



Minnesota State Zoological Board.
Zoo-Related Organizations Files.

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MINNESOTA ZOOLOGICAL GARDEN FOUNDATION

33 Wentworth Avenue East, Suite 218

West Saint Paul, Minnesota 55118 Phone (612) 457-2579

MEMORANDUM

SUBJECT: Organizational Task Force

DATE: Januray 30, 1979

Ed - Ken asked me to assemble my notes for him - thought you would like a copy.

On January 29, 1979, Ken Knopf and I met with Ed Kohn to learn more about Mr. Kohn's thoughts about the development programs at the zoo and the proposed study of organizational relationships.

The following information is a synopsis of that meeting.

Mr. Kohn stated that the Governor's Office will be receiving a complete proposal by April 15th of the zoo's needs as perceived to be discussed and presented to the 1980 Legislative Session. This proposal will basically be asking for an additional \$6 million of capital construction monies on a matching funds program. *=\$12 million*

Ken: Believes a major program for the zoo is needed first as well as a response from the State Legislature before the Foundation can, "Go out" on a capital campaign.

Ed: These areas have to be done simultaneously - should establish a clear mechanism through which the program can be done when the match is available from the State.

Ken: The Maysack Report indicated that the "public didn't know what was happening at the zoo". The Task Force believes that the solution was to establish only one major support group, but with two divisions; handling development and one division handling volunteers. The Task Force thought that one head coordinator would improve the image.

Ed: Immediately upon arrival here at the airport, he received strong push from Paul for the merger idea. Paul had a table of organization, ~~Ken's job description~~ future programs relating to research and eventually a take-over of the entire program. *Ed stated that he thought this whole approach appeared to much like a floppy dog.* Ed also stated he thought the Society was ~~best for the membership program and not~~ *the capital* funding. In fact, funding for research is one of the least problems or needs of the zoo. Also, the zoo does not need the Society to raise money for research as there are many other avenues available for funds of this type. Paul's proposal and the Society's approach for the zoo immediately raised caution and a danger flag with Ed.

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EX-OFFICIO MEMBERS: PAUL I. FREEMAN, President, *Minnesota Zoological Society*; EDWARD KOHN, General Director, *Minnesota Zoological Garden*; U.S. SEAL, Ph.D., Chairman, *Minnesota Zoological Board*

EXECUTIVE DIRECTOR: ROBERT S. VOIGT

- Ken: The ideas thrashed out at the Task Force seemed to lead toward having one person as the head of the merged organization but with better defined responsibilities of each sub-group. The problem appears to be that the public believes that their dollars are going through the Society to the Zoo. Ken stated that he thought that this mis-representation would be cleared up by a merged group. No consideration was given to clarifying information disbursed regarding Society memberships as a way of eliminating the mis-representation.
- Ed: The history shows that the role of the zoo as a ^{Communicator} community leader is not very consistent either. Ed sees his role as a communicator as well as an advocate and will be working very closely with both the Society and the Foundation.
- Ken: There is also the political side of the zoo and its relationship to the legislature. Ken stated that he sees many persons being hesitant of donating funds as long as the zoo is involved with the State program.
- Ed: A clean articulation of new status, need, State relationships, zoo world similarities and other factual bits of information will clean up some of the unknowns or mis-statements. Ed continued by saying that the fathers of the zoo had a clear choice 18 years ago when they established the Minnesota Zoological Garden or directed the Zoological Garden toward becoming a State Agency. The sensed grievances or misunderstandings can be managed out of the way and a successful zoo operating as a State Agency can be achieved. More can be accomplished with a creative mandate of goals as previously established and can work out these situations much more clearly with the Governor's Office than would be presumed could be done.
- Ed: The zoo has not yet used the freedom available in the present statutes to accomplish the potential that now exists. Examples of new opportunities are the concession contract, new approaches toward future contracts, a positive feeling that we can do these things and a great opportunity to work from a negative image to changing this to a positive image. It is a great zoo and recent relationships with legislative committees and members of the various State Agency departments indicate that they are receptive to listening and are impressed by what they see and hear when they have a chance to learn more about the zoo. Some of the things that are potential for developing this year relate to the international year of the child and clear similar educational opportunities.
- Ken: How do we resolve the turf fighting unless we merge the organizations.
- Ed: Give me six months to develop a positive experience and to point out the opportunities and benefits of separate strong support groups. We can all work on the strong inter-actions and relationships as to how they do provide separate and distinct benefits to the zoo. We need to say to the Governor and the legislature that "we have a successful entity in the Foundation that is professionally managed and has accomplished successful measures to date in support of the zoo." We have a beautiful resource to deal with and need to support it to accomplish the goals which we have selected for the future.

Ed: The Society represents in number of minds as a quest for atonomy which we cannot afford.

Ken: Some of the ^{Society} ~~Foundation~~ people are bad-^{wording} ~~wording~~ the Foundation - why? The Foundation has done a good job with the help that it has had and the support that it received from its Board. The Foundation is still trying to develop leadership and in spite of all these things has accomplished quite a bit.

Ed: Don't listen to the bad words. They are not justified.

Ken: Reconizes the need for the Board to assist in fund-raising. Also, Ken prefers not to recruit new Board Members during the next six months or until some of the zoo's capital fund programs and legislative relationships are settled.

Ken: Believes that it is a mistake for Bob Voigt to be the only one soliciting funds, especially now. We should wait until we have a stronger story to tell. We will get pennies now but probably dollars later.

Ed: Agrees. There is rough press potential with the legislature, but the positive image in the community is coming.

Ed: Sorry the Zoo Walk '79 goal focuses on the Northern Trek. One year from now would be better and could assist more in starting off the capital fund drive. However, it will be helpful to call attention to the need at this time.

Ken: The public relations and community benefits are more positive than negative. There are many intangibles too beyond the actual dollars raised. The zoo will benefit from this project.

Ed: A clear six month hold will help me to get Paul's attention. The Society has problems and the major role now is to: (1) Establish disclosure by the Society to their own members of real program and (2) , the ^{rep} ~~responsibility~~ agreement is incorrect and perhaps contains even tax liabilities because of paying volunteers rather than ^{charitable} ~~reasonable~~ contribution assumption, and (3) the Society has not provided any financial support to the zoo as yet except the \$15,000 which was contributed for the purchase of the T.V. Camera and this is mostly a result of shared proceeds from the Walk projects and (4) much work needs to be done on many areas.

Ed: It makes sense for a clearer up-date and articulation of functions, ^{but} ~~that~~ merger is not the only way to clear up the problems.

Ed: A major capital campaign is basic during the next 2- 3 - 4 years, then maybe some additional programs or a changing phase to consider other ways of long-term, on-going support.

Ken: When he looks at the organizations in the community that are doing fund-raising efforts, he sees ^{leaders} ~~leaders~~ in the financial development programs as serving on the Boards of the organization. He believe that people we need are not represented on the Zoo Board and should be. If they were, it would help ^{them} understand the total project. The only cross-relationships that exist at the present time are Zoo Board members serving on the Foundation Board yet they ^{do} ~~obtain~~ from voting on major zoo relationships.

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- Ken: A major problem for the Foundation to face is the problem of recruiting key people for the Foundation Board. The Freshwater Foundation struggled to get \$4 million prior to giving the institute to the University of Minnesota. A major question is how do we recruit key people? Our Board members now serving in name only!
- Ken: Agrees that for now that we should hold for six months. Program of the Foundation should be toward communication, goodwill, and keeping information open to the community.
- Ed: We still need to face the question of how the Foundation Board will participate in Zoo Board decisions. Ed will bring to the Foundation Meeting on February 1st, a list of short-range proposals for seasonal improvements and immediate needs of exhibit and construction development at the zoo.
- Ed: The zoo has a master plan, but still has problems there to be re-considered because some of those plans don't make much sense today and have to re-design many exhibits based upon a practical construction approach as well as a practical budget approach. Also, some of the new exhibits such as grasslands and other facilities may appear as new items on the list. This would include some exhibits that would have a "lock-up" during the winter so that some of the warm weather animals could be shown on a seasonal basis. The Asian Plaines has great potential.
- Ken: Should the Task Force hold for six months on its proposed merger discussion?
- Ed: Yes. Use this time for developing future Foundation programs and build up new contacts from a goodwill communication of the good aspects of the zoo.
- Ken: Question on whether the Foundation and Society who have already tentatively agreed to fund a merger study at \$5,000 each should be instigated during the next three months.
- Ed: Only do this if the study effort will help each entity study where it is now currently and where it is going. Don't expect the study to replace Ed's approach to this question as he is working on it personally. But, Ed does not want to come through an intermediary or independent study now or later but want to deal directly with staff, Boards and issues head on.
- Ken: Guess we should put Jerry's study in a abeyance for six months.
- Ed: Jerry ^{may this} has a real job which could be done for the Society to untangle their problems. Society has had a tough transistion from pre-opening to post-~~operating~~ ^{opening} of the zoo and its role is now different. But, the Foundation's role and purpose is clear in the past as ~~is~~ established and as far as the future program is considered.

Ken: Thinks the Society will not agree because they don't see their own problems.

