributions to Zoo.
6. 30% of sponsorship revenues retained by the Society, 1982-1986.
7. Membership -- 10% growth through 1983 -- 5% growth 1984-1986.

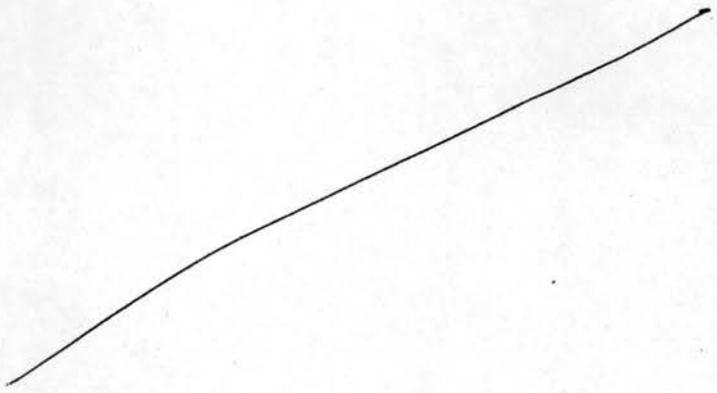
*Donor?*

*}*

*Donor*  
*CPA*

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
Family	7,200	7,300 ✓	7,400	7,500	7,600	7,700
Individual	800	1,550	2,285	2,700	3,200	3,600
Donor - <i>33</i>	250	250	300	300	300	300
Supporting	250	250	300	300	300	300

8. Membership price -- \$4 increase 1984.
9. Expenses -- +11% 1982, +8% 1983, +9% 1984, +8% 1985, +8% 1986.
10. \$5.50 recognized as zoo contribution -- Supporting level membership. *\$50*
11. \$29.50 ~~recognized~~ *+\$100* as zoo contribution -- Donor level membership.
12. Recognition of need for Continuing Education grants.
13. 1982 revenue based on 8,500 members at new rate.



MINNESOTA ZOOLOGICAL SOCIETY  
Recognized Income Budget (April 1981)

*Don't include cost of mailing*

EFFICIENCY, LINE No. 4536

	1	2	3	4	5	6	7
	1981	1982	1983	1984	1985	1986	
1	<u>Revenue</u>						
2	Membership Dues:						
3	Direct Benefit	118.8	171.3 ✓	176.9	190.1	196.7	203.9
4	Deduction	109.2	117.3 ✓	131.2	144.5	191.0	200.1
5	Investment	31.0	25.8	19.4	20.4	24.4	25.6
6	Auxiliary Activi.	12.0	15.0 ✓	18.0	20.0	22.0	25.0
7	Other	.4	.8	1.0	1.5	2.0	2.5
8	Animal Sponsor.	40.0	24.0 ✓	30.0	33.0	37.0	45.0
9	(30% 1982-86)						
10	Total Revenue	311.4	354.2	376.5	409.5	473.6	502.1
11	<u>Expenses</u>						
12	Salaries		74	83.6	93.2	102.5	112.7
13	Membership/Marketing		82	80.0	82.0	90.2	94.5
14	Auxiliary		20	21.0	23.0	25.3	27.8
15	Membership Benefits		62.2	68.8	75.6	83.1	91.4
16	Volunteer Services		10.8	10.8	11.8	12.9	14.1
17	General Administrative		32.5	35.5	39.0	42.9	47.1
18	Animal Sponsorship		29.6	44.0	48.0	52.8	58.0
19			311.1	343.7	372.6	409.7	445.6
20	Net profit before						
21	commitment to Zoo	.3	8.7	.9	(.2)	28	16.9
22	Donations:						
23	Encumbured	22.5	60.4				
24	Education Grant		8.0	?	?	?	?
25	Donor Contribut.		8.7	8.7	10.5	10.5	10.5
26	Animal Sponsor.	40.0					
27	Net Profit:						
28		(62.2)	(68.4)	(7.8)	(10.7)	17.5	6.4
29	Animal Sponsorship		56.0	70.0	77.0	87.5	105.0
30							
31							

*258.6*

*44  
271*

*ground  
suppl  
R*

822-2969

18.50  
 228.50  
 32.50  
 24 57-

STATEMENT OF TAX DEDUCTIBILITY ON MEMBERSHIP DUES

Benefits	Benefit Value	Cost Contribution to Society	Dues Increase	Contribution to Zoo
1) Magazine subscription	\$ 4.50			
2) Annual individual pass (average attendance-2)	4.80	No cost to society		
3) Family annual pass (average attendance-2)	13.60	No cost to society		
4) Guest pass (one admission)	3.00	No cost to society		
5) Signed art print	20.00			
6) Art poster	.66			
7) Newsletter	.75			
<b>Dues</b>				
\$18.50	1) Subscription 10.71 ✓	1.00 ✓ \$7.79	1.00 ✓ \$3.00	4.80
	2) Annual individual pass			
	6) Art poster			
	7) Newsletter			
\$28.50	1) Subscription 19.51	6.00 ✓ 8.99	1.00 ✓ 4.00	13.60
	3) Annual family pass			
	6) Art poster			
	7) Newsletter			
\$50.00	1) Subscription 31.51	12.00 ✓ 8.99	1.00 ✓ 4.00	\$5.50 ✓
	2) Annual family pass			
	4) Four guest passes			
	6) Art poster			
	7) Newsletter			
\$100.00	1) Subscription 57.51 ✓	18.00 ✓ 8.99	25.91 ✓ 4.00	29.50 ✓
	3) Annual family pass			
	4) Six guest passes			
	5) Signed art print			
	6) Art poster			
	7) Newsletter			
\$500.00 (one reg)	1) Subscription 99.51	13.00 ✓ 8.99	31.00 ✓ 4.00	387.50 ✓
	3) Annual family pass			
	4) Twenty guest passes			
	5) Signed art print			
	6) Art poster			
	7) Newsletter			

779  
 501  
 4.80

To be split  
 between member  
 + contact &  
 print

31  
 252  
 155  
 57  
 258  
 114  
 750  
 15212  
 52475?

MEMBERSHIP FEE DISTRIBUTION

		1	Benefit	Society	Fee	5 Zoo	6	7	
		1982	Value	Contri.	Increase	Contri.			Total
1	Individual	800	\$ 9,368	\$ 7,832			4 <sup>80</sup>	3840	\$ 17,20
2	Family	7,200	154,872	79,128			13 <sup>60</sup>	97,920	234,00
3	Supporting	250	8,377	2,747		1,375	25 <sup>60</sup>	6,700	12,50
4	Donor	250	14,877	2,747		7,375	31 <sup>60</sup>	7,900	25,00
5		8,500	\$187,494	\$92,454		\$8,750	22 <sup>40</sup>	116,060	\$288,70
6									
7		1983							
8	Individual	1,550	\$18,150	\$15,174					\$33,324
9	Family	7,300	157,023	80,227					237,250
10	Supporting	250	8,377	2,747		1,375			12,500
11	Donor	250	14,877	2,747		7,375			25,000
12		\$9,350	\$198,427	\$100,895		\$8,750			\$308,07
13									
14		1984							
15	Individual	2,285	\$ 26,757	\$ 22,370					\$ 49,12
16	Family	7,400	159,174	81,326					240,50
17	Supporting	300	10,053	3,297		1,650			15,00
18	Donor	300	17,853	3,297		8,850			30,00
19		10,285	\$213,837	\$110,290		\$10,500			\$334,62
20									
21		1985							
22	Individual	2,700	\$31,617	\$26,433	\$ 8,100				\$ 66,15
23	Family	7,500	161,325	82,425	30,000				273,75
24	Supporting	300	10,053	3,297		1,650			15,00
25	Donor	300	17,853	3,297		8,850			30,00
26		10,800	\$220,848	\$115,452	\$38,100	\$10,500			\$384,90
27		1986							
28	Individual	3,200	\$ 37,472	\$ 31,328	\$ 9,600				\$ 78,40
29	Family	7,600	163,476	83,524	30,400				277,40
30	Supporting	300	10,053	3,297		1,650			15,00
31	Donor	300	17,853	3,297		8,850			30,00
		11,400	\$228,854	\$121,446	\$40,000	\$10,500			\$400,80

EFFICIENCY LINE No. 4635



DEFINITION OF ACCOUNTING PROCEDURES

1. At the end of the month, total receipts are calculated for each level of membership.
2. Our auditing firm has determined the dollar value of benefits the Society offers its members. All levels of membership have a different package of benefits.
3. After the number of memberships has been determined for a particular level, it is then multiplied by the set value of that level's benefit package.
4. This amount is then divided by the length of membership which is usually 12 months.
5. \* This will be the amount recognized as income each month on the financial statement.
6. The remainder will be held in the Unearned Membership Fees account until recognized.

\* Because membership fees are received at different times throughout the period of cash receipts, only  $\frac{1}{2}$  of the deferred amount will be recognized the first month.

Minnesota Zoological Society

Deferred Income

Month	Total Received 11/30/20	Total Deferred 12/31/20	Total Recognized 1/31/21	Total Deferred 11/31/21	Total Recognized 2/28/21	Total Deferred 2/28/21	Total 3/31/21	Total 3/31/21
	Continued from page (1)		(1)				5	6
							5	6
1920								
January	390.21	145.09	145.09	—				
Feb.	311.00	316.50	211.00	105.50	105.50	—		
Mar.	371.96	457.22	371.96	407.92	271.96	135.96	135.96	—
April	350.22	376.31	350.22	425.29	250.32	375.51	250.32	125.13
May	3,247.23	1,165.28	3,247.23	11,267.45	3,247.23	8,119.62	3,247.23	4,871.79
June	1,532.96	919.97	1,532.96	7,624.72	1,532.96	6,121.22	1,532.96	4,593.26
July	1,270.01	7,440.28	1,270.01	6,450.22	1,270.01	2,160.18	1,270.01	2,500.41
August	837.71	6,472.20	837.71	5,445.09	837.71	4,607.22	837.71	3,767.27
Sept.	445.22	3,737.40	445.22	2,349.21	445.22	2,898.16	445.22	2,452.22
Oct.	402.22	2,272.71	402.22	3,470.43	402.22	3,062.15	402.22	2,653.27
Nov.	402.19	4,287.97	402.19	3,277.20	402.19	3,462.61	402.19	3,061.42
Dec.	861.51	9,907.33	861.51	9,045.27	861.51	2,124.26	861.51	7,322.25
1921								
Jan.	731.21	2,775.42	731.21	2,407.22	731.21	7,672.54	731.21	6,941.25
Feb.	626.02	7,272.21	626.02	6,034.22	626.02	7,244.22	626.02	6,322.21
March	522.21	6,222.76	522.21	5,719.21	522.21	5,737.52	522.21	4,022.25
							11,227.76	5,922.22

MINNESOTA ZOOLOGICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization-

The Minnesota Zoological Society is organized as a nonprofit corporation under the laws of the State of Minnesota for the purpose of aiding in the development, care and maintenance of a zoological garden within the state of Minnesota and encouraging public interest in the science of zoology.

Short-Term Investments-

Short-term investments consist of the following:

	<u>1980</u>	<u>1979</u>
Certificates of deposit	\$ 119,583	\$ 100,000
Repurchase agreements	<u>83,000</u>	<u>153,033</u>
	<u>\$ 202,583</u>	<u>\$ 253,033</u>

Repurchase agreements represent interest-bearing bank deposits secured by government securities.

Materials Held for Use and Sale-

Materials held for use and sale consisting principally of posters, are stated at the lower of average cost or market.

Investment in Real Estate-

Investment in real estate, a donated asset, is stated at its estimated value at date of receipt. The use or sale of the real estate is subject to approval by the donor.

Office Furniture and Equipment-

Expenditures for the acquisition of office furniture and equipment are recorded at cost. The fair value of donated furniture and equipment is similarly capitalized. Depreciation is provided over the estimated useful lives of the assets (generally 5 years) using the straight-line method.