Ken: Can't disagree with the conclusions that have been arrived at today because the information all makes sense.

Ken: The pressure is on Bob Voigt and the Foundation to raise funds. But, suggests that the Foundation goes into a holding pattern in new development work but to spend the next six months studying for, planning for and developing a future program. Even the deferred giving can be added.

Ed: Is issue necessary to be discussed at Task Force first?

Ken: The future of the Task Force is really Ulie's decision.

Ken: Paul really needs to be visited with prior to the next Task Force Meeting.

Ken: A sabbatical should be given to the Task Force for the next six months. Then they can get back together again and review what has happened. The Society has been very negative on the Foundation and the Foundation's fund-raising programs. The Society has really muddied-up the water. The Society's attitude has been bad.

Ed: There are real problems with the Society, ^{to solve} ^{of Foundation} This campaign is not over yet. _{and} _Δ



MINNESOTA ZOOLOGICAL GARDEN FOUNDATION

33 Wentworth Avenue East, Suite 218

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January 17, 1979

Ed Kohn

Mr. Kenneth Knopf
28 Half Way Road
Ocean Reef
Key Largo, FL 33037

*Ed - I thought you might like
to read some of my reflections
Bob*

Dear Ken:

I have talked with Jane Bishop of your office and confirmed the reservation for the Director's Room on Thursday afternoon, February 1st, from 3:00 p.m. - 5:00 p.m. We will get a formal notice out to all Board members of that meeting.

I have also talked with Ulie Seal, Paul Freeman, and Jerry Hegstrom regarding the scheduled Task Force Meeting on January 31st. Jerry said he would be pleased to provide assistance after February 1st, but he was not sure of Ed Kohn's thoughts about the Task Force at the moment. Jerry and Ed have visited briefly about this Task Force and its objectives and Ed wants to share his recommendations; however, he prefers to defer any judgments on this activity for the time being. Also, Ed is out of town this week so there is another reason for this issue to be placed in a holding status. Paul said that he was willing to place this in a holding position until he also had a chance to visit more with Ed about the proposal. Dr. Seal said that he thought the Task Force was at a stage where further discussion at this time is not a pressing issue and that the meeting for the 31st should be canceled. Ulie suggested that future steps be considered in a brief meeting following the Foundation Meeting on February 1st. Ulie also said that in visiting with Ed that the two of them agreed that the issue is not a rush item and should be placed in a holding pattern for the moment. Ed wants to have greater input into this question after he got better acquainted. I'm sure that you and Ed will visit about this issue when you get together for your meeting early in the week of January 29th.

I appreciate your comments on John McKay's letter. Yes, John is very thoughtful. Although his viewpoint may not be the same as the majority of the Task Force Committee, he does represent the opinions of several prudent and knowledgeable individuals who have been associated with and involved in the zoo's organizational program for many years. I think that John is trying to say that the so-called organizational issue is not really because of structural problems or confusion in the community, but really an issue created for a variety of reasons, none of which recognize the basic logic and legal necessities that were involved and are still the strengths on which to build a financial program. Whatever the interpretation is, I'm sure that you'll want to visit more with Ed Kohn about his impressions and also other long-term members who can give

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you some historical rationale for the organizational objectives.

I have a couple more suggestions that I believe will help you, Ken, in securing a greater understanding of the philosophy and rationale that applied to the creation and operation of the Foundation.

I recommend that you visit with Bob Engels because of his knowledge of the program over several years. His comparable leadership through the Dunwoody Organization, Minneapolis Foundation, St. Mary's Hospital, Soo Line Board, NSP, and relationships with the Minneapolis Society of Fine Arts could provide you with another dimension to the community's view of the Foundation and the Society. Bob is also one of the incorporators of the Foundation.

Perhaps when you are back in town, you could also visit with Malcolm McDonald, President of Collateral Control Corporation. Malcolm is one of the Foundation's original Board members and has good knowledge of fund-raising processes, donor logic and community response to program leadership and images needed.

Reuel Harmon, one of the Foundation's incorporators, former Chairman of the Zoo's Board and incorporator of the Foundation, is spending the winter at Pompono Beach, Florida. It might be convenient to drop him a line or call or even get together. True, its not next door, but it is kinda close. His address is: 1091 Hillsboro Beach Road, Pompono, Florida 33062. His phone number is; 305 943-2846. Reuel will be in St. Paul for his company's Board Meeting on January 31st, but is going back to Florida on February 2nd. Maybe you can visit with him one of the two days he is home.

The community leaders that are in decision-making positions with corporations and foundations look for strength and trust in the entity they are giving to. The Zoo Foundation has a good start, but needs to be built even stronger. The reasons for giving need to be reinforced by the individual Board members who participate in the development program. This is a crucial time when volunteers associated with zoo related groups should be supporting proven ways to help and encouraging the fund-raising process in a positive way. Approving goals is only a start. Participation in a program to see that they are achieved will be the real measure.

The zoo will continue to have a most significant benefit to our community. We still have to harness all the potential in our state for the benefit of the zoo.

I have visited with Garry Haas about the appointment of Ladd Conrad as a Division Director at the zoo. Garry said he would contact Ladd.

Kenneth Knopf

-3-

January 17, 1979

I have left word for Don Maysack to call me back, but as of yet, I have not had a chance to visit with him.

Enclosed is a list of the Foundation's Board members and their mailing addresses.

With the additional monies that come into the Foundation during the past couple weeks, I have visited with Jim Peterson regarding investments in C.D.'s rather than savings accounts and we have today invested \$150,000 in a 30-day C.D. paying 10.2%.

Dean McNeal is planning on being at the Foundation Meeting on February 1st. Margee Kinney will be unable to attend as she will be in Boston. Tony Andersen should be back from Europe by that date. John Tilton is leaving next week for Sanibel for a period of two months. There are still a few of us around enjoying Minnesota's winter weather and will try to save some of the fresh, brisk air for your return.

Kindest regards,



Robert S. Voigt
Executive Director

RSV:pb

Enclosure

✓ cc: Ed Kohn



MINNESOTA ZOOLOGICAL GARDEN FOUNDATION

33 Wentworth Avenue East, Suite 218

West Saint Paul, Minnesota 55118 Phone (612) 457-2579

January 5, 1979

Edward Kohn

Mr. Kenneth Knopf
28 Half Way Road
Ocean Reef
Key Largo, FL 33037

Dear Ken:

I am writing this letter to you as President of the Foundation because there are ideas that I have that I want to share with you.

I believe that there are some people active in the zoo's many programs who are bringing their opinions and influences to the top of discussions during the past six months to sway decisions that are not in the best interest of the Foundation's Financial Development Program. The real issues are being clouded under the guise of merging the support organizations.

I have been associated with the zoo and its programs for many years. There was a thorough study given to the formation of the Foundation and logic followed in establishing a separate development program. The reasoning existing four years ago for the establishment of the Foundation still exists today. The reasoning for continuing as separate organizations will probably continue in the future.

During the past six months, it appears that the Foundation Board has directed its efforts to finding reasons why it should not participate in a current development program rather than trying to find ways it can support the processes and activities that have been successfully established as well as those that have been designed and proposed for future activities. I am sorry that I have not had more time to devote to the Foundation's Program. However, I believe that you and the other officers and the members of the Board who are not acquainted with the historical developments and logic followed in establishing the Foundation, should have the following information available to you in your current deliberations. Not only should you consider my thoughts, but please seek out the information that is available to you from others like Reuel Harmon, who have been in on this total program for a long time.

I believe the Foundation's program is a logical approach toward securing support from the community. For a variety of reasons, the Foundation has not received the support it deserves from many persons now involved in related zoo activities. While a lot of this lack of support is derived from not having time to assist and being spread too thin in many areas, it still could have been supported a great deal more in words as well as deeds.

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EXECUTIVE DIRECTOR: ROBERT S. VOIGT

The composition of the Foundation's Board of Directors is finally being developed in the direction that it needs to be in order to secure leadership from among the community's top businesses, organizations, families, and individuals who will make the commitment to assist the Development Program of the Foundation and the zoo.

In your further deliberation of organizational goals, I would strongly advise your seeking out neutral, independent, competent, unbiased individuals who have experience in organizational and management areas. At the time that the Foundation was established, we received some very good objective assistance from foundation leaders from within our community. Their counsel is still available. I urge you to seek this out. Also, we also secured very good assistance from legal counsel. The tax implications and charitable exemptions are extremely important for the future work of the Foundation. Careful consideration should also be given to the types of both participation and representation which the Foundation seeks and represents. Also, I urge you to consider the needs which the Foundation has identified that are being firmed up as a basis for its funding efforts. The Foundation's staff has been urging the confirmation of many of these proposals and only recently has the Foundation been obtaining the firm data from the zoo which it needs to propose and secure the support for the future development program of the zoo.

Unfortunately, most of the Foundation's Board members have not been participating to the extent that the Foundation deserves in order to achieve its goals. Most people have either been too busy or too committed in other areas or have not been the right people. The Foundation needs to continue to add individuals to its Board who will direct their effort toward the Foundation's program. Time and effort does not allow one individual to spread themselves thinly over two or three major Zoo Boards. I urge you to provide the leadership toward continuing to strengthen the Foundation in the areas that have been proposed. Fund raising and financial development is a very specific process. Mixing it with a variety of service activities will dilute the results.

As an observation, it appears to me that many of the volunteer services, publications, special events and programs that have been initiated by the Society are now being served by the Zoological Garden. The Society is doing a very good job of supporting these programs. Also, I urge you and others that are involved to review the many organizational and budget aspects of the Society which you are proposing a merger with. The application of funds received in the delivery of services need to be thoroughly understood. Your surface observations may be quite different from a technical investigation that you and the other new members participating in the program will undertake. I urge you to take your time and not be rushed into any quick decisions. At the same time, I urge you to also participate in the present development programs that are currently needed in order to keep present efforts moving. I again urge you and the other members of the Executive Committee to find ways that you can help what has already been started rather than suggest ways to delay actions until something else happens. True, legislative action this session will be a major influence on future programs and budgets, but these decisions can be explained subsequently.

The Maysack Report has identified opinions. Unfortunately, I believe that the needs have been interpreted incorrectly. Confusion, lack of cooperation and conflicts exist only because some individuals want them to exist. These conditions have not necessarily adversely affected the fund-raising efforts of the Foundation because all of these programs can be explained and the reason and logic for separate entities for unique purposes is accepted. However, some of the people within the zoo programs do not want to accept them. This is where the real confusion is promulgated. The community leaders respect the identified differences and special purposes.

Individuals now within the various zoo organizations who truly want to seek out understandings of organizational purposes and goals, and then work for our one common zoo development goal, can find real logic and basis from which to perform. We need more people like this.

In concluding this letter, I would urge a series of several steps:

1. Understand the historical logic for the development of the Foundation.
2. Understand the IRS recommendations for a separate tax exempt fund development program.
3. Understand information provided by legal counsel in the establishment of the Foundation as a separate 501C3 tax exempt non-profit corporation.
4. Consider the intent and purpose of the organizations that you are considering merging, they are different and have logical reasons for separateness.
5. Consider the organization's budget and application of funds.
6. Learn more about the process of fund raising and financial development.
7. Contribute your time and effort toward the accomplishment of the Foundation's goals and programs which are now established.
8. Get involved in an active way with the Foundation's proposed Fund Development Program.
9. Take a long-term view of the real issues that have yet to surface in the Organizational Task Force. Don't be swayed by personal emotions.
10. Reject the proposal that would create a new level of support organizational management. You don't need it.

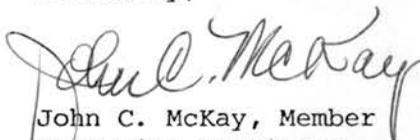
And, two most important suggestions:

1. The Foundation needs Board members from the private sector who control wealth - either families, foundation or corporate wealth. I don't believe you will accomplish the Foundation's fund development goals by a merger with the Society which represents the masses and as an organization has a broad spectrum purpose and program. Both need to work together, but as entirely separate programs.

2. If the Foundation Board is really to be involved in fund raising, the members of the Foundation Board should be involved in decisions on how the dollars are spent. People will get more excited over participation if they can base their enthusiasm in the decision-making process. To reach this goal, get the Foundation Board more committed to studying the zoo's Long-Term Development Program, policies and goals, and encourage recommendations to the Zoo Board on future capital efforts. Don't just respond (as at present), but take the initiative and suggest.

In trying to re-establish a new direction for future programs, do not overlook the reasons for having established the present organizations as they are and please feel free to contact me and others who are involved in the formation of the Foundation. I believe these historical procedures will help tremendously in reviewing your options for future directions. I wish you well in your effort.

Sincerely,



John C. McKay, Member
Executive Committee
Minnesota Zoological Garden Foundation
Space M-7, 303 North Lindsay Road
Mesa, Arizona 85203

JCM:pb

✓cc: Edward Kohn

*P.S. I am looking forward to
meeting you - Bob Voigt's reports
have heightened my anticipation!
J.C.M.*

STATEMENT TO THE TASK FORCE ON ZOO ORGANIZATIONAL RELATIONSHIPS

I propose a six month hold on the relational study of the Minnesota Zoological Society and the Minnesota Zoological Garden Foundation.

1. Society and Foundation identities are inseparable from the Zoo's identity. The latter is evolving and crystallizing during these immediate months. I am engaged thoroughly in that process within and well beyond the Zoo.
2. I seek six months to further develop strong and useful communications and understandings directly with the Society and Foundation leadership and staff through no intermediaries.

Relational success between the Society and Foundation can be best assured by allowing us time to work together to gain a clearer sense of mission and contribution by each. Clear identities make enduring partners.

3. By April 15, we will present a multi-year plan (5) for completion of Zoo capital development. The Governor's office and the legislature understand that we may seek up to \$12 million including a matching fund 1:1 effort with the Foundation identified as a disciplined professional community led instrument for the purpose. Continued debate of changes in Foundation corporate character and performance in these months would be counterproductive.
4. This is not a request for the status-quo, but rather for a disciplined period of discovery, mutual exchange and attentiveness to separate as well as joint needs.

The long-term role for the Foundation relates to Zoo development goals. The Society role is nourished by Zoo operating programs. Such distinction may speak to a tune-down or pilot light function for the Foundation following completion of the major drives several years hence. All such options may be studied more effectively once we are clearly on our course.

E. Kohn
2/1/79

Don Budgwater

Box

621, Bethany, Okla

73008

Oklahoma City

~~Bev~~

RECORD OF MEETING

NAME: Task Force on Zoo Organizational Relationships

DATE: November 2, 1978, 3:00 P.M.

PRESENT: U. S. Seal, Chairman, K. Williams, D. McNeal, D. Maysack, R. Voigt, F. Alexander, C. Davies, K. Knopf, P. Freeman, S. Stokesbary, J. McKay, M. Kinney, G. Hegstrom, P. Natko, Secretary

The meeting was called to order at 3:15 P.M.

Charge to the Task Force

Chairman Seal reviewed the charge with the Task Force. The charge had come as a result of a study conducted by D. Maysack of Maysack & Marshall, which involved interviewing the Boards of the Minnesota Zoological Garden, the Minnesota Zoological Garden Foundation, and the Minnesota Zoological Society.

Areas of concern identified were the functioning of the Foundation and its relationship to the Zoological Board, some questions about the Zoological Board itself in terms of relationships to the Legislature and its ability to function independently. At issue is the Zoo Board's ability to independently operate the Zoo. All present shared a common desire to make the Minnesota Zoological Garden an outstanding, quality organization and a quality experience for all the people of Minnesota. The Task Force must define issues, perhaps define a new set of relationships, and perhaps define long-term goals to be achieved jointly.

Fund Campaign

D. Maysack stated that the clear issue is one of leadership in a capital campaign. There is an unwillingness to make commitments to the Zoo until relationships have been resolved. This should be done within a short period of time (mid-November or no later than the end of December). Donors are used to having some position of authority within organizations to which they contribute. Without it, they are frightened or reluctant to contribute. Before going to the public, there is a need to determine what the Legislature is going to do. Chairman Seal indicated that all of these problems could not be resolved by the end of the month. Also, the Legislature will not convene until January.

Zoo Financial Status

Chairman Seal summarized that given the attendance history and income flow, fee structure, and the budget (\$4.9 million), a

negative cash flow will be reached in December or January. The LAC will be requested to make up the deficit. A revised two-year budget has been developed and is in the State process along with a request for an appropriation from the Legislative Advisory Commission. The Board's position is to use realistic attendance and income projections. A balance of income with the budget cannot be accomplished with the current programs and available reductions. The Legislature has the option to require operating within a certain budget or to appropriate some portion. G. Hegstrom added that there are two separate processes underway. The LAC request deals expressly with current year emergency situations. There will be questions about MZG operations since it is supposed to be self-supporting. Not only will the current year's approach be questioned, but future years' as well. The second process is the entire Biennial Budget review.

D. McNeal indicated concern that there is a need to develop a means of communicating a common background to the public rather than a different picture from different Board members.

D. Maysack stated that a major criticism is with progress on the Northern Trek and also the problem of not being able to see all of the animals. In order to assure a return visit, this needs to be corrected. G. Hegstrom outlined areas of proposed expansion. Included was short term construction intended to raise summer attendance.

State Concern for Relationships

G. Hegstrom informed the Task Force that the State has questioned whether or not the State Zoological Board as a State agency could participate in activities of a non-State agency and to what extent. Also questioned was a conflict of interest if Board members serving on both Boards were asked to vote on two sides of an issue affecting both Boards. The Legislative Auditors have agreed, at least temporarily, that there is a single purpose. The Attorney General has occasionally raised questions but has generally been supportive. They questioned the official tie between the Society and Foundation and the Zoo Board. Also questioned were MZRI and ISIS.

Other Concerns

G. Hegstrom indicated concern with the MZG Liaison Schedule in that variations in memberships and meeting times do not assure a consistent staff approach. Although they serve a continuing purpose, the suggestion from an organizational standpoint is to tie the activities together making more efficient use of everyone's time.