Membership Dues-

Membership dues are recognized as revenue on a pro rata basis over the period to which the membership relates. Amounts received as dues from members in excess of the Society's services which accrue to the member have been reported as contribution revenue when received. A reconciliation of the amount collected from members and the amounts reflected in the financial statements during the years ended May 31, 1980 and 1979 is as follows:

MINNESOTA ZOOLOGICAL SOCIETY

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McGladrey Hendrickson & Co.  
CERTIFIED PUBLIC ACCOUNTANTS



To the Board of Directors  
Minnesota Zoological Society  
St. Paul, Minnesota

We have examined the balance sheet of MINNESOTA ZOOLOGICAL SOCIETY (a nonprofit corporation) as of May 31, 1980 and 1979 and the related statements of support and revenue, expenses and changes in fund balance and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Minnesota Zoological Society as of May 31, 1980 and 1979 and the results of its operations and changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

St. Paul, Minnesota  
June 26, 1980

*McGladrey Hendrickson & Co.*

McGladrey Hendrickson & Co.  
CERTIFIED PUBLIC ACCOUNTANTS



To the Board of Directors

Minnesota Zoological Society

St. Paul, Minnesota

Our examinations have been made primarily for the purpose of formulating an opinion on the basic financial statements taken as a whole. The schedule of functional expenses included in this report, although not considered necessary for a fair presentation of the financial position, results of operations and changes in financial position in conformity with generally accepted accounting principles, is presented for supplementary analysis purposes. It has been subjected to the audit procedures applied in the examinations of the basic financial statements and is, in our opinion, fairly stated in all material respects in relation to the basic financial statements, taken as a whole.

St. Paul, Minnesota

June 26, 1980

*McGladrey Hendrickson & Co.*

MINNESOTA ZOOLOGICAL SOCIETY

BALANCE SHEET - MAY 31, 1980 AND 1979

	<u>A</u>	<u>S</u>	<u>S</u>	<u>E</u>	<u>T</u>	<u>S</u>	<u>1980</u>	<u>1979</u>
<b>CASH:</b>								
Checking accounts and on hand							\$ 45,903	\$ 42,897
Savings accounts							12,280	7,060
SHORT-TERM INVESTMENTS, at cost (Note 1)							202,583	253,033
ACCOUNTS RECEIVABLE							10,484	-
ACCRUED INVESTMENT INCOME							-	1,800
MATERIALS HELD FOR USE AND SALE (Note 1)							9,004	5,425
PREPAID POSTAGE							964	1,271
INVESTMENT IN REAL ESTATE (Note 1)							6,000	6,000
OFFICE FURNITURE AND EQUIPMENT, net of accumulated depreciation of \$4,369 in 1980 and \$3,460 in 1979 (Note 1)							4,633	2,671
ARTWORK, at cost							<u>7,500</u>	<u>7,500</u>
							<u>\$ 299,351</u>	<u>\$ 327,657</u>
<u>LIABILITIES AND FUND BALANCES</u>								
ACCOUNTS PAYABLE AND ACCRUED EXPENSES							\$ 833	\$ 37,038
DEFERRED MEMBERSHIP DUES (Note 1)							<u>58,076</u>	<u>62,381</u>
Total liabilities							<u>\$ 58,909</u>	<u>\$ 99,419</u>
<b>FUND BALANCES (Note 1):</b>								
Current unrestricted, available for general activities							\$ 161,017	\$ 228,238
Current unrestricted, designated by governing board for direct support to Minnesota Zoological Garden							<u>79,425</u>	<u>-</u>
Total fund balances							\$ 240,442	\$ 228,238
COMMITMENT AND CONTINGENCIES (Note 2)							<u>          </u>	<u>          </u>
							<u>\$ 299,351</u>	<u>\$ 327,657</u>

See notes to financial statements.

MINNESOTA ZOOLOGICAL SOCIETY

STATEMENT OF SUPPORT AND REVENUE, EXPENSES

AND CHANGES IN FUND BALANCE

FOR THE YEARS ENDED MAY 31, 1980 AND 1979

	<u>1980</u>	<u>1979</u>
<b>SUPPORT:</b>		
Contributions-		
Members (Note 1)	\$ 94,839	\$ 87,939
Other	9,799	15,224
Volunteer service hours (Note 2)	72,150 ✓	96,259
<b>REVENUE:</b>		
Membership dues (Note 1)	99,347	155,223
Investment income	26,727	16,988
Gain on sale of investments	-	3,281
Miscellaneous sales	7,931	8,791
Other	307	2,321
	<u>311,100</u>	<u>386,026</u>
Total support and revenue	\$ <u>311,100</u>	\$ <u>386,026</u>
	<u>72,150</u>	<u>96,259</u>
<b>EXPENSES:</b>		
Program Services-		
Membership activities-		
Zoological Garden admissions (Note 2)	\$ 72,150 ✓	\$ 96,259
Other	60,022	55,116
Volunteer activities	5,363	5,793
Minnesota Zoological Garden - Direct support	18,975	27,813
Support Services-		
Membership procurement	79,311	79,330
General and administrative	63,075	57,587
	<u>298,896</u>	<u>321,898</u>
Total expenses	\$ <u>298,896</u>	\$ <u>321,898</u>
Excess of support and revenue over expenses	\$ 12,204	\$ 64,128
FUND BALANCE, AT BEGINNING OF YEAR	<u>228,238</u>	<u>164,110</u>
FUND BALANCE, AT END OF YEAR	<u>\$ 240,442</u>	<u>\$ 228,238</u>

See notes to financial statements.

MINNESOTA ZOOLOGICAL SOCIETY

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED MAY 31, 1980 AND 1979

	<u>1980</u>	<u>1979</u>
<b>FUNDS PROVIDED FROM:</b>		
Operations-		
Excess of support and revenue over expenses	\$ 12,204	\$ 64,128
Add- Expenses not affecting cash-		
Depreciation	995	548
Loss on disposal of equipment	<u>139</u>	<u>-</u>
Total from operations	\$ 13,338	\$ 64,676
Sale of marketable securities	-	6,250
Sale of short-term investments	50,450	-
Decrease in receivables	-	17,099
Decrease in prepaid expenses and accrued investment income	2,107	-
Increase accounts payable and accrued expenses	<u>-</u>	<u>28,049</u>
Total funds provided	<u>\$ 65,895</u>	<u>\$ 116,074</u>
<b>FUNDS USED TO:</b>		
Purchase short-term investments	-	253,033
Increase accounts receivable	10,484	-
Acquire material held for use and sale	3,579	5,425
Increase prepaid expenses and accrued investment income	-	1,103
Purchase office furniture and equipment	3,096	1,741
Acquire artwork	-	5,000
Decrease accounts payable and accrued expenses	36,205	-
Decrease membership dues collected on which revenue recognition is deferred (Note 1)	<u>4,305</u>	<u>69,659</u>
Total funds used	<u>\$ 57,669</u>	<u>\$ 335,961</u>
Increase (decrease) in cash	<u>\$ 8,226</u>	<u>\$ (219,887)</u>

See notes to financial statements.

	<u>1980</u>	<u>1979</u>
Deferred membership dues, beginning of the year	\$ 62,381	\$ 132,040
Total collection from members during the year	189,881	173,503
Less-		
Amount reported as contributions	(94,839)	(87,939)
Amount recognized as dues income	<u>(99,347)</u>	<u>(155,223)</u>
Deferred membership dues, end of year	<u>\$ 58,076</u>	<u>\$ 62,381</u>

The cost of membership procurement is charged to expense as incurred.

Fund Balances-

In 1980 the Board of Directors designated \$100,000 for direct program support to the Minnesota Zoological Garden. As of May 31, 1980 \$79,425 of this internal designation of funds remains available for future direct support.

Functional Expenses-

The Society follows the practice of presenting the expenses of providing its various services and other activities on a functional basis in the statement of support, revenue and expenses. A schedule of these functional expenses by object classification was presented as a basic financial statement in prior years. However, since this information is not required for a fair presentation of results of operations in accordance with generally accepted accounting principles, this schedule is included as supplementary financial information in this report.

2. COMMITMENTS AND CONTINGENCIES:

Leases-

The Society leases office space under a lease which expires in February of 1981. In addition, the Society also rents various office equipment and storage space. Total rent expense for the years ended May 31, 1980 and 1979 was \$6,420 and \$4,849, respectively. Total minimum future rental commitments at May 31, 1980 are approximately \$2,800.

Reciprocity Agreement-

The Society and the Minnesota Zoological Garden have entered into a reciprocity agreement whereby all Society members are afforded admission at no cost into the Minnesota Zoological Garden in exchange for the performance of volunteer services by the Society at the Minnesota Zoological Garden. The value of volunteer services rendered is determined on an hourly rate negotiated annually under the agreement while gate admissions are valued according to the prevailing

public rates. In the event that the value of volunteer services rendered at the Minnesota Zoological Garden is less than the total of membership gate admissions, the Society is obligated to reimburse the Minnesota Zoological Garden; however, in no event is the excess of the value of volunteer services performed over the total of membership gate admissions to be remitted by the Minnesota Zoological Garden to the Society. In accordance with generally accepted accounting principles, the Society recognizes volunteer contributions to the extent of benefits received by the Society's members. The value of volunteer hours contributed to the Minnesota Zoological Garden was \$111,621 in 1980 and \$130,164 in 1979 which was recognized as income to the extent of benefits received by the members in the amount of \$72,150 and \$96,259 in 1980 and 1979, respectively. The excess of volunteer services hours in excess of member gate admissions at May 31, 1980 of \$88,663 can be used to offset future liabilities arising from membership gate admissions.

#### Publication and Purchase Agreements-

Under terms of an agreement with a magazine publisher, the Society is obligated for approximately \$27,365 of future publications at May 31, 1980.

MINNESOTA ZOOLOGICAL SOCIETY

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED MAY 31, 1980 WITH COMPATATIVE TOTALS FOR 1979

	Program Services			Support Services		Total	
	Membership Activities	Volunteer Activity	Minnesota Zoological Garden	Membership Procurement	General and Administrative	1980	1979
Salaries	\$ 10,543	\$ 1,590	\$ -	\$ 15,318	\$ 25,248	\$ 52,699	\$ 35,663
Payroll taxes	71	11	-	104	171	357	227
Occupancy	910	137	-	1,321	2,177	4,545	4,053
Telephone	41	-	-	57	1,445	1,543	1,388
Supplies	2,979	869	-	3,745	2,635	10,228	1,400
Rental and maintenance of equipment	102	-	-	-	1,772	1,874	796
Printing and publications	35,561	298	-	9,352	1,066	46,277	77,093
Postage and shipping	2,680	157	-	3,659	1,599	8,095	16,560
Conferences and meetings expense	146	1,255	-	416	2,601	4,418	2,058
Other travel	802	409	-	-	-	1,211	2,368
Zoological Garden admission	72,150	-	-	-	-	72,150	96,259
Professional fees	1,943	11	-	4,714	4,161	10,829	6,531
Data processing services	-	-	-	825	1,003	1,828	2,943
Publicity and public relations	1,269	-	-	1,349	2,194	4,812	2,508
Promotional consultant services	-	-	-	38,076	-	38,076	32,822
Depreciation	-	-	-	-	995	995	548
Awards and grants	499	484	-	-	-	983	2,829
Contributions	-	-	18,975	-	-	18,975	27,813
Loss on obsolete calendars	-	-	-	-	5,133	5,133	-
Other	2,476	142	-	375	10,875	13,868	8,039
<b>Total functional expenses</b>	<b>\$ 132,172</b>	<b>\$ 5,363</b>	<b>\$ 18,975</b>	<b>\$ 79,311</b>	<b>\$ 63,075</b>	<b>\$ 298,896</b>	<b>\$ 321,898</b>

Profit & Loss Statement

(Estimated and Preliminary)

	FC 1981	1982	1983	1984	1985	1986
<u>Revenue</u>						
Membership & Dues (Deferred)	118.8	176.9	190.1	196.7	203.9	210.2
Contributions & Bequests	109.2	131.2	144.5	191.0	200.1	207.7
Investment Income	31.0	25.8	19.4	20.4	24.4	25.6
Auxiliary Activities	12.0	25.0 <sup>x</sup>	26.5	28.2	20.2	22.5
Other	.4	1.0	2.0	3.0	4.0	5.0
Animal Sponsorship (35%) <i>(Amount used for coal program)</i>		35.0	38.5	42.4	46.6	51.2
Total Revenue	271.4	394.9	421.0	481.7	499.2	522.2
<u>Expenses</u>						
Salaries	77.0	84.7	93.2	102.5	112.7	123.9
Marketing & Promotion	95.2	100.0 <sup>x</sup>	105.0	110.3	115.8	121.6
Membership Benefits	62.2	72.6 <sup>x</sup>	79.9	87.9	96.7	106.4
Volunteer Services	10.8	14.7	16.2	17.8	19.5	21.4
Direct Support to Zoo for Staff & Material on Volunteer Program		22.0	24.2	26.6	29.3	32.3
General Administration	32.5	37.1	40.8	44.9	49.4	54.3
Animal Sponsorship	33.4	48.9	53.8	59.2	65.2	71.8
Total Expenses	311.1	380.0	413.1	449.2	488.6	531.7
Net Profit Before Commitments to Zoo	(39.7)	14.9	7.9	32.5	10.6	(9.5)
Donations	20.2	67.0				
Net Profit	(59.9)	(52.1)	7.9	32.5	10.6	(9.5)
Animal Sponsorship Available for Zoo	40.0	65.0	71.5	78.6	86.5	95.2

- 1) Zoo to get proceeds after budget met (12)
- 2) Any short-ten weeks - Zoo to get 1/2 to gift 20.
- 3) All exhibit to go to Zoo + amount of volunteer to split
- 4) 1/2 in income to go to Zoo gift for
- 5) Auxiliary out 5/5 self-supporting
- 6) If Daily Kase volunteer action, we shall get reimbursement for our "cost"
- 7) South to Kase 30% - but income out to income +  
 minus of \$56,000 in 1982

Suggest for animal at print cost.

(Continued on p. 2)

## State zoo offers classes on starting an aquarium

Aquariums — putting them together and keeping them together — will be the subject of two classes Sunday at the Minnesota Zoological Gardens, 12101 Johnny Cake Ridge Road, Apple Valley.

“Starting an aquarium,” which will cover selecting aquarium stock and feeding fish, will be held from 1 to 2:30 p.m. while “Improving your aquarium” will be held from 3 to 4:30 p.m.

Zoo naturalist Dany Newbauer

will lead both classes, which cost \$5 a person per course. Zoo admission fees are included in the tuition while members of the Minnesota Zoological Society will receive a \$2 discount.

To register, send tuition fee, course title, your name and address to the Minnesota Zoological Society, 555 Wabasha St., St. Paul, Minn. 55102.

For more information or to obtain a brochure of all spring quarter zoo classes call the Society at 222-1706.

I-55

AGREEMENT BETWEEN THE MINNESOTA ZOOLOGICAL  
BOARD AND THE MINNESOTA ZOOLOGICAL SOCIETY

THIS AGREEMENT, made and entered into on this 2/15  
day of October, 1978, by and between the Minnesota  
Zoological Board (hereinafter "Board") and the Minnesota  
Zoological Society (hereinafter "Society").

WITNESSETH:

WHEREAS, pursuant to Minn. Stat. § 85A.02, the Board  
has all powers necessary or convenient to discharge the duties  
imposed upon it by law and to operate the Minnesota Zoological  
Garden (hereinafter "Zoo") in the manner which will best serve  
the public; and

WHEREAS, pursuant to Minn. Stat. § 85A.03, subd. 4(a),  
the Board may establish a schedule of charges for admission to  
or the use of the Zoo or any related facility; and

WHEREAS, the Board has determined that there is a  
need for volunteer services to operate the Zoo in a manner which  
will best serve the public; and

WHEREAS, the Society is a non-profit membership  
organization formed for the purpose of promoting and supporting  
the Zoo; and

WHEREAS, the Society has the capability of providing  
volunteer service to the Zoo; and

WHEREAS, the Board has determined that it desires to  
use the services of volunteers provided by the Society and that,  
in order to facilitate the use of those volunteers on an  
equitable basis and in a manner that recognizes both the need  
to insure that the Zoo does not suffer any loss in admission  
revenue as a result of the Society usage at the gate and the  
desire of the Society to meet its obligations to the Board while  
maintaining financial stability, it is necessary to establish  
a schedule of charges applicable to members of the Society.

NOW THEREFORE, it is agreed by and between the parties hereto as follows:

I. For the purposes of this agreement, the following terms shall be defined as follows:

A. "Society Guest Pass" shall mean any document or ticket authorized and distributed by the Society that entitles one person to one free entry to the Zoo admission area, provided that the use and form of any such pass shall have been previously approved by the Board.

B. "Society Member" shall mean any person officially and currently enrolled as a paid contributor to the Society under the categories of Society membership. Membership status for purposes of free entry to the Zoo admission area shall be established solely by presentation at the Zoo admissions gate of a valid membership card issued by the Society.

C. "Society Membership Card" shall mean a document authorized and issued by the Society for each membership that identifies the category of Society membership, the name of the member, the size of the member's family where applicable, and the expiration date of the membership. Membership cards shall be non-transferable, and the form of such cards shall be subject to review and approval by the Board prior to issuance by the Society.

D. "Society Membership Categories" shall mean the categories of paid contributors to the Society. They shall be as determined from time to time by the Society, provided that any membership category permitting free or reduced cost entry to the Zoo

shall require prior review and authorization by the Board. The categories that are currently entitled to free entry privileges are as follows:

1. "Individual Membership" shall mean a membership that entitles one person to participation in Society activities and to free entry privileges at the Zoo for a period of one year.

2. "Family Membership" shall mean a membership that entitles an entire family, consisting of parent(s) and children six through <sup>EIGHTEEN</sup> ~~seventeen~~ years old living in the parents' home, to participation in Society activities and to free entry privileges at the Zoo for a period of one year.

3. "Supporting Membership" shall mean a membership that entitles an entire family, as defined above, to participation in Society activities, free entry privileges at the Zoo for a period of one year, and the use of six (6) Society guest passes.

4. "Patron Membership" shall mean membership that entitles an entire family, as defined above, to participation in Society activities, free entry privileges at the Zoo for a period of one year, and the use of twenty (20) Society guest passes.

E. "Usage at the Gate" shall mean the presentation and use of Society membership cards or Society guest passes to gain free entry to the Zoo admission area.

F. "Volunteer" shall mean any person, whether a Society member or not, acting on behalf of the Board

under the supervision of the Zoo staff in an official, assigned capacity, without financial compensation from the Board.

G. "Volunteer Hour" shall mean each hour of volunteer time devoted to the following activities:

1. All services, not including travel time to and from the Zoo, rendered after completion of the basic thirty (30) hour training class which have been identified as support for Zoo operations and are assigned by the Zoo staff, both on and off site, including Speaker's Bureau presentations. Volunteers who were members of the Speaker's Bureau prior to May 22, 1978, need not have completed the basic training class in order for services provided by them after that date to qualify as "volunteer hours" as herein defined.
2. In-service training sessions, after the basic training class, of currently qualified volunteers.
3. Time spent at the ZooVAP Steering Committee meetings.
4. Such other volunteer services as may be mutually agreed upon by the Board and the Society from time to time.

H. "ZooVAP" shall mean the Zoo volunteer activities program, organized and directed by Zoo staff to train, maintain, and use volunteers.

II. The Board shall provide the Society with the following benefits:

- A. Unlimited free entry to the admission area of the Zoo upon presentation at the gate of a valid

current Society membership card for each Society membership entitled such privileges as specified in Paragraph I.D of this agreement.

B. Free entry to the admission area of the Zoo for one person upon presentation and surrender at the gate of a Society guest pass.

C. Use of the Zoo Board Room for regularly scheduled meetings of the Society Board of Directors when such use does not conflict with official Zoo business.

D. Special "Members events" at the Zoo, as approved by the Board, which shall be open only to Society members, who will receive free entry. Any entertainment, food, or beverages shall be paid for by the Society. The Members events shall be held on dates mutually agreed on by the parties hereto.

E. Designated space at the Zoo to organize ZooVAP activities.

F. Free parking and entry to admissions area for volunteers on duty.

G. Zoo staff shall be available as resource people in Society activities to the extent that such services can be provided without interfering with official Zoo operations.

III. For the aforementioned benefits, the Society shall:

A. Provide volunteers for ZooVAP activities. The Society shall receive a dollar credit equal to the current hourly rate of pay for a student/clerical/custodial maintenance worker at step 03 of the State of Minnesota pay plan for the 46F classification for each ZooVAP volunteer hour provided after January 1, 1978.

B. Make monthly deposits to a reserve account as follows:

1. Said deposits shall be made not later than ten (10) days following the end of each calendar month that the Zoo is in operation and open to the public based on the number of new and renewal Society memberships entitling Society members to free entry privileges issued during the preceding calendar month, provided that the first such payment shall be made within ten days of the end of the first full calendar month of Zoo operations following the execution of this agreement and shall include funds covering for all currently existing Society memberships entitling Society members to free entry privileges.

2. The amount of said deposits shall be based on anticipated use of Society membership free entry privileges chargeable at the Zoo's established group admission rates and determined as follows:

a. Family, Donor, and Patron Memberships - anticipated free entry for two adults and one child visiting the Zoo twice a year at group admission rates (currently two dollars (\$2.00) per adult admission and one dollar (\$1.00) per child's admission). Total deposit by the Society for each such membership shall be four times the per adult group rate admission plus two times the per child group rate admission (currently totaling ten dollars (\$10.00).)

b. Individual Memberships - anticipated free entry for one adult visiting the Zoo twice a year at group admission rate for adults (currently two dollars (\$2.00) per adult admission). Total deposit by the Society for each such membership shall be twice the per adult group rate admission (currently four dollars (\$4.00)).

3. All deposits made during the immediately preceding year ending May 31 may be withdrawn from said reserve account by the Society on the date on which a payment to the Board is required pursuant to Paragraph III.C.

C. Not later than June 30, 1979, and each June 30 thereafter that this agreement remains in effect, the Society shall make a payment to the Board based on Society usage at the gate during the year ending the preceding May 31st, as reported by the Board pursuant to Paragraph IV below, chargeable at the Zoo's established group admission rates (currently two dollars (\$2.00) for each adult and one dollar (\$1.00) for each child) for each individual admitted without charge to the Zoo admissions area upon presentation of a Society membership card or guest pass. The first such payment shall also include Society usage at the gate incurred from May 22 through May 31, 1978.

D. Payments due from the Society to the Board pursuant to Paragraph III.C. shall be reduced on a dollar-for-dollar basis by the current balance of the dollar credit received by the Society for ZooVAP volunteer hours pursuant to Paragraph III.A herein. If for any year the balance of the dollar credit for ZooVAP volunteer hours is greater than the payment due pursuant to Paragraph III.C, the remaining dollar credit shall be carried forward to the next year.

IV. The Board shall maintain a record of the number of adult and child visitors that use Society membership or guest passes to gain free entry to the Zoo admission area, the dollar value of such usage based on the Zoo's established group admission rates, the number of ZooVAP volunteer hours eligible for dollar credit to the Society and the total dollar value of such credit. The Board shall report such information to the Society on a quarterly basis not later than twenty (20) days following the end of the quarter for which the report is due. The quarterly reporting periods shall be based on a fiscal year running from June 1 through May 31.

V. In no event shall the Board be required to make any cash payment to the Society under the terms of this agreement.

VI. This agreement shall become effective upon execution with the understanding that some of the terms of this agreement have been implemented prior to such execution as a result of informal agreements previously entered into between the parties hereto that were consistent with the terms hereof. This agreement shall terminate on May 31, 1979, except with respect to any payments due pursuant to Paragraph III.C above and except as provided in Paragraph VIII below, provided that this agreement shall be automatically renewed on an annual basis thereafter unless written notice of termination is provided by either party at least ninety (90) days prior to May 31.

VII. This agreement may be terminated without cause by either party upon giving of at least ninety (90) days written notice thereof to the other party.

VIII. In the event of termination of this agreement pursuant to Paragraph VI or VII herein, the following shall apply:

A. The Society shall notify the Board of the last date prior to termination on which new or renewal Society memberships entitled to free entry privileges were issued and the expiration date of such memberships.

B. Free entry privileges pursuant to this agreement for all Society memberships active on the date of termination shall be honored by the Board until the expiration date of each such membership.

C. The provisions of Paragraph IV of this agreement shall remain in effect with respect to Society usage at the gate incurred pursuant to subparagraph VIII.B herein until the expiration date reported pursuant to Paragraph VIII.A, and the Society shall make a payment to the Board based on such usage at the gate in an amount determined pursuant to the provisions of Paragraph III.C not later than thirty (30) days following

the expiration date reported pursuant to Paragraph VIII.A. Said payment shall be reduced as provided in Paragraph III.D by the balance, if any, of the dollar credit for ZooVAP volunteer hours carried forward from the previous annual payment period.