K. Knopf indicated concern with the competitive natures of the Foundation and Society. Another concern is the confusion of the public as to whom they are donating; the Society or the Zoo.

D. McNeal suggested the public be informed of the purpose of each organization. P. Freeman stated that communications between organizations is essential. K. Knopf added a concern that funds cannot be raised without first resolving problems. J. McKay questioned if people will be reluctant to give funds to create a better zoo if the State underwrites the operating loss.

Problem of Relationships -- Suggestions

G. Hegstrom reviewed "A Diagram of Organizational Relationships for the MZG as a Public Interest Leisure Enterprise". Discussion followed.

F. Alexander suggested that a potential remedy is perhaps to have one permanent member from the Society and one from the Foundation as ex-officio members of the State Zoo Board.

G. Hegstrom suggested that another way to deal with relationships is through a policy advisory committee. (See Policy Advisory Committee statement mailed with Agenda.)

G. Hegstrom noted that one concern expressed by the Foundation was the ability to have an impact on policy. The right of prior review, even if only advisory, has power. K. Knopf commented that the advisory committee might be members from the Society, Foundation and the Zoo Board. Also, the Society and Foundation should have representation on the Zoo Board with participation rights, if not voting rights.

D. Maysack summarized areas of concern as communications and two organizations working for one in the area of fund raising. The entire fund raising program should be under one administrative control.

G. Hegstrom suggested the Foundation explore how it could automatically include memberships in the Society with a major donation.

K. Williams advised that the problems or concerns seem to be competitiveness, confusion, communications, and consistency.

S. Stokesbary added that cash is also a concern.

Chairman Seal noted the Foundation should be asked to identify the problems to be addressed in getting the fund drive underway. The six members representing the Society and Foundation should meet and develop a proposal prior to the next Task Force meeting.

Chairman Seal advised that there are two other organization issues. The first is the relationship between the Society and Foundation. The second organizational issue is the policy advisory committee or similar relationship between the Zoo Board and the Society/Foundation.

Task Force on Zoo Organizational Relationships

November 2, 1978

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K. Knopf stated there is a need to know the schedule of total Zoo capital needs. Chairman Seal advised that the Zoo Board has been reviewing a defined Capital Improvement Plan that includes short-term needs with an attached dollar value. Also included are mid-range and long-range plans. K. Knopf indicated a need to know when the next major fund drive would begin. D. Maysack advised that another fund drive should not begin before five years. Chairman Seal noted that in terms of fund raising and construction time, it would be a period of about four years.

Chairman Seal summarized that the Zoo Board would (1) review ex-officio membership, (2) review the resource materials on an advisory group, (3) send a copy of our Biennial Budget proposal to the Presidents of the Minnesota Zoological Society and the Minnesota Zoological Garden Foundation, and (4) clarify the Board's intentions concerning a capital request to the Legislature. The Foundation and Society will meet on the relationship between the two organizations, the relationship to the Board itself, and deal with ways of beginning the fund drive.

Schedule

The next Task Force meeting is to be held November 29 at 2:30 P.M. in the Board Room of the H. B. Fuller Company, 2400 Kasota, St. Paul.

The Task Force meeting adjourned at 5:45 P.M.

pn

LIABILITIES AND RESPONSIBILITIES OF BOARD MEMBERS OF NON-PROFIT CORPORATIONS

By Stephen H. McCurley
Assistant Director for Public Policy
National Center for Voluntary Action

Introduction

The following is a brief discussion of the duties and potential liability of the members of the board of directors of a non-profit corporation. An accurate description of the liability of a particular organization or director can only be judged by providing local counsel with full information on the specific facts of the particular situation. This overview can merely provide a general summary of existing requirements and standards.

Two further cautions: First, this summary deals only with incorporated organizations. Those concerned with unincorporated bodies should consult items 8 and 11 in the bibliography. Second, this discussion avoids the possible effects of charitable immunity provisions within a jurisdiction. It does so on the basis that even in those areas where the doctrine still lingers, it has an excellent chance of succumbing to any sustained challenge.

General Responsibilities

In general, boards of directors are charged with the overall management and supervision of the corporation. They have the power and duty to carry out whatever transactions the corporation itself has the power and duty to carry out in furtherance of its chartered purpose. As Zerman notes, "Within the purposes and powers of the association, the directors are free to change policies and short-range purposes, but unless the charter or by-laws expressly permit, they may not do acts that amount to changes in fundamental purposes or operational methods of the association."

Included within the general duties of management or supervision of the board are:

1. Maintaining complete and accurate minutes and financial records.
2. Selecting, supervising, and removing executive personnel.
3. Fixing of compensation, fringe benefits, and retirement plans.
4. Selecting successor trustees and directors.
5. Making administrative policy decisions: level of staff, public relations, labor relations, etc.
6. Making program decisions: ensuring the implementation of the organization's purpose.
7. Enacting charter and by-law changes.
8. Making financial and investment decisions.

How many of the above duties must be directly performed by the board will depend to some extent upon the size of the organization, its complexity, and its available staff. The final determination, in any case, should undergo examination and approval by the board. It is noteworthy that recent years have witnessed a shift of emphasis from financial supervision to a growing responsibility for programmatic supervision by board members.

Standard of Conduct

The standard of conduct required of board members is a broad one which requires individual interpretation and application to the facts of each specific case. It is sometimes codified within a state's non-profit corporation law. The New York Not-for-Profit Corporation Law, section 717(a), reads, for example:

Directors and officers shall discharge the duties of their respective positions in good faith and with the degree of diligence, care and skill which ordinarily prudent men would exercise under similar circumstances in like situations.

The New York statute resembles the common rule for jurisdiction lacking a specific statutory provision. Oleck summarizes the requirement by saying, "So long as a director exercises reasonable diligence and care, he is free from personal liability—when his poor judgment causes loss or injury to the corporation. *Good faith* is the principal (but not the sole) test of the adequacy of a director's care and diligence." The board member acting in good faith is allowed to make mistakes, acting within his "business judgment," but is not allowed gross negligence or self-dealing.

In general, the standard of conduct applied to the board member of a non-profit corporation is similar to, but not exactly like, that applied to the board member of a profit-making corporation. The standard for the director of a charitable organization is slightly higher than that applied to the director of most other types of non-profit organizations.

Variables

Application of the general standard given above can be affected by a number of variables. These can include the size and scope of the organization; specific statutory requirements; whether the director is full-time or part-time, compensated or uncompensated; and whether the director has any special background.

Reliance on Others

In conducting his supervisory activities, the director has the ability to place reasonable reliance on the information and reports of others. These can include financial statements provided by accountants, information provided by legal counsel, and reports of board committees and outside experts. Several states have specific statutory authorizations allowing reliance on various sources.

Reliance on any of these sources will not relieve the director of the need to exercise ordinary prudence and good judgment.

Actions To Show Good Faith

To demonstrate his good faith and reasonable care a director should undertake the following precautions and actions:

1. Attend all board and committee meetings. If unable to attend, be able to show a valid reason for absence.
2. Have a thorough knowledge of the duties and provisions within the by-laws and charter.
3. Heed corporate affairs and keep informed of the general activities and operation of programs.
4. Ensure minimum statutory or technical requirements are

met: filing annual reports, withholding employee taxes, etc.

5. Record personal conduct and register dissents in the minutes or by letter.
6. Avoid any semblance of self-dealing or enrichment. Discourage any business transactions between directors and the corporation, unless conducted entirely openly and with stringent safeguards.
7. Make no pecuniary profit except that expressly provided in compensation or reimbursement within the by-laws.

In essence, the best protection available to a director lies in doing a conscientious job on behalf of the organization.

Indemnification of Directors

Indemnification is a method by which the corporation may provide for the expenses of a director accused of misconduct. Under an indemnification provision, a director may obtain indemnification for his reasonable expenses, including litigation costs and attorney's fees, unless he has been found guilty of actual misconduct or bad faith. The expenses may be borne either from corporate funds or through an insurance policy.

Provision for indemnification is usually provided in a state's corporation law. Greenberg reports in 1975 that 48 states had allowance for indemnification statutes, the exceptions being Idaho and Illinois. State provisions may be either elective or mandatory, allowing or dictating coverage. Provision for indemnification must be expressly stated in the corporation charter or by-laws.

In drafting an indemnification provision, the following items should be considered:

1. Whether coverage is mandatory or discretionary.
2. What types of suits are covered.
3. What costs and expenses are covered, and to what amounts.
4. What "persons" are covered: Officers and directors, past directors, heirs and estates, etc.
5. What standard of care is required: "good faith within the scope of authority," "believed actions in best interest of the corporation," "no reason to believe conduct unlawful," "not derelict in performance of duties," "not judged liable for misconduct."
6. Who determines when standard was met: court, board, legal counsel, membership.

Liability Insurance

Because of the financial limitations of most non-profits, insurance has become a natural method for providing protective coverage. Recent years have witnessed a burgeoning growth of directors' and officers' liability insurance, both for profit and non-profit corporations. Forbes reported that in the period 1963-68 the amount of director's and officers' insurance written in this country rose from practically nothing to over 1 billion dollars. Today the amount is substantially higher.