D. Subsequent to notice of termination and prior to the date of termination, the parties shall meet to determine what, if any, additional close-out procedures are necessary and appropriate to satisfy continuing commitments of either party entered into as a result of this agreement prior to the termination thereof.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year first written above.

MINNESOTA ZOOLOGICAL BOARD

By Edward D. Hopton  
Its General Director

MINNESOTA ZOOLOGICAL SOCIETY

By Paul A. Freeman  
Its President

By R. J. Bonner  
Its Treasurer

Approved as to form and execution this 6 day of October, 1978.

Richard S. Jones  
Special Assistant Attorney General

APPROVED  
DEPARTMENT OF ADMINISTRATION  
OCT 11 1978  
James H. Farrell  
Authorized Signature

APPROVED  
DEPARTMENT OF FINANCE  
[Signature]  
10/19/78



Minnesota Zoological Society

A PROPOSAL

TO

THE MINNESOTA ZOOLOGICAL GARDEN BOARD

FROM

THE MINNESOTA ZOOLOGICAL SOCIETY

JUNE 11, 1981

## INTRODUCTION

The Minnesota Zoological Society (the Society) is an independent non-profit citizens organization which is organized " to assist and support the Minnesota Zoological Garden in the accomplishment of its purposes whether through rendering financial assistance or performing services or otherwise and to do all other acts and things incidental to the furtherance of the authorized objectives of said Garden " (revised June 10, 1975).

Established in 1961, the Society today has a membership base of 9,000 families and an active 21 member board of directors.

The Minnesota Zoological Garden Board (the Board) , established by legislation in 1969, is comprised of 11 members appointed by the Governor of Minnesota. This Board has been charged with the planning, construction and operation of the Minnesota Zoo.

## AGREEMENT

In consideration of their common interests, a long history of co-operation, and the Board's recognition of the long and valued support by the Society for the zoo, it is agreed that the Board and Society will continue to work together toward attainment of common goals and to establish an equitable exchange of zoo benefits for services rendered by the Society.

To achieve the mutual goal of support for and promotion of a world class zoo in Minnesota;

- 1) the Board has determined that there is a need for broad based community support and participation and,
- 2) that the Society as a non-profit citizen organization can provide special services and programs to involve members of the community and,
- 3) that the Board may establish a schedule of charges for admission to or the use of the zoo or any related facility and.
- 4) the Board will award the following zoo benefits to members of the Society in recognition of the following services rendered by the Society.

## ZOO BENEFITS

### 1. Free Entry

Unlimited free entry to the admission area of the Zoo upon presentation at the gate of a valid current Society membership card for each Society membership entitled such privileges.

### 2. Guest Entry

Free entry to the admission area of the Zoo for one person upon presentation and surrender at the gate of a Society guest pass.

### 3. Facility Use

Use of the Zoo Board Room for regularly scheduled meetings of the Society Board of Directors or its working committees when such use does not conflict with official Zoo business.

### 4. Members Events

Special "members events" at the Zoo which shall be open only to Society members, who will receive free entry. Any entertainment, food, or beverages shall be paid for by the Society. The members events shall be held on dates mutually agreed on by the parties hereto.

### 5. Meeting/working Space

Designated space at the Zoo to hold ZooVAP and Society activities such as but not limited to meetings, classes, lectures, workshops and membership promotion and sales.

### 6. Parking

Free parking and entry to admissions area for volunteers, Society staff, board and representatives on duty.

### 7. Staff Support

Zoo staff shall be available as resource people in Society activities to the extent that such services can be provided without interfering with official Zoo operations.

## SOCIETY SPONSORED PROGRAMS/SERVICES

### 1. Membership Program Operation

Provide the day-to-day management and operation of and services relating to each membership in the Zoological Society. Responsibilities include but are not limited to record maintenance, data collection and processing, membership card issuance and regular member communication and information exchange.

### 2. Promotion and Membership Marketing

Provide the management and operation of a membership promotion and acquisition program. Responsibilities include designing and implementing regular membership campaigns and related special events/promotions using marketing techniques to include but not limited to direct mail, print and electronic media and public relations.

### 3. Special Events, Public Relations and Publications

Design and implementation of regular special events and projects to increase public awareness of the zoo. Responsible for direction and production of a monthly 6-8 page newsletter to serve both the zoo's and society's needs. Non-member complimentary copies will be limited to 2,000.

### 4. Continuing Education Program

Provide the necessary funds and Society staff support for the continuing education program until such time as the class revenue is equivalent to class expense. The Society is responsible for overall development, design, day-to-day management, and promotion.

### 5. Volunteer Services

Provide all necessary services, management and financial support relating to volunteer recruitment and recognition.

### 6. Animal Sponsorship

Sponsor the Animal Sponsorship Program. Responsible for further development and continued operation; to solicit donations for the zoo through special promotions, presentations and public relations efforts. The Society may retain 30% of the program revenues to assist in expense recovery.

### 7. Auxiliary Activities

Develop and sell products produced from Society commissioned membership artwork including but not limited to posters and calendars.

ZOO REQUESTS/SOCIETY RESPONSES - Additional Reciprocal Services

Zoo Request 1.....To establish a regular expense budget line-item for future zoo grants so as to guarantee reliable cash flow and accomplish support for a long range program.

Society Response 1..Beginning with FY '83, the society will add an expense line-item to their proposed budget, for zoo fund capability. Determination of fund availability will be achieved annually by January 1.

Zoo Request 2.....To allow for discussion and review of the society's zoo-support programs and services by the General Director. The values of such programs will be determined and recommendations given for fund distribution based on priority selection.

Society Response 2..Beginning with the development of FY '83 goals and objectives ( in January 1983), the General Director will be invited to discuss and review current activity levels and to offer advice and counsel regarding the following zoo-support programs;

- Animal Sponsorship
- Continuing Education
- Special Events
- Publications for non-members
- Volunteer Services On-site

Zoo Request 3..... To develop an expanded acquisition and solicitation program to provide sufficient funding to subsidize an on-going zoo fund program.

Society Response 3..The Society intends to study the existing potential for increased net proceeds through current and/or expanded membership levels and solicitation programs. In addition to increased donor solicitation, the Society will study and implement other member programs to increase the membership base. Any increase in revenue should assist in underwriting the proposed zoo fund programs on a continuing basis.

Zoo Request 4.....To provide an additional allocation annually to the zoo of excesses over society requirements for a  $\frac{1}{2}$  year operating reserve.

Society Response 4..Beginning in FY '83, the society will donate to the zoo any amount by which the society's unrestricted fund balance exceeds  $\frac{1}{2}$  of the then current year operating budget.

Note: The purpose of zoo fund support will be to establish long-range programs based on mutually acceptable parameters and focus.

May 15, 1981

Mr. James L. Hetland, Jr.  
Senior Vice President  
First National Bank of Minneapolis  
120 South Sixth Street  
Minneapolis, Minnesota 55480

Dear Jim:

Enclosed is a letter that we received from Dick Arndt in regard to the reciprocity replacement agreement. We assume that this letter was written absent your input following our meeting of May 7, 1981. We are quite surprised that Dick accepted the information we presented to him as a proposal. Our intention when we furnished the information, a copy of which we gave you at the May 7 meeting, was merely to use it as a working paper which might allow us to more readily develop a new agreement. With respect to Dick's request for a proposal, a proposal that we would offer is to proceed in accordance with our discussions during the May 7 meeting.

1) We are still planning to present this matter to the Society Board at its next meeting (the last week of May, 1981) and will at that time advise the Board, once again, that we have received concurrence in and are continuing to conduct the programs that we outlined at the April Inter-board meeting. At the Society Board meeting, we also intend to recommend approval of the 1982 budget which was presented in the materials we gave you on May 7.

2) Our understanding of what we agreed to at the May 7, 1981, meeting is as follows:

1. The reciprocity agreement will be superceded in its entirety by a new agreement setting forth the responsibilities of the Society. These responsibilities would include conducting the programs that we presented in the material we furnished on May 7, continuing our promotional activities and making available to the Zoo, beginning in 1983 any amount by which the Society's fund balance exceeds \$150,000. The accounting for this would be accomplished on a quarterly basis. Additionally, the cash contributions set forth in the materials presented on May 7 would also be made available to the Zoo in the amounts described. The Society would, of course, assume the responsibility for the joint newsletter.

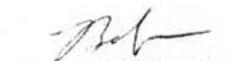
3) In return for the above, the Society members would receive unlimited right to visit the Zoo and the other benefits that were included in the reciprocity agreement would remain in effect, except as changed to include free use of space (classrooms and other facilities) to conduct programs at the Zoo.

- 4) 2. A new agreement covering the animal sponsorship program. Such an agreement would include provisions requiring that 70% of the animal sponsorship funds be made available to the Zoo in accordance with the draft procedure presented during our May 7 meeting.

Jim, since Dick indicates he will be out of town next week, would you please provide your concurrence with the above so that we can proceed to take this proposal to our Society Board on May 27, 1981. Thank you for your assistance in this matter.

Sincerely,

  
D. E. Block

  
R. L. Bonawitz

Enclosure

248 NORTH WABASHA, SUITE 900  
SAINT PAUL, MINNESOTA 55102

FILE COPY

CIRCULATE TO:	NOTED
Specific Filing Instructions <i>This will be returned not filled in.</i>	

May 11, 1981

Mr. Robert Bonawitz  
101 East Coney Lane  
Apple Valley, Minnesota 55124

Dear Bob:

I have finally had a chance to review the material furnished at our last meeting and have the following comments:

COMMENTS ON SOCIETY PROPOSAL

1. It does not appear that enough effort has been made at this point to get additional cash funds to the zoo. I do not believe that I can take this information to the finance and audit committee with the amount of contributions indicated.
2. I believe you should consider pricing all society functions to make them break even so there is not a charge to operations.
3. You may want to consider additional membership price increases, in addition to the ones planned.
4. You may want to consider rebudgeting the cost of some of the society activities and/or reduce personnel to lower costs if additional revenue is not available.

OTHER MATTERS TO BE CONSIDERED

After considerable thought I believe the following matters should be considered as a starting point in our next discussion:

1. That the society propose an annual gift of \$30,000 for its fiscal 1982, with such amount increasing at an annual rate of 10 to 12% each year in the future.
2. That the society consider that the number of memberships contained in the data as a base membership and that it give to the zoo a greater portion of proceeds from memberships attained over that base number.

386 NORTH WABASHA, SUITE 900  
SAINT PAUL, MINNESOTA 55102

FILE COPY

CIRCULATE TO:	NOTED
Specific Filing Instructions This will be returned not filled in.	

-2-

3. That the society reimburse the zoo for any and all expenses incurred by the zoo for any society sponsored event at the zoo.
4. If short-term memberships (less than a year) are sold, all proceeds go to the zoo, net of any incremental direct costs.
5. That the society not make contributions to other organizations without first consulting the Executive Director of the zoo.
6. That the society be reimbursed for only its incremental costs of operating the animal adoption program. However, that such costs will not exceed 30% of the revenue derived from such program. Further that the zoo receive an annual accounting of the program.
7. That the society consider making its contributions to the zoo for the animal adoption program and other amounts paid to the zoo, at least on a quarterly basis.
8. That the term of the contract remain at one year.

Bob, these are just some of my thoughts of what I believe we would like to see pursued further. I will be out of town the weeks of May 11th and May 18th. I will call you early the week of May 26th.

Sincerely,

Richard M. Arndt

5/1/81

ZOO GRANT STATUS; April 30, 1981

A. ZOO GRANT I

- approved December 1979.....\$98,400

EDUCATION GRANT II

- approved July 1980..... 8,000

\$106,400

*Disbursements*  
Requested Funds F.Y. 1980

(18,975)

Requested Funds F.Y. 1981

(27,235)

Balance \$ 60,189

Reallocated Funds

- approved April 1981....\$38,282

Remaining Restricted

Portion..... 21,907

\$60,189

B. ZOO GRANT II

- concept approved April 1981

Internship Programs.....\$ 32,000

Exchange Program..... 2,000

Tropics Zoo Lab..... 8,000

\$ 42,000 \*

\* formal approval pending reciprocal agreements

MINNESOTA ZOOLOGICAL SOCIETY

BALANCE SHEET

For Period Ended 4/30/81

A S S E T S

Cash	71,816.40	
WIN-Dain Bosworth Account	55,364.12	
Certificate of Deposit	200,000.00	
*Total Cash and temporary investments		327,180.52
Receivable		-0-
Inventories		16,097.53
Prepaid Expense	10,565.39	216.46
Property and equipment	5,416.32	
less accumulated depreciation of		5,149.07
Other assets:		
Land		6,000.00
Oil Painting		7,500.00
Total assets		362,143.58

L I A B I L I T I E S & F U N D B A L A N C E S

Accounts payable		-0-
Accrued liabilities		1,837.63
Unearned membership dues		80,330.68
Holding Account for Special Events		5,043.30
Total liabilities		87,211.61
Restricted for Direct Support to MZG		60,189.37
Fund balance Unrestricted		214,742.60
Total liabilities and fund balances		362,143.58

\* Cash and temporary investments to the extent of \$ 62,186.00 are restricted for the future payment of membership benefits to the Minnesota Zoological Garden.