Each board liability policy is usually individually negotiated and written to match the situation and requirements of the organization. Illustrative of the type of coverage and cost is that of a policy for non-profits underwritten by the American Home Assurance Corporation. General provisions of the policy included a requirement that the organization have been in existence for a minimum of three years; \$1,000,000 maximum coverage with 5% shared participation by the organization and prepaid premium for the three year term of the policy. Coverage can generally be considered "expensive" for most non-profits, and rates can only be expected to rise.

Summary

Liability of the members of boards of directors is an area just coming to the attention of most non-profit organizations. It will assume increasing importance with the increase in lawsuits against non-profit groups, the increasing scrutiny and regulation of non-profit activities by governments and the courts, and the increased "professionalization" of non-profit organizations.

In general, protection from personal liability of a board member is best undertaken through a good faith effort on the part of that director to do a conscientious and careful job for the organization, undertaking all management and supervisory activities. The records of the organizations should reflect this conduct. Other protective measures available include indemnification provisions and liability insurance.

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ZOO ORGANIZATIONAL RELATIONSHIPS TASK FORCE

3:00 P.M., November 2, 1978

AGENDA

A. Review of Background Materials

1. Charge to Task Force - U. S. Seal

2. Issues leading to the need

Don Maysack - Fund Campaign

Jerry Hegstrom - State Concern for Relationships

3. Current Organizational Relationships -
Jerry Hegstrom

B. Setting Study Objectives (See Attachment)

C. Schedule

Completion Date

Meeting Schedule - Topics

Attachment

GDH/pn

STUDY OBJECTIVES

A. Board Organization Issues

1. Determine Society/Foundation relationships, number of members, and leadership requirements.
2. Determine Society/Foundation relationship to Zoo Board.
3. Determine Fund Drive relationships

B. Related Coordination Issues

1. Determine policy issues requiring coordination among Boards.
2. Determine Staff relationships among Boards.
3. Determine Society/Foundation office location(s).

POLICY ADVISORY COMMITTEE

The Minnesota Zoological Garden presently has statutory authority for appointment of an official advisory committee composed of Society members and other interested individuals. In separate consideration, it has been suggested that the Foundation and Society need to have a closer, more active relationship to the Zoo Board in order to assure close coordination and communications. Foundation involvement is particularly important in the capital improvement planning and funding approaches.

One alternative that could provide that kind of coordination and involvement is for the Society, Foundation, and limited other individuals to be represented on a Policy Advisory Committee to the Minnesota Zoological Board. The following outline describes such a committee.

Membership:

Nine total members, three to be appointed by the Minnesota Zoological Society, three to be appointed by the Foundation, and three to be appointed directly by the Minnesota Zoological Board.

Charge:

To provide prior review of identified Zoo Board policy issues so that the Zoological Board will be assured of advice and coordination of efforts. Further, to review such issues as may be appropriate from the Society and Foundation to assure coordination and communication.

Meetings:

Meetings to be held at least monthly with staff assistance to be provided by the Minnesota Zoological Garden.

Compensation:

Authority to provide per diem and mileage for official members of the Advisory Committee should be sought.

Zoo Board Relationship:

The Committee Chair shall be appointed by the Chairman of the Minnesota Zoological Board in the same fashion as other committee chairs. The Committee Chair (or designee) shall sit ex-officio as a member of the Zoo Board but without the right to vote. The Committee shall report directly to the Zoo Board.

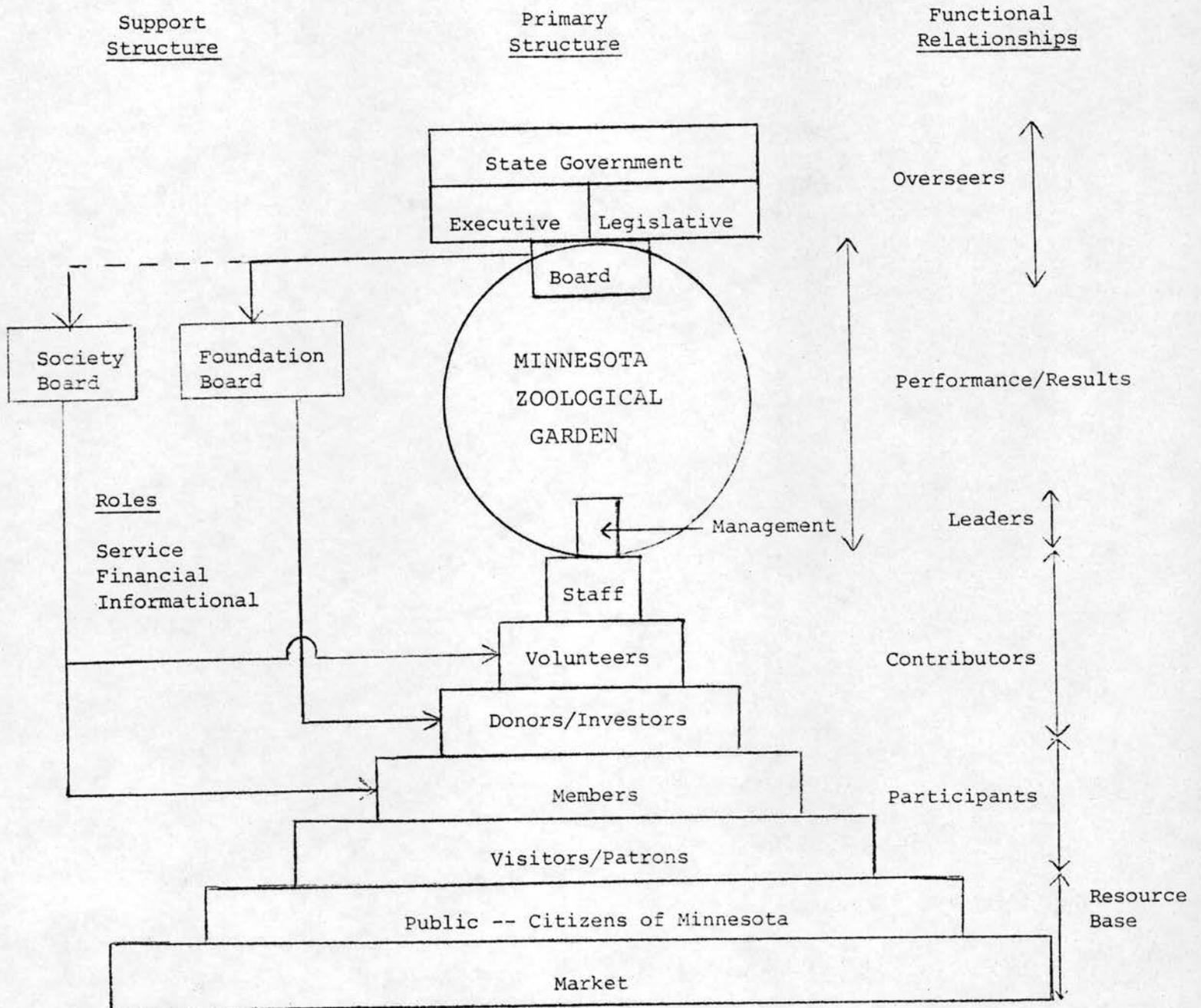
Issues Requiring Prior Review:

The Zoo Board may assign, or the Committee may request and the Zoo Board grant, prior review authority over any policy matter affecting

the Zoological Garden. Initially, right of prior review shall exist for the following: Capital Improvement Plans; plans for marketing/promotion/patronage development and income; fund development programs and donor recognition; and capital budgets. In addition, the relationship between the Society and the Foundation on membership and fund development efforts should be considered by this Committee.

GDH:pn

A DIAGRAM OF ORGANIZATIONAL RELATIONSHIPS
for the
MINNESOTA ZOOLOGICAL GARDEN
as a
PUBLIC INTEREST LEISURE ENTERPRISE



MZG Liaison Schedule

The MZG has some primary relationships outside the State system that require coordination and scheduling. The success of the relationship can be vital to the long term future of the MZG.