MINNESOTA ZOOLOGICAL SOCIETY

STATEMENT OF SUPPORT AND REVENUE, EXPENSES  
AND CHANGES IN FUND BALANCES  
FOR THE PERIOD ENDED: 4/30/81

	CURRENT MONTH		YEAR TO DATE	
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
Support and revenue:				
Membership dues - deferred	12,050.31	8,653	109,083.83	107,831
Recognized income				
Contributions and bequests	12,772.09	2,382	87,475.72	63,444
Investment income	587.52	865	22,964.77	23,186
<del>Net gain on investments</del> <i>Journal Sponsorship</i>	5,877.20		[26,655.31]	(83,000)
Auxiliary activities	(1,463.95)	5,930	4,442.60	28,335
Other - Conferences, meetings and annual meeting	24.00	30	362.50	280
<b>TOTAL SUPPORT AND REVENUE</b>	<b>29,847.17</b>	<b>17,860</b>	<b>[250,984.73]</b>	<b>223,076</b>
			<i>204, -</i>	
Expenses				
Salaries and related expenses	6,252.19	8,513.50	79,108.11	82,593.50
Occupancy	1,025.56	830	5,314.14	6,090
Telephone	257.11	181	2,483.58	2,021
Supplies	331.48	2,210	8,450.79	23,610
Rental and Maintenance of Equipment	131.70	125	2,000.03	2,575
Printing and publications	4,012.04	9,656	46,829.77	62,486
Postage and shipping	2,219.85	1,368	14,143.67	14,548
Publicity/Public Relations	713.37	158	2,312.57	1,538
Conferences	45.05	1,021	3,544.85	5,376
Travel	48.20	367	2,048.81	3,524
Professional fees	3,134.47	4,787	15,837.99	51,857
Awards and grants	(95.00)	3,241	640.94	5,158
Complementary memberships	746.50	237	3,187.00	2,607
Depreciation	106.33		1,169.97	
Other		3,586.50	2,186.99	35,699.50
<b>Total Office</b>	<b>12,998.80</b>	<b>31,774</b>	<b>160,823.88</b>	<b>263,800</b>
<b>Total ASP</b>	<b>5,930.05</b>	<b>4,507</b>	<b>28,435.33</b>	<b>35,883</b>
<b>Total Direct Support to MZG</b>	<b>178.72</b>		<b>27,235.59</b>	
<b>TOTAL EXPENSES and BUDGETS</b>	<b>19,107.57</b>	<b>36,281</b>	<b>216,494.80</b>	<b>299,683</b>
EXCESS (DEFICIENCY) of support and revenue over expenses	10,739.60		34,489.93	
Fund balances at beginning of period: (Adjusted)			180,252.67	
Fund balances at end of period:			214,742.60	

*\* calendar purpose*

MINNESOTA ZOOLOGICAL SOCIETY

STATEMENT OF FUNCTIONAL EXPENSES

For the Period Ended 4/30/81

*Approved by [Signature]*  
*10/21/81*

		PROGRAM SERVICES					SUPPORTING SERVICES			TOTAL	BUDGET Year to Date	TOTAL BUDGET
		Marketing & Promotion	Membership Activities	Public Education	Animal Sponsorship	Volunteer Activities	Auxiliary	General Administra- tion	Contribu- tion to Zoo			
401	Salaries	9,403.62	15,294.20	6,747.28	14,011.49	3,568.08	970.37	27,394.05		77,389.09	78,011	86,130+200
401.1	On-site Salaries	1,719.02								1,719.02	4,582.50	5,000
404	Occupancy				750.00			4,564.14		5,314.14	6,090	6,922
405	Telephone	4.77	106.48	11.52	666.94	4.13	4.89	1,684.85		2,483.58	2,021	2,220
406	Supplies	2,725.36	1,158.90	90.99	2,665.56	296.53	141.76	1,371.69		8,450.79	23,610	25,625
407	Rental Equipment	94.00	94.00		328.68			1,483.35		2,000.03	2,575	2,700
408	Printing/Publica.	6,360.27	28,643.94	2,809.65	5,397.17	990.50	500.21	2,128.33		46,829.77	62,486	64,550
409	Postage/Shipping	7,151.77	4,576.43	411.29	795.04	277.50	242.33	689.31		14,143.67	14,548	15,925
410	Publicity/P.R.	1,616.46	60.00	5.73	609.37		21.01			2,312.57	1,538	1,700
411	Conferences/Conv.	153.74	396.12		121.09	1,546.97		1,326.93		3,544.85	5,376	5,400
412	Travel	334.29	425.33	31.00	508.33	188.50	23.20	538.16		2,048.81	3,524	3,892
414	Professional Fees	2,263.70	1,858.00		2,549.33	25.00		4,091.62		10,787.65	8,819	15,613
414.1	Data Processing Se	1,208.79	852.34	75.00	21.33			1,687.23		3,844.69	3,625	4,000
414.2	Promotional Cons.	1,205.65								1,205.65	39,413	37,000
415	Awards and Grants		7.36		11.00	273.02		32.00		323.38	958	1,000
415.1	Zoo Vap Recog.					263.56				263.56	3,500	3,500
415.2	Society Recog.		54.00							54.00	700	700
416	MZG Adm. Membersps											
417	Comp.Memberships							3,187.00		3,187.00	2,607	2,850
418	Depreciation							1,169.97		1,169.97		
419	Other		104.00			200.89		153.00		457.89	20,752	23,010
419.1	Hospitality			68.34				105.11		173.45	4,150	4,500
419.2	Open House		761.15							761.15	6,215	6,788
419.3	Search Committee							11.95		11.95		
419.4	On Site Program	782.55								782.55	4,582.50	5,000
Sub Totals										189,259.21		284,225
Direct Support to MZG										27,235.59		**40,000ASP
Total to date		35,023.99	54,391.95	10,250.80	**28,435.33	7,634.68	1,903.77	51,618.69	27,235.59	*216,494.80		
Budget/Year to date		116,280	75,434	(Budgeted in M.A.)	**35,884	14,604	(Budgeted in M&P)	57,481		**299,683		
Total Budget		127,000	79,000		**40,000	15,160		63,065			284,225	** 40,000 ASP

\*\* Animal Sponsorship Program

\* Includes Zoo Fund

RELATIVE TO  
RECIPROCITY AGREEMENT  
For Period Ended 4/30/81

<u>MONTH</u>	<u>ADMISSION COSTS</u>		<u>ZOO VAP VALUE</u>		<u>DELTA</u> <u>(MZS CREDIT)</u> <u>MZS PAYMENT</u> <u>DUE</u>
	<u>CURRENT</u> <u>MONTH</u>	<u>CUMULATIVE</u>	<u>CURRENT</u> <u>MONTH</u>	<u>CUMULATIVE</u>	
JUNE	7,548.20	7,548.20	9,521.75	9,521.75	*(1,973.55)
JULY	9,590.40	17,138.60	10,092.61	19,614.36	*(2,475.77)
AUGUST	11,290.00	28,428.60	8,572.59	28,186.95	*241.65
SEPTEMBER	7,890.00	36,318.60	9,194.99	37,381.94	*(1,063.34)
OCTOBER	4,172.60	40,491.20	**12,369.51	49,751.45	*(9,260.25)
NOVEMBER	5,904.20	46,395.40	12,363.75	62,115.20	*(15,719.80)
DECEMBER	4,654.00	51,049.60	10,634.00	72,749.60	*(21,700.00)
JANUARY	8,371.40	59,421.00	9,636.90	82,386.50	*(22,965.50)
FEBRUARY	8,011.80	67,432.80	9,298.80	91,685.30	*(24,252.50)
MARCH	10,303.60	77,736.40	10,776.15	102,461.45	*(24,725.05)
APRIL	8,505.60	86,242.00	10,463.25	112,924.70	*(26,682.70)
MAY					

\* Total does not include credit to MZS of \$ 88,663.00 for period ending May 31, 1980....

\*\* Adjusted to reflect increase in value of Volunteer hours effective 7/01/80. Value was increased from \$ 3.89 per hr. to \$ 4.20 per hr.

ZOO PROGRAM COMMITTEE  
RECOMMENDATION

Zoo Program Committee has received and reviewed the MZG request for funds to be made available by the society. Several revisions in the request have caused a delay in our recommendations until this time. You have received a document from the Zoo indicating how monies have been spent from the initial requests as well as the specific request for this year's funds.

Funds available include \$38,300.00 originally approved but not spent. This is made up of the silkscreen project (\$25,000.00) which the Zoo feels it can not develop currently, equipment for animal health project (\$8,000.00) which is not available in the market and short term internship (\$5,000.00) which could not be adequately supervised. A figure of \$42,000.00 has been identified as potentially available from 1981 revenues bringing the total request to \$80,282.21. However, because of the uncertainties regarding reciprocity, we suggest re-allocating only the \$38,282.00 remaining from our 1980 contribution and approving the remaining program concepts but withholding approval of expenditures until a new contract has been developed between the Zoo and the Society.

The request priority is as follows:

1. Special Events Programming Support (#5 page 7) - \$10,000.00

The committee felt that Society funds should generally be used for more visible and long-term programs. However, it should be noted that both Zoo staff and Zoo board feel that the orchestra concert and float are important to promote the Zoo's visibility through the community. WAYL is providing several thousand dollars worth of free advertising for the concert and the Society's name will be mentioned as one of the sponsors of the program. Similarly, the float could, as well, advance the Society's name through the Aquatennial and other summer events. Our recommendation then, is to approve the \$5,000.00 for the float. We do not recommend the concert funding as outside corporate sponsors are being sought. We felt an expenditure of this size for a one-time event was perhaps not the best use of our funds. Should an outside sponsor not be found, we suggest resubmitting at a future meeting for consideration. The Board may of course, decide against this program under any circumstance.

2. Direct Advertising (#6 page 7) - \$15,000.00

The Zoo's budget under current legislative action has been increased by \$100,000.00 for addition of advertising. However, the best guess would be that this would eventually be dropped in light of the state's severe financial problems. It was felt that because of the Zoo's unique needs, that the Society should approve this program if in fact, the legislature cuts the advertising budget. It is also recommended that, where possible, acknowledgement of the Society's contribution be made.

2. Direct Advertising Continued:

For example, a print ad could have in the bottom "this ad sponsored by The Minnesota Zoological Society".

3. Internship Program (#2 page 5)

Summer interns have been requested by the Zoo and the development of this program must begin soon if the program is to occur.

At this point, the post-doctoral and pre-doctoral support program would be recommended as a part of the \$42,000.00 to be approved at a later date. It should be noted here that both programs A & B must be considered on a long term basis. That is, the programs must have some guarantee of continuing for as long as four years to make it a viable program.

4. Audio Self-Guided Tours (#3 page 6) - \$3,000.00

This pilot program is recommended for Board approval as presented.

5. Staff Enrichment Programs

The committee recommends that the remaining \$5,000.00 be approved for use in programs 1A or 1B. The committee felt that 1C should not be approved as it is the type of program that should be part of the ongoing staff development program funded as part of state personnel practices. A and B are different in that they are entirely Zoo related programs which could be difficult to fund through state monies.

6. Tropics Zoo Lab (#4 page 6) - \$8,000.00

The committee had some strong reservations regarding this program and would recommend rejecting this for the time being. Major concerns were expressed as to how the Zoo Lab would be developed and we felt that a general plan should be drawn up and approved by the staff and zoo board and then returned to the society for funding requests. The committee agreed that orientation to the tropics was indeed a commendable concept but one that should be designed before funding is sought.

It is our recommendation then, that the Board discuss the committees recommendation if so desired and then vote on each of the following two motions.

Motion number 1. Motion is made to approve the re-allocation of \$38,000.00 for immediate expenditure for programs as outlined by the zoo's program committee. These are:

1. Special Events/Float - \$5,000.00
2. Direct Advertising - \$15,000.00
3. Summer Interns - \$10,000.00
4. Audio Tours - \$3,000.00
5. Staff Enrichment - \$5,000.00

Zoo Program Committee  
Recommendation  
Page Three

Motions Continued:

Motion Number 2. Motion is made to approve the concepts of post-doctoral support, pre-doctoral support and an additional \$2,000.00 for animal management/zoo keeper exchange programs. Release of funding for these programs will begin at such time as a satisfactory contract between the Zoo and Society has been developed.

The Zoo Programs Committee recommends the zoo staff re-submit requests for additional funding from the \$8,000.00 remaining later in the year after signing of the contract and further development of programs.

DA:jmt

5/11/81

ZOO GRANT STATUS; April 30, 1981

A. ZOO GRANT I

- approved December 1979.....\$98,400

EDUCATION GRANT II

- approved July 1980..... 8,000

-----  
\$106,400

*Disbursements-*

Requested Funds F.Y. 1980 (18,975)

Requested Funds F.Y. 1981 (27,235)

Balance \$ 60,189

Reallocated Funds

- approved April 1981....\$38,282

Remaining Restricted

Portion..... 21,907

-----  
\$60,189

B. ZOO GRANT II

- concept approved April 1981

Internship Programs.....\$ 32,000

Exchange Program..... 2,000

Tropics Zoo Lab..... 8,000

-----  
\$ 42,000 \*

\* formal approval pending reciprocal agreements

MINNESOTA ZOOLOGICAL SOCIETY

Proposed Budget

Profit and Loss Statement for F.Y. '82

Revenue:

Membership Dues;		
-Direct Benefit	\$171.3	(assumed value)
-Society Contribution	117.3	(tax deductible)
Investment Income	25.8	
Auxiliary Activities	15.0	
Other	.8	
Animal Sponsorship	24.0	(ie 30% of net 80,000 volume)
	<u>\$354.2</u>	

Expenses:

Salaries	\$ 83.6	
Membership/Marketing	81.8	
Auxiliary/P.R.	21.0	
Member Activities/Education	68.8	
Volunteer Services	10.8	
General Administration	35.5	
Animal Sponsorship	44.0	- Q : - ie 55% of volume
	<u>\$345.5</u>	

Net profit before Zoo contribution \$ 8.7

Current Cash Reserve

Cash on Hand including Certificates of Deposit  
as of March 31, 1981 ..... \$290,718

Current Liabilities;

Unearned Membership Dues,	
Special Holding Account.....	64,893
Carryover Appropriated Zoo Fund.....	60,368
Appropriation of Current Fiscal Year 80-81 to Zoo as projected.....	42,000
Proposed Animal Sponsorship Receipts to Zoo.....	40,000
Future Program Expansion and Development.....	100,000
	<u>\$307,261</u>

Program Deficit (16,543)

MINNESOTA ZOOLOGICAL SOCIETY  
Committee Budgets - F.Y. '82 5/15/81

A. Marketing and Promotion

I. New Member Campaign	\$46.3
II. On-Site Membership Campaign	6.0
III. Renewal Membership Campaign	24.5
IV. Seasonal Membership Campaign	5.0
	<hr/>
	\$81.8

B. Auxiliary

I. Public Relations	\$ 1.0
II. Calendar	15.0
III. General Administration	5.0
	<hr/>
	\$21.0

C. Membership Activities and Education

I. Publications	\$51.9
II. Member Activities	2.0
III. Education	11.0
IV. Special Events	3.7
V. General Administration	.2
	<hr/>
	\$68.8

Note: \$51.9 for publications does not include the proposed complimentary copies to the zoo list.

D. Animal Sponsorship

I. Printing/Postage	\$ 4.8
II. Publicity/P.R.	2.3
III. Supplies	7.4
IV. Professional Fees	2.5
V. General Administration/Salaries	27.0
	<hr/>
	\$44.0

E. Volunteer Services

I. Recruitment	\$ 1.7
II. Recognition	4.0
III. Volunteer Support	4.6
IV. ZooVAP	.5
	<hr/>
	\$10.8

F. General Administration

I. Overhead	\$ 6.0
Occupancy	2.0
Telephone	2.0
Supplies	2.0
Rental	2.0
Printing	3.5
Postage	2.0
Publicity	.3
Conferences	2.0
Travel	1.0
Professional Fees	5.5
Data Processing	4.0
Other	2.0
Memberships	1.0
Depreciation	2.0
Hospitality	.2
II. Salaries	83.6
	<hr/>
	\$119.1

TOTAL

A. Marketing and Promotion.....	\$81.8
B. Auxiliary.....	21.0
C. Membership Activities & Education...	68.8
D. Animal Sponsorship.....	44.0
E. Volunteer Services.....	10.8
F. General Administration.....	119.1
	<hr/>
	\$345.5

ASSUMPTIONS

1. Programs unchanged.
2. Major staff unchanged -- clerical reduced by CETA
3. No income recognized for Continuing Education.
4. Previous funding commitments recognized.
5. All 1981 Sponsorship contributions to Zoo.
6. 30% of sponsorship revenues retained by the Society, 1982-1986.
7. Membership -- 10% growth through 1983 -- 5% growth 1984-1986.

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
Family-\$32.50	7,200	7,300	7,400	7,500	7,600	7,700
Individual-\$21.50	800	1,500	2,285	2,700	3,200	3,600
Supporting-\$50.00	250	250	300	300	300	300
Donor-\$100.00	250	250	300	300	300	300
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	8,500	9,350	10,285	10,800	11,400	11,900

8. Membership price -- \$4 increase 1984.
9. Expense Growth -- +11% 1982; +8% 1983; +9% 1984; +8% 1985; +8% 1986.
10. Recognition of need for future Continuing Education grants.
11. 1982 revenue based on 8,500 members at new rate
12. Animal Sponsorship revenue projected:  
\$80.0 1982; \$100.0 1983; \$110.0 1984; \$125.0 1985; \$150.0 1986.

MINNESOTA ZOOLOGICAL SOCIETY

Profit and Loss Statement for 1981-1986

Revised Draft: May 1, 1981

	1	2 1981	3 1982	4 1983	5 1984	6 1985	7 1986
	<u>Revenue:</u>						
1	Membership Dues;						
2	- Direct Benefit	118.8	171.3	176.9	190.1	196.7	203.9
3	- Society Contribution	109.2	117.3	131.2	144.5	191.0	200.1
4	Investment Income	31.0	25.8	19.4	20.4	24.4	25.6
5	Auxiliary Activities	12.0	15.0	18.0	20.0	22.0	25.0
6	Other	.4	.8	1.0	1.5	2.0	2.5
7	Animal Sponsorship (30%)	40.0	24.0	30.0	33.0	37.0	45.0
8		311.4	354.2	376.5	409.5	473.1	502.1
9	<u>Expenses:</u>						
10	Salaries	74.0	83.6	93.2	102.5	112.7	123.9
11	Membership/Marketing	82.0	81.8	85.0	90.2	94.5	99.2
12	Auxiliary/P.R.	20.0	21.0	23.0	25.3	27.8	30.5
13	Member	62.2	68.8	75.6	83.1	91.4	100.5
14	Volunteer Services	10.8	10.8	11.8	12.9	14.1	15.5
15	General Administration	32.5	35.5	39.0	42.9	47.1	51.8
16	Animal Sponsorship	29.6	44.0	48.0	52.8	58.0	63.8
17		311.1	345.5	375.6	409.7	445.6	485.2
18							
19	Net Profit before Zoo Contribution	.3	8.7	.9	(.2)	27.5	16.9
20							
21	Zoo Grant I <i>18.9</i>	27.1	60.4				
22	Zoo Grant II * <i>conceptional</i>		42.0				
23	Education Grant		8.0	?	?	?	?
24	Animal Sponsorship	40.0					
25	Net Profit	(66.8)	(101.7)	.9	(.2)	27.5	16.9
26							
27	Fund Balance 240.4	173.6	71.9	72.8	72.6	100.1	117.0
28	- restricted	60.4					
29	- unrestricted	113.2	71.9	72.8	72.6	100.1	117.0
30	<del>Excess</del> Animal Sponsorship <i>Contribution</i>		56.0	70.0	77.0	88.0	105.0
31							

AMTRAD EFFICIENCY LINE No. 4636

Estimated DOLLAR BENEFITS THE SOCIETY IS PROVIDING

FOR YEAR 1982

Marketing & Promotion		\$ 80K	8000
Volunteer Program	140	30K	30
Education Program	50	22K	<hr/> + 240,000
Funded Person (Ed)	190	8K	190,000
<del>Animal Sponsorship</del>	9	<del>23K</del>	<hr/> <del>50,000</del>
		\$163K	
		175	
		<u>\$140K</u>	

Delaying Contract -

- 1.) Continue contract with 82 for no year
- 2.) Reciprocity contract to be dropped
- 3.) Budget to be 200 & be <sup>qualified</sup> ~~approved~~
- 4.) Direct contribution to be 200.
- 5.) work toward opening
- 6.) ~~margin of publications~~

Society Programs and Services:

1. SPECIAL EVENTS, PROMOTIONS and PUBLICITY

- Garden Show at Zoo
- Trial membership program
- Pako Photo Contest
- Coloring Contest
- weekly press releases to print and electronic media
- volunteer recruitment p.s.a.'s
- Sponsorship p.s.a.'s
- Science Museum Lecture Series
- Mpls . Star story-telling contest

2. ZOO FUNDING

- as feasible - direct support for requested Zoo services

3. EDUCATION PROGRAMS

- year round education classes
- promotional brochures
- registration , accounting and operational support
- funds for Zoo education coordinator

4. VOLUNTEER SERVICES

- recruitment for training classes
- funding for volunteer grants and scholarships for education
- Zoo VAP fund
- recognition event and items
- volunteer program brochures

5. ANIMAL SPONSORSHIP

- funding to launch project
- on-going fund development campaign
- media promotion programs
- community information booths and presentations
- educational school programs
- seasonal activities

6. MEMBERSHIP PROGRAM

- 8,500 family members in 7 county metro area
- direct mail membership campaign
- on-going renewal program
- on-site membership and information booth
- computerized name inventory and list exchange program

7. MEMBERSHIP ACTIVITIES

- monthly members programs
- guest lectures and annual open house
- behind-the-scene tours
- national and international travel

8. PUBLICATIONS, PRODUCTS

- ZOONEWS monthly newsletter
- Animal Kingdom, bi-monthly magazine
- posters and signed prints
- calendars

MINNESOTA ZOOLOGICAL SOCIETY

**GOAL:** It shall be the goal of the Minnesota Zoological Society to provide a high quality promotion and support program needed for continuing recognition of the Minnesota Zoological Garden.

**METHOD:** The goal of the Society shall be achieved primarily through the continuing promotion and development of a broad-based membership organization to serve as a strong support base for the Minnesota Zoological Garden; and more specifically through:

- a) Promotion of the image and interests of the Zoo and the Society; and
- b) Programs and services that enhance and attract Society membership; and
- c) Programs and services that assist the operations of the Zoo and Society; and
- d) Programs and services that provide citizen commitments of time and financial resources to the Zoo and Society; and
- e) Programs and services that meet interests of Zoo visitors, Society members, and the public in zoo-related topics and broad-based public information.

**BASIC**

**PHILOSOPHY:** The Minnesota Zoological Garden is the primary focus of the activities of each member of the zoo family of organizations. In maintaining that focus, the Society member is the most important component of the Minnesota Zoological Society. Through membership, the Society becomes an organization of people and thereby forms a strong support base for the Minnesota Zoological Garden. Both elements together provide for a situation by which programs and services may be implemented to benefit the member and the organization, and to assist the Minnesota Zoological Garden in meeting zoological objectives.

The Society strives to better inform its members about the interrelationship of man, animals and plants, and to serve as the vehicle for organizing activities to promote concern by the general public for the natural world we share. The Society is a primary support organization for the Minnesota Zoological Garden.

Plan A: Recommended by Marketing and Promotion

1. Increase membership fee to \$4.00 each family and to \$3.00 each individual.
2. Eliminate ANIMAL KINGDOM insert. *(Amend Modely or eliminate)*
3. *Investigate* work towards replacing ANIMAL KINGDOM and ZOONEWS with a single publication at reduced costs.