1. <u>Primary Groups</u>	July	Aug	Sept	Oct	Nov	Dec
Society (MZS)						
Board Meetings (3rd Thurs., 7:30 PM)	6	3	7	5	16	21
Annual Meetings (June)						
Screening Committee (Promotional Requests)	15					
Executive Committee (Weekly, Mid-Day)						
P. R. Committee (Monthly)						
Foundation (MZGF)						
Board Meeting (Quarterly on 2nd Thurs, 3:00 PM)		10			9	
Annual Meetings (November)						
Executive Meetings (Monthly, 2nd Thurs, 3:00 PM)	13	10	14	12	9	14
Zoo Ride (MZRI)						
Members Meetings (Zoo Board - July)	21					
Board Meeting (July and On Call)	21					
Species Inventory (ISIS)						
Zoo Association (AAZPA)						
National Conference			17-21			
Regional Conference						
Management School (Early February)						
II. <u>Special Coordinating Groups</u>						
A. Promotional Committee Interface	28	25	22	27	24	22
(4th Friday, noon) (Place to be designated)						
<u>Purpose:</u> For coordination of Public Service Announcements, News- letters, Animal Kingdom Insert and Promotions						
<u>Participants:</u> MZS/MZG/MZGF						
<u>Members:</u> Albrecht, M. A. Seal, Chase Davies, Rosebear, Rongren, Jim Williams						
<u>Coordinator:</u> <u>D. Olson</u>						

	July	Aug	Sept	Oct	Nov	Dec
B. Walk Committee (1st Thurs., 4:00 PM) (Place to be designated)	5	3	1	5	2	1
<u>Purpose:</u> Set Policy and direction for Walk with the Animals.						
<u>Participants:</u> MZGF/MZS/MZG						
<u>Members:</u> (2 appointed by each Board Chairman - by July 31) <u>Lloyd Brandt</u> Ferguson, Stokesbary, Spong, Knopf, Gelfand						
<u>Staff Liaison:</u> V. Uchida, B. Voigt						
<u>Staff:</u> Project Director (Foundation - Voigt - Admin)						
C. Staff Liaison Group (1st and 3rd Tues., 8:30 AM at Zoo)	4, 18	1, 15	5, 19	3, 17	7, 21	5, 19
<u>Purpose:</u> Assure information exchange and planning and direction of mutual interests.						
<u>Participants:</u> MZG/MZS/MZGF/MZRI						
<u>Members:</u> <u>Hegstrom</u> , Rongren, Iserman, Voigt, Davies						
D. ZooVAP Committee (2nd and 4th Thurs., 6:30 PM at Zoo)	13, 27	10, 24	14, 28	12, 26	9, 23	14,
<u>Purpose:</u> Planning and direction of Zoo Volunteer Program						
<u>Participants:</u> Volunteers/MZG Staff						
<u>Members:</u> <u>Cote'</u> , Rongren, 1 MZS, 1 MZG, and identified volunteers						
E. Volunteer Services Committee (3rd Thurs., 7:30 PM at Zoo) (VSSC)	20	17	21	19	16	21
<u>Purpose:</u> Volunteer Recruitment						
<u>Participants:</u> MZS/Volunteers/MZG Staff						
<u>Members:</u> (?)						
F. Donor Recognition Committee (4th Thurs, 4:00 PM at Zoo)	27	24	28	26	30	28
<u>Purpose:</u> Supervise donor recognition guidelines and approvals.						
<u>Participants:</u> MZS/MZGF/MZG						
<u>Members:</u> <u>Hegstrom</u> , Rongren, Tilton, Wagner, (Stokesbary), Davies, Paul Freeman, Voigt, Dean McNeal						

ZOO ORGANIZATIONAL RELATIONSHIPS TASK FORCE

3:00 P.M., November 2, 1978

AGENDA

- A. Review of Background Materials
 - 1. Charge to Task Force - U. S. Seal
 - 2. Issues leading to the need
 - Don Maysack - Fund Campaign
 - Jerry Hegstrom - State Concern for Relationships
 - 3. Current Organizational Relationships -
Jerry Hegstrom
- B. Setting Study Objectives (See Attachment)
- C. Schedule
 - Completion Date
 - Meeting Schedule - Topics

Attachment

GDH/pn

STUDY OBJECTIVES

A. Board Organization Issues

1. Determine Society/Foundation relationships, number of members, and leadership requirements.
2. Determine Society/Foundation relationship to Zoo Board.
3. Determine Fund Drive relationships

B. Related Coordination Issues

1. Determine policy issues requiring coordination among Boards.
2. Determine Staff relationships among Boards.
3. Determine Society/Foundation office location(s).



TO:
FROM: U. S. Seal
DATE: October 6, 1978.
SUBJECT: TASK FORCE ON ZOO
ORGANIZATIONAL RELATIONSHIPS

12101 Johnny Cake Ridge Road
Apple Valley, MN 55124
612 432-9000

This will confirm the following appointments for the Minnesota Zoological Board Task Force on Zoo Organizational Relationships:

U. S. Seal, Chairman
Firmin Alexander
Robert Engels
Sandra Stokesbary
Paul Freeman
Lloyd Brandt
Karla Williams
Kenneth Knopf
Dean McNeal
(person to be named)

The major charge for the Task Force is to meet the organizational study needs stated in the Maysack Report to the Minnesota Zoological Garden Foundation. It reads as follows:

A joint task force, representing the Zoological Garden, the Zoological Foundation, and the Zoological Society, should be appointed immediately to resolve the organizational relationships between the three organizations. There must be unquestioned unity of purpose and action among these organizations before any attempt is made to reach external audiences in a fund raising program.

Since the Legislative Auditor's Office previously questioned whether there would not be a conflict of interest if Zoo Board members served on other boards such as the Society, Foundation, and Minnesota Zoo Ride, Inc., the charge should be expanded to consider whether the relationships can be clarified to avoid that potential problem.

A meeting will be arranged as soon as I return.

In the interim, each member is asked to carefully review the attached material as background preparation for the meeting. Attached are the following:

- 1) Minnesota Zoological Board Statute and Bylaws
- 2) Minnesota Zoological Garden Foundation Articles and Bylaws

- 3) Minnesota Zoological Society Articles and Bylaws
- 4) A brief outline of Zoo history
- 5) A copy of a letter in response to the Legislative Auditor's Concerns
- 6) A Diagram of Current Organizational Relationships

The initial suggested agenda will be:

- A. Review of Background Materials
- B. Setting Study Objectives
- C. Schedule

I further suggest that you consider the initial grouping of study objectives as follows:

- A. Board Organization Issues
 1. Determine Society/Foundation relationships, number of members, and leadership requirements.
 2. Determine Society/Foundation relationship to Zoo Board.
 3. Determine Fund Drive relationships
- B. Related Coordination Issues
 1. Determine policy issues requiring coordination among Boards.
 2. Determine Staff relationships among Boards.
 3. Determine Society/Foundation office location(s).

As you consider the study objectives, remember that questions have been raised about at least the following:

- 1) What appears to some to be the political attributes of the Zoo Board.
- 2) Zoo Board member appointment process.
- 3) Number of Foundation Board members.
- 4) Use of interlocking boards with the Zoo Board.
- 5) Authority relationships, particularly ability of potential donors to be assured of policy direction for the use of funds.

October 6, 1978

Page 3

- 6) Ability to tap community leadership for major fund drives.
- 7) Public confusion about the difference between the Society and the Foundation and the relationship to the Zoo Board.
- 8) Staff and Board leadership requirements for all Boards.
- 9) Coordination of information among Boards, particularly goal setting for funding efforts.
- 10) Staff relationships and office location.

If there is any question regarding this material, please contact Jerry Hegstrom at the Zoo Office, 432-9010.

Yours very truly,

U. S. Seal, PhD.
Chairman, Task Force on Zoo
Organizational Relationships

Attachments

USS:pn

MATERIAL STATE OF MINNESOTA
MINNESOTA ZOOLOGICAL GARDEN
Board Operations By-Laws

10/14/71
11/10/71

ARTICLE I.
Meetings

Section 1. Regular Meetings: Regular meetings of the Board shall be held every fourth Friday, unless otherwise specified by its chairman.

Section 2. Special Meetings: Special meetings may be called by either the chairman or by any three members of the Board, provided notice is given to all members of the Board at least five days prior to the date of meeting by the United States mail. Notice of special meeting called by three members of the Board shall contain the signatures of the three members who are calling the meeting.

Section 3. Time and Place: Time and place of regular and special Board meetings shall be at 9:00 o'clock A.M. at the Zoological Board offices, unless otherwise specified by the chairman.

Section 4. Agenda: Agenda shall be prepared by the chairman in consultation with the director and shall be submitted to the Board members prior to the meeting.

Section 5. Quorum: Quorum shall consist of six members of the Board, or, in the event there are vacancies on the Board, a majority of members of the Board.

Section 6. Transaction of Business: The acts of a majority of Board members present at a meeting at which a quorum is present shall be the acts of the Board.

ARTICLE II.
Officers

Section 1. Officers: The officers of the Board shall be the chairman, vice-chairman, secretary and treasurer.

Section 2. Term of Office: Term of office shall be for one year.

Section 3. Election of Officers: Election of officers shall take place at the regular meeting of the Board in July of each year.

Section 4. Vacancies: The Board shall, within two weeks following the occurrence of a vacancy on the Board, advise the Governor of such vacancy and request that he make an appointment to fill the vacancy. Vacancies and removal from the Board shall, in all other respects, be accomplished in accordance with Minnesota Statutes 15.0575, Subdivision 4.

ARTICLE III.
Committees

Section 1. Approval. The chairman shall appoint all committee chairman and shall approve all appointments of committee members.

Section 2. Executive Committee: Executive Committee shall consist of the officers of the Board and chairmen of the standing committees. The Executive Committee, by unanimous, affirmative action of the Board, shall have and exercise the authority of the Board in the management of the business of the Minnesota Zoological Board. Any such Executive Committee shall act only in the interval between meetings of the Board and shall be subject at all times to the control and direction of the Board.