Note: The per member increase could take effect immediately while the cost savings of the ANIMAL KINGDOM insert would not be realized under the June/July issue. A savings of approximately \$2.00 would not be available to us until late '82 or '83 fiscal year.

Plan B: Recommended by Activities and Education

1. Eliminate ANIMAL KINGDOM beginning in June.
2. Upgrade ZOONEWS by coordinating efforts with the Zoo and Foundation.

Note: This plan would take effect on June 1, 1981.

Plan A

1. \$4.00 income increase  
.50 savings
3. ~~2.00 savings~~

~~\$~~ 4.50 savings plus additional income

Plan B

1. \$4.50 savings
2. 2.00 expense

\$2.50 savings

# Office Memorandum

DEPARTMENT MZG

TO : Edward Kohn

DATE: January 23, 1981

FROM : Dave Bender

PHONE: 220

SUBJECT: NEWSLETTER MAILING RETURNS

### Current List Distribution:

<u>Code</u>		
01	Society	6,194
02	Legislators	396
03	Libraries	2,589
04	General Public	9,660
05	Donors	<u>4,653</u>
	Total	23,492

### Current Return as of 1/23/81:

<u>Code</u>	<u># Returned</u>	<u>Group</u>	<u>% of Total Code</u>
01	832	Society	13%
02	5	Legislators	1%
03	138	Libraries	5%
04	921	General Public	10%
05	153	Donors	3%
No code	155	No label with card or code torn off	
Total	<u>2,204</u>		<u>9%</u>

DB:pn

## Office Memorandum

DEPARTMENT MZG

TO : Peg Wetzel and Katherine Rosebear

DATE: January 9, 1981

FROM : Dick Abraham

*Dick*PHONE: 432-9010 #227SUBJECT: NEWSLETTERS

I have summarized in tabular form information about the Zoo's, Society's and Foundation's newsletters. These facts were compiled based on our one meeting and subsequent phone conversations. I'm sure some things have been overlooked or perhaps stated incorrectly. My primary purpose in compiling the list was to develop a "starting" fact sheet that could be used as background information that might be an aid to those individuals involved in re-evaluating the goals, format, content and distribution of the Zoo's current newsletter.

cc: Ed Kohn  
Dave Bender  
Bev Rongren  
Nancy Gibson

DA/pc

ORGANIZATION

Parameter	Zoo	Society	Foundation
Audience	6,194 Society 396 Legislator 2,589 Libraries 9,660 General public  <u>4,653</u> Donors <u>23,492</u>	8,000 Society	Foundation donors Corporation donors Individual donors Prospects in above categories <u>Legislators</u> <u>2,978</u> total mailing
Current Frequency	Bi-monthly	Monthly	Annual (under consideration for bi-monthly or quarterly)
Length	8 pages	8 pages	4 pages
Format	Two color plus tints Three column B & W photos Flexibility in layout	One color plus tints Two column Line art Flexibility in layout	One color plus tints Two and 3 column B & W photos Flexibility in layout
Primary Goal	Informational tool	Membership benefit	Fund raising tool
General Objectives of Publication	Educate and inform reader Increase Zoo attendance Build and improve public and political support	Tangible benefit to member Initiate political action Mobilization tool Announce Society & Zoo activities Publish annual report Vehicle to create positive zoo image to members Increase Society member attendance at zoo	Raise money for zoo Inform donors and prospective donors Help create strong zoo image so fundraising becomes easier Publish annual report
Content	Feature articles on: Single animals Animal groups, i.e. cats, endangered animals, etc. Articles on plantings Significant zoo developments Director's Report Staff features on individuals or work categories	Announce upcoming zoo events Announce member events trips special programs Activities, i.e. lectures openhouse photo contest Solicit volunteers for zoo and society Animal feature articles	Review zoo development plans Announce significant foundation happenings i.e. election of officers, availability of film, etc. Print short annual financial statement Significant achievements accomplished through money received by foundation

Parameter	Zoo	Society	Foundation
	<p>Board member profiles Board activities</p> <p>Education programs re- viewed</p> <p>Past and future special events</p> <p>Animal birth announcements</p> <p>Request for registrations for classes</p> <p>Announcement of seasonal happenings</p> <p>Advertise gift store and educational merchandise</p> <p>Review development plans</p>	<p>Announce zoo births</p> <p>Membership promos, i.e., sell calenders, member- ship solicitation</p> <p>Report a significant zoo happening, i.e. awards, visit by VIPs, construction progress, etc.</p> <p>Children's activities</p> <p>Society board members ballot</p>	<p>Articles to improve public's awareness of foundation's role</p>
Lead time needed to mailing date	Five weeks	Two weeks	Three weeks
Cost	<p>12,000 for printing 4,000 for addressing <u>3,500</u> for mailing \$19,500</p>	<p>7,200 for printing 1,000 for addressing <u>3,300</u> for mailing \$11,500</p>	<p>(for "80" issue) 1,100 for printing 100 for labels 500 for postage</p>
Admitted short- comings	<p>Lead time long Difficult to announce timely events</p>	<p>Getting relevant information from zoo</p>	<p>Getting zoo information Frequency is a problem</p>
Desire to	?	<p>Include announcements significant to zoo objectives: ecology efforts conservation successes</p> <p>Use of half tones</p> <p>Work toward four color</p>	<p>Like insert for special group</p> <p>Rather do in-depth than monthly</p> <p>Like to include guest author, i.e. Dick Gray, John Tilton, etc.</p> <p>Better information on zoo development plans</p>

ings that need addressing  
or potential merger of  
organization's publications

1. Define agency responsibilities.
2. Delineate editorial responsibilities.
3. Decide on frequency of publication.
4. Develop budget, and decide how much zoo, society, and foundation should become involved.
5. Agree on publication goals, objectives, format, length, content, costs, lead times, etc.
6. Develop master mailing list or lists.

5/15/80

MINNESOTA ZOOLOGICAL SOCIETY  
555 Wabasha, Saint Paul, Minnesota 55102  
(612) 222-1706

PURPOSE AND SCOPE:

The Minnesota Zoological Society is a non-profit, volunteer, citizens' organization which provides public support to the Minnesota Zoological Garden through financial assistance and program services. The Society was incorporated to foster interest in zoology and related fields and is governed by a 21 member Board of Directors, elected primarily by the membership. The Society president is Robert L. Bonawitz. Headquartered in downtown St. Paul at 555 Wabasha St. No., the Society is managed and operated by a staff of seven.

Through its membership program, the Society cements a bond between people and the Minnesota Zoo by providing a greater understanding of the world's natural systems and wildlife to more than 7,000 members and their families, and through them to the larger community beyond. At the conclusion of the 1979 membership campaign, this organization ranked as the 8th largest zoological society in the United States.

Publications, activity programs, promotions and member services are the means used to inform members of the zoo's programs, and involve them with its recreational, educational and enrichment features. Members' benefits include free admission all year to the zoo, a monthly ZooNews, a bi-monthly Animal Kingdom magazine published in conjunction with the New York Zoological Society, and monthly lectures, workshops and classes free or at discounted prices to members. An expanded continuing-education program, with particular emphasis on family involvement, is currently under development for enrollment of both Society members and the general public.

Volunteer services, direct cash contributions, special events and community participation programs are some of the major Society contributions which help the general public and the Society's members to obtain the maximum benefits from their zoo. This year, the Society made a \$100,000 cash contribution to enhance the following programs: Biotelemetry Project, Zoo Lab Habitat Development, Public Service Communication, Lectureships and Professional Development, Silk Screening Project, Animal Health Internships and Short-Term Seasonal Internships. Plans are now being formulated for a new special event fund raiser for the purpose of reaching the state's diverse population and achieving the Society's goal of providing continuing financial and promotional assistance.

Through the Society's support and dedication, the Minnesota Zoo will be successful in its effort to provide an enhanced opportunity for the public to acquire a deep understanding of, an appreciation for, and a commitment to preserve the natural world in which we live.

## MINNESOTA ZOOLOGICAL SOCIETY

Goal: It shall be the goal of the Minnesota Zoological Society to provide the high quality promotion and support program needed for continuing recognition of the Minnesota Zoological Garden as a world class zoological garden.

Method: The goal of the Society shall be achieved primarily through the continuing promotion and development of a broad-based membership organization to serve as a strong support base for the Minnesota Zoological Garden; and more specifically through:

- a) Promotion of the image and interests of the M.Z.G. and the Society; and
- b) Programs and services that enhance and attract Society membership; and
- c) Programs and services that assist the operations of the M.Z.G. and Society; and
- d) Programs and services that provide citizen commitments of time and financial resources to the M.Z.G. and Society; and
- e) Programs and services that meet interests of M.Z.G. visitors, Society members, and the public in zoo-related topics and broad-based public information.

### Basic

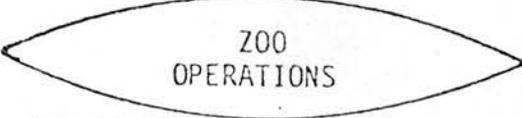
Philosophy: The Minnesota Zoological Garden must be the primary focus of the activities of each member of the zoo family of organizations. In maintaining that focus, the Society member is the most important component of the Minnesota Zoological Society. Through membership, the Society becomes an organization of people and thereby forms a strong support base for the Minnesota Zoological Garden. Both elements together provide for a situation by which programs and services may be implemented to benefit the member and the organization, and to assist the Minnesota Zoological Garden in meeting zoological objectives. The Society strives to better inform its members about the interrelationship of man, animals and plants, and to serve as the vehicle for organizing activities to promote concern by the general public for the natural world we share. The Society is a primary support organization for the Minnesota Zoological Garden.

## ZOO FAMILY OF ORGANIZATIONS

### A VISUAL DISPLAY OF FOCUS AND RELATIONSHIPS

Three major related organizations, each with a unique role, are joined together as a family of zoo organizations. The Minnesota Zoological Board, a State appointed board, supervises the Garden operation and the Minnesota Zoological Society and the Minnesota Zoological Foundation are separate non-profit corporations providing support services.

Strong performance by the zoo family requires an understanding of roles and relationships. The following display shows Garden, Society and Foundation differences in focus on product, time/budget, activities, and interests. It also shows relationships between the organizations.

<u>FOCUS</u>	<u>SOCIETY</u>	<u>GARDEN</u>	<u>FOUNDATION</u>
MAJOR PRODUCT	PEOPLE	SERVICE	MONEY
<hr style="border-top: 1px dashed black;"/>			
BUDGET TIME FOCUS	ANNUAL	BIENNIAL TO LONG RANGE OPERATIONS CAPITAL	ONE TO TEN YEARS
<hr style="border-top: 1px dashed black;"/>			
GENERAL ACTIVITY RELATIONSHIPS	PROGRAM SUPPORT	 ZOO OPERATIONS	FACILITY SUPPORT
	MEMBERSHIP		SUPPORT BASE VISITORS/MEMBERSHIP/ DONORS
<hr style="border-top: 1px dashed black;"/>			
ZOO SERVICE INTEREST	VISITOR/ANIMAL SERVICES		DESIGN/CONST. SERVICES
<hr style="border-top: 1px dashed black;"/>			
SPECIFIC ACTIVITIES	MEMBERSHIP DEVELOPMENT		FUND DEVELOPMENT
	PROMOTION		CAMPAIGNS
	VOLUNTEERS		INDIVIDUAL GIFTS AND BEQUESTS
	SPECIAL EVENTS (WALK)		ANNUAL GIVING
	OPERATIONAL FUNDING/SERVICES		ANNUAL GIVING

MINNESOTA ZOOLOGICAL SOCIETY

STANDING COMMITTEES

ACTIVITY  
FOCUS

TITLE

FUNCTIONS

INTERNAL

(Organizational  
Maintenance)



EXTERNAL

(Public and  
Zoo Outreach)

[	Executive	(Organization, Strategy, Plan Budget and Investment)
	Audit	(Audit and Control)
	Membership	(Procurement/Services/Information)
[	Marketing and Promotion	(Projects, Walks and Special Events, Fund Development, General Marketing)
	Volunteers	(Recruitment, Support, Recognition)
	Zoo Programs	(Program Funding, Concessions, Direct Service, Contract Services)