The Executive Committee shall also act as the Finance Committee of the Board, specifically reviewing and recommending to the Board budgets, sales and revenue reports, legislative programs, Minnesota Zoological Garden Foundation interface, and long term finance planning.

Section 3. Standing Committees: The standing committee of the Board shall consist of an Operations and Personnel Committee.

Section 4. Special Committees: Special committees shall be appointed by the chairman and approved by the Board as the business of the Board indicates.

Section 5. Committee Duties: The primary duties of each committee are to review significant Board business prior to the time a Board decision is required and to make a recommendation to the Board.

ARTICLE IV. Board Member Expenses

Section 1. Provision for Payment: Board member expense shall be paid in accordance with Minnesota Statutes 1974 1977, Chapter 85A, Section 85A.01, Subd. 1a.

Section 2. Per Diem Compensation: Board members, except those who are full time state employees or full time employees of the political subdivisions of the state shall be paid per diem compensation as follows:

1. Regular or special board meetings at which the member attends.
2. Board committee meetings at which the member attends.
3. Meetings with other governmental agencies and community groups which by board action the member or members are authorized to represent the board.
4. Trips to other zoos, to regional and national conferences, and to other meetings which by board action the member or members are authorized to represent the board.
5. No more than one per diem compensation of \$35.00 shall be paid in any one day.

Section 3. Travel Expense. Board members shall be reimbursed for travel expenses in the same manner and amount as received by state employees in accordance with the regulations and policies of the Department of Administration.

ARTICLE V.
Amendments

Section 1. Amendment of By-Laws: By-Laws may be amended at a regular or special meeting of the Board by two-thirds majority vote of board members present; providing that notice of an intent to amend, including the wording of the amendment, shall be sent to all board members at least ten days prior to such a meeting by the proposer by means of the United States mail.

85A.01 MINNESOTA ZOOLOGICAL GARDEN

CHAPTER 85A

MINNESOTA ZOOLOGICAL GARDEN

Sec.
85A.01 Creation; organization.
85A.02 Powers and duties.
85A.03 Director.

Sec.
85A.04 Zoological garden accounts in the general fund.
85A.05 Minnesota state zoological garden bonds.

85A.01 Creation; organization

Subdivision 1. The Minnesota zoological garden is hereby established under the supervision and control of the state zoological board which is hereby created. The board shall consist of 11 members appointed by the governor with the advice and consent of the senate. In consultation with the Dakota county board the governor shall appoint as a twelfth member of the zoo board a resident of Dakota county who shall not vote and who may be a member of the county board.

SEE ATTACHMENT 1. Subd. 1a. The membership terms, compensation, removal of members, and filling of vacancies on the board for all voting members shall be as provided in section 15.0575.

Subd. 2 The board shall annually elect a chairman from among its members and such other officers as it may deem necessary for the performance of its duties. It shall appoint a director to serve at its pleasure who is in the unclassified service of the state and who shall be chosen solely on the basis of his training, experience and other qualifications in the field of zoo management. The director shall act as executive secretary and appoint administrative officers and employees of the board with the approval of the board. With the approval of the board, he shall exercise the powers and duties set forth in section 85A.03.

Subd. 3. The director, officers and employees are included in the meaning of state employee under the provisions of section 352.01, subdivision 2A.

Subd. 4. The board shall meet at such times and places as it may determine.
[1969 c 868 s 1; 1976 c 134 s 19-21]

85A.02 POWERS AND DUTIES. Subdivision 1. The board shall possess the powers and shall be charged with the duties and responsibilities prescribed in this section.

Subd. 2. The board shall acquire, construct, equip, operate and maintain the Minnesota zoological garden at a site in Dakota county legally described in Laws 1975, Chapter 382, Section 12. The zoological garden shall consist of adequate facilities and structures for the collection, habitation, preservation, care, exhibition, examination or study of wild and domestic animals, including, but not limited to mammals, birds, fish, amphibians, reptiles, crustaceans and mollusks. The board may provide such lands, buildings and equipment as it deems necessary for parking, transportation, entertainment, education or instruction of the public in connection with such zoological garden.

Subd. 3. The board may conduct research studies and programs, collect and analyze data and prepare reports, maps, charts and other information relating to the zoological garden or any wild or domestic animals or may contract for any of such services without complying with the requirements of chapter 16.

Subd. 4. The board may appoint an advisory committee consisting of persons who are members of zoological societies or who have shown a background or interest in such societies or zoo management.

Subd. 5. The board may accept and use gifts, grants or contributions from any source or appropriations made by the legislature for the purpose of the establishment and operation of the zoological garden or for the establishment, improvement or operation of facilities related thereto and necessary therefor at the sites of other zoological gardens owned by governmental subdivisions of the state of Minnesota.

Subd. 6. Lands necessary for any of the purposes enumerated in this section may be acquired by eminent domain proceedings under the authority of chapter 117.

Subd. 7. The board may enact regulations governing the efficient protection of the Minnesota zoological garden and the related facilities and the conduct of persons entering therein. Regulations shall become effective in the manner provided by law for the promulgation of rules and regulations by state departments and agencies. A viola-

MINNESOTA ZOOLOGICAL GARDEN 85A.03

tion of any regulation promulgated by the board under this section is a misdemeanor.

Subd. 8. [Repealed, 1973 c 207 s 6]

Subd. 9. The board shall comply with all federal laws and any rules or regulations prescribed by any agency of the federal government, relating to the quarantine, transportation, examination, habitation, care, and treatment of wild animals. The department of natural resources may prescribe rules and regulations supplemental to such federal regulations, relating to the transportation, examination, care, and treatment of wild animals native to this state held or proposed to be acquired by the board and may inspect all such wild animals as often and at such times as it shall deem necessary.

Subd. 10. The board shall not be subject to the provisions of chapters 17, 19, 97, 98, 99, 100, and 101, and section 346.21, subdivision 8, relating to purchase, barter, sale, possession, breeding, or transporting wild animals.

Subd. 11. The board shall have all powers necessary or convenient to discharge the duties imposed upon it by law, and to operate the zoological garden in the manner which will best serve the public.

Subd. 12. The board shall report to the department of economic development on or before December 1 of each year on the activities of the board and the operation of the zoological garden. The commissioner of economic development shall evaluate the activities of the board and the operation of the zoological garden and report thereon to the legislature on or before November 15 of each even numbered year.

Subd. 13. The board may acquire by gift, purchase, or condemnation any real estate, not previously acquired and conveyed to the state by the county of Dakota, necessary to complete the zoo site as described in Laws 1975, Chapter 332, Section 12 or to meet United States department of agriculture certification requirements. Funds from the Minnesota zoological garden building account may be expended for the acquisitions.

SEE ATTACHMENT
2.

Subd. 14. The board may sell or exchange animals determined by it to be superfluous to zoo operations, subject to all state and federal regulations.

Subd. 15. The board may provide for promotional and advertising programs which may be developed and implemented either by zoological garden personnel or by contract with outside personnel and which shall be paid for out of funds other than bond revenues.

[1969 c 888 s 2; 1969 c 1129 art 10 s 2; 1973 c 207 s 1,4; 1974 c 406 s 60; 1975 c 382 s 2,3]

Subd. 16. The board may acquire by lease-purchase or installment purchase contract, transportation systems, facilities and equipment that it determines will substantially enhance the public's opportunity to view, study or derive information concerning the animals to be located in the zoological garden, and will increase attendance at the garden. The contracts may provide for: (1) the payment of moneys over a twelve year period, or over a longer period not exceeding twenty-five years if approved by the commissioner of administration; (2) the payment of money from any funds of the board not pledged or appropriated for another purpose; (3) indemnification of the lessor or seller for damage to property or injury to persons due primarily to the actions of the board or its employees; (4) the transfer of title to the property to the board upon execution of the contract or upon payment of specified amounts; (5) the reservation to the lessor or seller of a security interest in the property; and (6) any other terms that the board determines to be commercially reasonable. Property so acquired by the board, and its purchase or use by the board, or by any non-profit corporation having a concession from the board requiring its purchase, shall not be subject to taxation by the state or its political subdivisions. Each contract shall be subject to the provisions of chapter 16, relating to competitive bidding, provided that the board is not required to readvertise for competitive proposals for any transportation system, facilities and equipment heretofore selected from competitive proposals taken pursuant to section 85A.03, subdivisions 4 and 4a.

85A.03 DIRECTOR. Subdivision 1. Subject to the other provisions of sections 85A.01 to 85A.04 the director shall have the powers and duties prescribed in this section.

Subd. 2. Subject to the approval of the board the director shall organize the Minnesota zoological garden and provide for such officers, agents and employees necessary for the operation thereof. Four such positions may be provided in the unclassified service of the state and be chosen solely on the basis of training, experience and other qualifications in the field of zoo management. 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.

Subd. 3. As the executive secretary and principal administrative officer of the board and subject to its approval, the director shall operate the Minnesota zoological garden and enforce all regulations and policy decisions of the board in regard thereto. He shall perform such other duties as may be directed by the board.

Subd. 4. As directed by the board, the director may:

(a) Establish a schedule of charges for admission to or the use of the Minnesota zoological garden or any related facility.