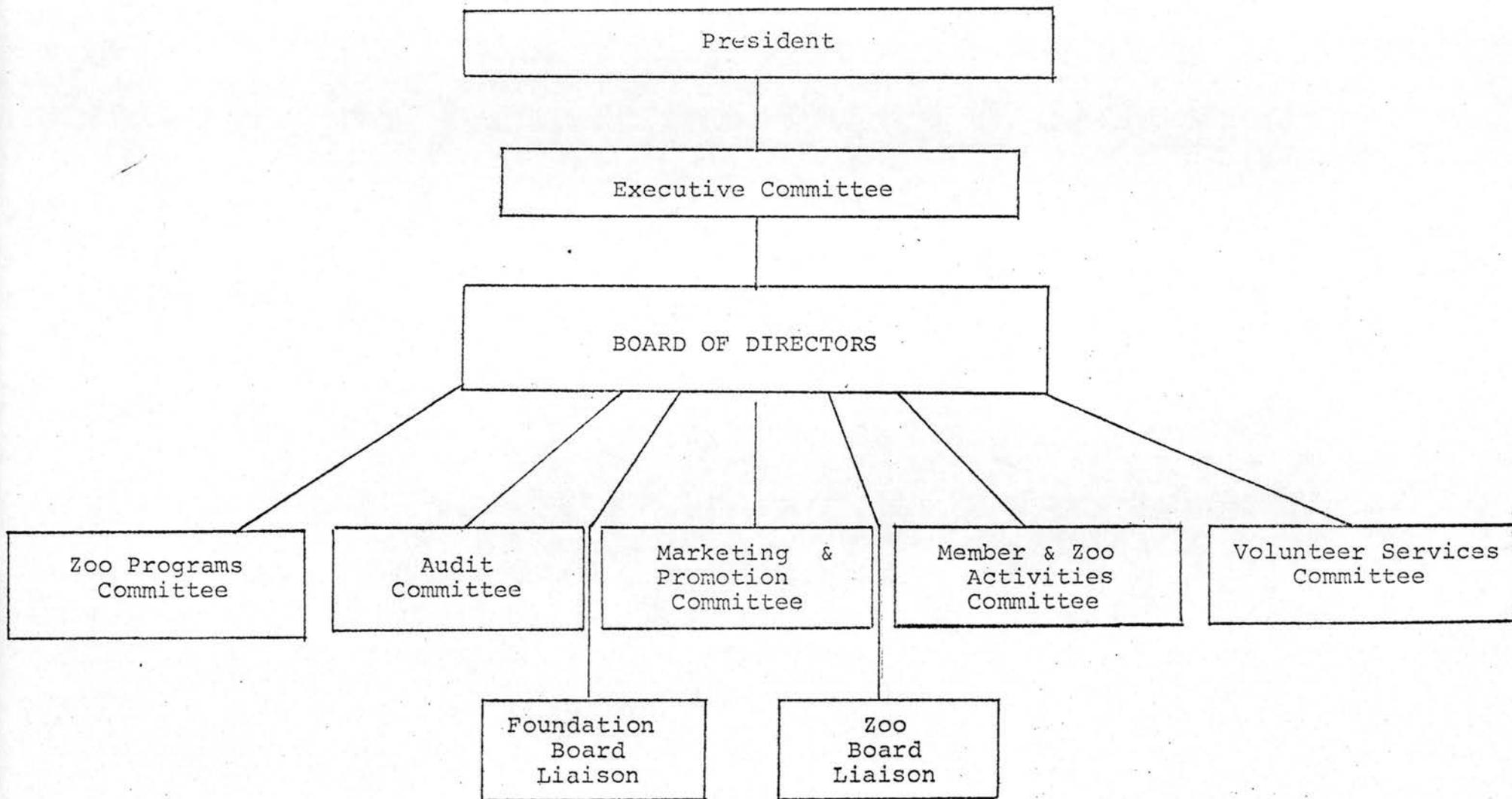
MINNESOTA ZOOLOGICAL SOCIETY BUDGET, June 1, - May 31, 1981

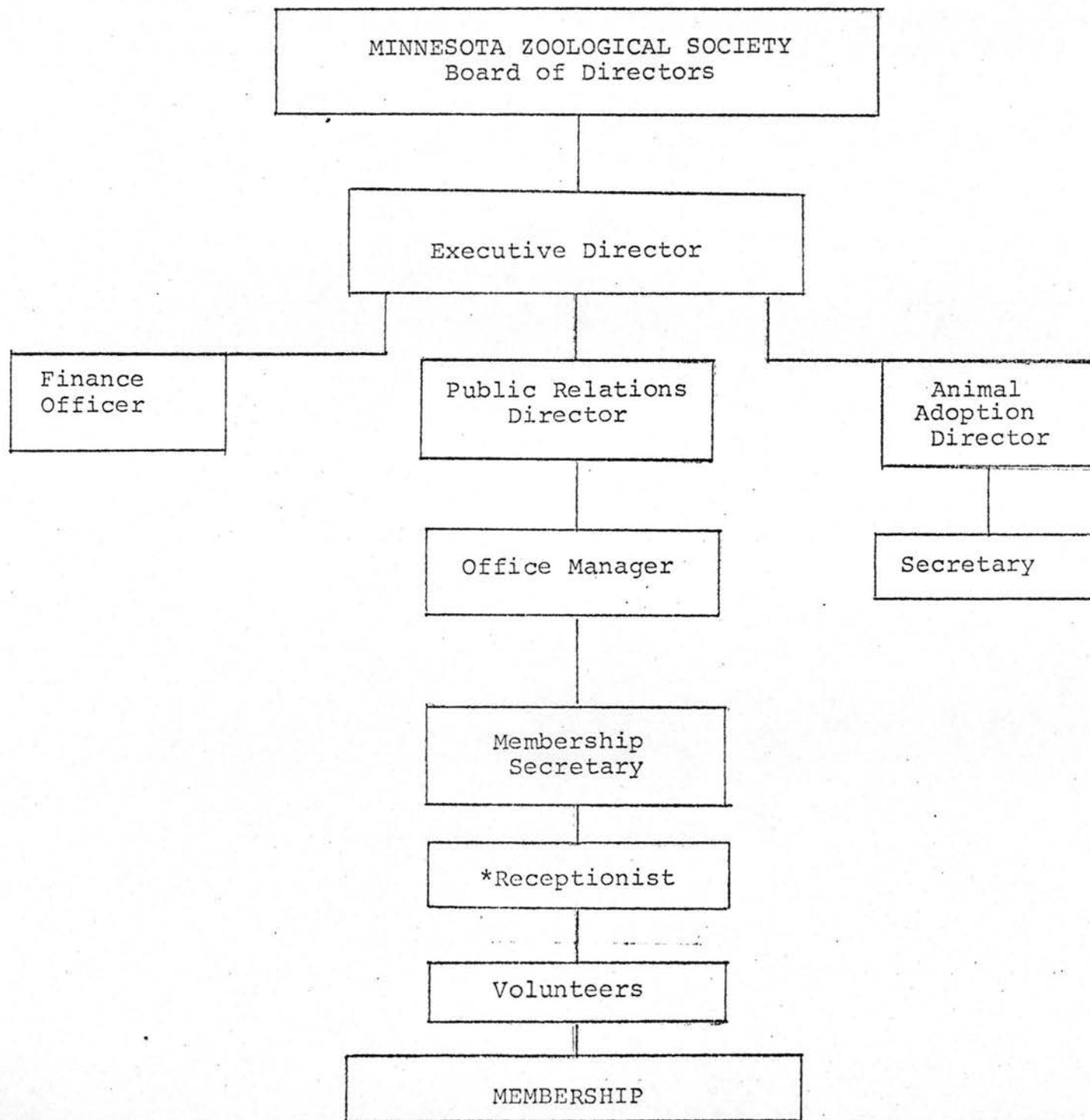
Prior Year Cash Reserve	
Anticipated Cash on Hand including	
Certificates of Deposit as of May 31, 1980.....	<u>\$262,400</u>
Carryover Appropriated Fund to MZG.....	83,000
Appropriation of Current Fiscal Year '80-81	
To MZG as Projected.....	50,000
Reserve for Current Operations, Future Program	
Expansion and Development and Reciprocity	
Agreement (approximately \$34,000).....	129,503
Prior Year Cash Reserve.....	<u>\$262,400</u>

CURRENT OPERATING BUDGET

I. Revenues	Budget '81	Actual '80
A. Membership		
Individual \$18.50 (1,692)	\$ 31,302	
Family \$28.50 (6,303)	179,635	
Donor \$100.00 ( 600)	60,000	
	<u>(8,595)</u>	
	\$ 270,937	<u>\$231,041</u> (Actual Income)
B. Auxiliary;		
Calendars, Interest, etc:	24,000	
C. Animal Sponsorship Refund	<u>40,000</u>	
	<u>\$334,937</u>	
II. Expenditures		
A. Marketing and Promotion	\$127,000	\$ 77,720
B. Membership Benefits, Education		
Public Events	79,000	59,041
C. Volunteer Services	15,160	5,215
D. Auxiliary (calendars, etc.)	0	9,774
E. General Administration	63,065	49,766
	<u>\$284,225</u>	
F. Other		5,940
G. Contributions to Zoo		18,975
H. Animal Sponsorship Advance	40,000	
	<u>\$324,225</u>	<u>\$226,433</u>
III. Excess of Revenues over Expenditures (Expenditures over Disbursements)	<u>\$ 9,812</u>	<u>\$ 4,610</u>

MINNESOTA ZOOLOGICAL SOCIETY BOARD





PRIMARY BUDGETARY GOALS F.Y. 1981I. INCREASE MEMBERSHIP

- A. Increase membership to a minimum of 8,595.
- B. Retain a minimum of 75% of FY '80 members.
- C. Maintain a minimum of 500 donors and add 100 donors for a total of 600.
  1. establish an on-site sales/service program.
  2. improve on-site visibility, using brochure holders.
  3. create an awareness for the Society by using on-site audio visuals.
  4. expand direct mail campaign as year round program.
  5. use specialized mailings to target groups, i.e. old members.
  6. develop in-house membership program with incentives.
  7. improve membership services.

II. EXPAND EDUCATION AND PROMOTION PROGRAMS

- A. Provide educational opportunities FREE to members on a regular basis.
- B. Implement a year-round continuing education program in cooperation with the Zoo and other facilities/organizations.
- C. Create new ways to improve Society and Zoo visibility through the use of electronic and print media.
  1. provide opportunities for members of all ages, with special emphasis on family activities.
  2. provide outreach programs for northern suburbs.
  3. use publications as education and promotion vehicle.
  4. research interests of members.
  5. design quarterly promotional brochures/posters for education programs.
  6. discount tuition fees to members as an incentive to join.

III. PROVIDE DIRECT SERVICES OR FINANCIAL ASSISTANCE TO THE MINNESOTA ZOO.

- A. Sponsor 2 public events at the Zoo this year, to increase public awareness and use of the Zoo.
- B. Special event fund-raiser in the Fall.
- C. Make a year end cash donation to the Zoo for visitor programs.
- D. Continue volunteer cultivation/recognition.
  - 1. select two areas of general interest for the public event themes.
  - 2. develop events in cooperation with other organizations.
  - 3. design flyers, brochures, posters to encourage participation/attendance.
  - 4. direct efforts to finalize plans for Animal Sponsorship Program.
  - 5. expand volunteer opportunities.

IV. GENERAL OPERATION

- A. Maintain a reserve fund balance account of at least \$100,000.
- B. Study membership fees and adjust to reflect exalating costs, if any, by the '81-'82 budget.
- C. Review membership benefit values, particularly Animal Kingdom magazine.
- D. Consider membership package options; multi-year, season ticket, etc.
- E. Improve computer services.
- F. Reduce membership capture costs.
- G. Assure data collection control and review of membership receipts.
- H. Develop products using poster art work.

## FUNCTIONAL EXPENSE DEPARTMENTS

- #1 Marketing and Promotion - Includes activities which enhance awareness and support for the Zoo through the Society. Includes membership promotion, special events, public relations activities, and related products.
- #2 Membership Activities - Includes activities and services directly benefiting the Society members. Includes Animal Kingdom, Zoo News, members-only events and other benefits.
- #3 Public Information and Education - Education and information activities and programs for the public sector and Society member. Includes seasonal continuing education program, mailing and telephone services.
- #4 Animal Adoption - All activities and services which relate to the development and promotion of the new Animal Adoption program.
- #5 Volunteer Services - All activities involving the recruitment, recognition and retention of volunteers for work at the Zoo or for other Society related functions.
- #6 Auxiliary - Product development and sales.
- #7 General and Administrative - All activities which relate to day to day management of the Society programs and general operation of the office.