(b) Provide for the purchase, reproduction, and sale of gifts, souvenirs, publications, informational materials, food and beverages, and grant concessions for the sale of such items. Revenues received from the sale of gifts, souvenirs, publications, informational materials, food and beverages shall be deposited to the credit of the Minnesota zoological garden general account. The purchase of materials and commodities for resale and the granting of any concessions relative to food, beverages, and transit shall not be subject to the competitive bidding procedures of sections 16.06, 16.07, and 16.23 but shall remain subject to all other provisions of chapter 16. In other areas of concessions the commissioner of administration may determine that it is not feasible and not in the public interest to award a contract for the operation of such concession to the highest responsible bidder.

Subd. 4a. In the purchasing of such materials and commodities and the granting of such concessions, a contract for such purchases or concessions shall be made either upon sealed bids or by direct negotiation, by obtaining two or more quotations for the service when possible. At least 30 days before awarding a directly negotiated contract, the zoological board shall, by written published notice, request quotations for the service or materials for resale to be provided. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof. If a contract is made upon sealed bids, the procedure for advertising and awarding bids shall conform to the provisions of chapter 16.

Subd. 5. In order to encourage and permit the use of and access to the Minnesota zoological garden, the board shall establish an admissions policy providing for free admission to the Minnesota zoological garden for all visitors on certain days distributed throughout each year.

[1969 c 868 s 3; 1973 c 207 s 5; 1974 c 348 s 1; 1974 c 543 s 1,2; 1975 c 382 s 4,5]

85A.04 Zoological garden accounts in the general fund

Subdivision 1. Minnesota zoological garden general account. A Minnesota zoological garden general account is created in the general fund. All receipts from the operation of the Minnesota zoological garden shall be deposited to the credit of such account. Money in this account may be expended as appropriated biennially for operation, capital improvements, and equipment of the Minnesota zoological garden, including lease rentals and for acquisition of wild and domestic animals therefor and for payment of the principal of and interest on Minnesota state zoological garden bonds.

Subd. 1a. Minnesota zoological garden operating receipts investment account. A Minnesota zoological garden operating receipts investment account is created. As determined by the board, funds credited to the Minnesota zoological garden general account over and above those currently needed may be transferred to the operating receipts investment account to be invested by the state board of investment, pursuant to section 11.23, and are appropriated annually for the investment. When it appears to the board that funds so transferred are needed for current purposes, the board shall so certify to the state board of investment, and the funds will be transferred back into the zoological garden general account.

Subd. 1b. Transfer of excess funds to Minnesota zoological garden bond account. After the completion of the Minnesota zoological garden and related facilities, the balance, if any, on hand on November 1 in each year, in both the Minnesota zoological garden general account and operating receipts investment account in excess of the amount determined by the board to be needed for the maintenance of adequate working capital and for compliance with the terms of any gifts of money then in the account, shall be transferred to the state zoological garden bond account in the state bond fund, to the extent that the transfer is necessary to meet the requirements of section 85A.03, subdivision 4. The portion of the funds to be retained in the zoological garden accounts in the general fund and determined by the board not to be needed for current purposes may remain invested in the operating receipts investment account.

SEE ATTACHMENT

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SEE ATTACHMENT

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Subd. 2. Minnesota zoological garden building account. A Minnesota zoological garden building account is also created in the general fund, for the purpose of providing money to the state zoological board for the acquisition and betterment of public land, buildings, and improvements of a capital nature needed for the Minnesota zoological garden; including but not limited to interest to accrue during the period of the construction thereof on money borrowed by the state for such construction. On November 1 in each year prior to the completion of the Minnesota zoological garden and related facilities the balance, if any, on hand in this account in excess of the amount determined by the board to be needed for the payment of claims then due and payable, encumbrances, and projected expenditures for necessary expenses of such completion shall be transferred to the state zoological garden bond account in the state bond fund, to the amount required for compliance with section 85A.05, subdivision 4. Proceeds of state bonds and income from investment of that money credited to this fund are appropriated for land acquisition, animal acquisition, construction, and other permanent improvement and shall be available until the purposes for which the appropriation was made have been accomplished or abandoned, and none of such money shall be canceled. Income from investment of such money shall be credited to this account in each fiscal year. When the purpose of any such appropriation has been accomplished or abandoned, the state zoological board shall so certify to the commissioner of finance. Thereupon the unexpended balance of such appropriation, unless transferred under authority of the appropriation act to another purpose therein designated, shall be transferred and credited to the state bond fund. Amounts so transferred and credited are appropriated for the purpose of reducing the amount of tax otherwise required to be levied for the state bond fund by Article 11, Section 7, of the Constitution, or for reimbursing the bond fund for amounts previously transferred to the state zoological garden bond account so as to eliminate any prior deficiency covered by the state bond fund, the general fund in the state treasury, or through a tax levy.

SEE ATTACHMENT
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[1969 c 868 s 4; 1973 c 207 s 2; 1973 c 492 s 14; 1975 c 332 s 6-9; 1976 c 2 s 172]

85A.05 MINNESOTA STATE ZOOLOGICAL GARDEN BONDS. Subdivision 1. Purpose and appropriation. For the purpose of providing money appropriated to the state zoological board from the Minnesota zoological garden building account for the acquisition and betterment of public land, buildings, and improvements of a capital nature, when authorized by law and requested by the board, the commissioner of finance shall sell and issue bonds of the state of Minnesota for the prompt and full payment of which, with interest thereon, the full faith, credit, and taxing powers of the state are irrevocably pledged. The proceeds of such bonds shall be credited to the building account, except that accrued interest and any premium received on sale of the bonds shall be credited to the state bond fund account referred to in subdivision 4, together with any additional sum directed to be so credited by any law authorizing an issue of such bonds. Bonds shall be issued pursuant to this section only as authorized by subdivision 6 or by another law in accordance with the provisions of the Constitution, Article 11, Section 7. Any law authorizing the issuance of bonds in the manner provided in this section shall, together with this section, constitute complete authority for such issue, and such bonds shall not be subject to restrictions or limitations contained in any other law.

SEE ATTACHMENT
5.

Subd. 2. Issuance of bonds. Upon request by resolution of the state zoological board and upon authorization as provided in subdivision 1 the commissioner of finance shall sell and issue Minnesota zoological garden bonds in the aggregate amount requested, upon sealed bids and upon such notice, at such price, in such form and denominations, bearing interest at such rate or rates, maturing in such amounts and on such dates, without option of prepayment or subject to prepayment upon such notice and at such times and prices, payable at such bank or banks within or outside the state, with such provisions for registration, conversion, and exchange and for the issuance of notes in anticipation of the sale or delivery of definitive bonds, and in accordance with such further regulations, as the commissioner of finance shall determine, subject to the approval of the attorney general, but not subject to the provisions of sections 15.0411 to 15.0422. The bonds shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signatures of the officers on the bonds and any appurtenant interest coupons and their seals may be printed, lithographed, engraved, or stamped thereon, except that each bond shall be authenticated by the manual signature on its face of one of the officers or of an officer of a bank designated by them as authenticating agent. The commissioner of finance shall ascertain and certify to the purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota, subject to the approval of the attorney general.

Subd. 3. Expenses. All expenses incidental to the sale, execution, delivery and other expenses of bonds pursuant to this section, including but not limited to actual and necessary travel and subsistence expenses of state officers and employees for such purposes, shall be paid from the Minnesota zoological garden building account in the general fund, and the amounts necessary therefor are appropriated from that account; provided that if any amount is specifically appropriated for this purpose in an act authorizing the issuance of bonds pursuant to this section, such expenses shall be limited to the amount so appropriated.

Subd. 4. Minnesota state zoological garden bond account in the state bond fund. The commissioner of finance shall maintain in the state bond fund a separate book-keeping account which shall be designated as the state zoological garden bond account, to record receipts and disbursements of money transferred to the fund to pay Minnesota zoological garden bonds and income from the investment of such money, which income shall be credited to the account in each fiscal year. The amounts directed by section 85A.04, subdivisions 1b and 2 to be transferred annually to this bond account are appropriated thereto, and the legislature may also appropriate to the bond account any other money in the state treasury not otherwise appropriated. On November 1 of each year there shall be transferred to the bond account all of the money then available under any such appropriation or such lesser sum as will be sufficient, with all money previously transferred to the account and all income from the investment of such money, to pay all principal and interest then and theretofore due and all principal and interest to become due to and including July 1 in the second ensuing year on Minnesota zoological garden bonds. All money so transferred and all income from the investment thereof shall be available for the payment of such bonds and interest thereon, and so much thereof as may be necessary is appropriated for such payments. The state auditor and treasurer are directed to make the appropriate entries in the accounts of the respective funds.

Subd. 5. Tax levy. On or before December 1 in each year the state auditor shall levy on all taxable property within the state whatever tax may be necessary to produce an amount sufficient, with all money then and theretofore credited to the Minnesota zoological garden bond account, to pay the entire amount of principal and interest then and theretofore due and principal and interest to become due on or before July 1 in the second year thereafter on Minnesota zoological garden bonds. This tax shall be levied upon all real property used for the purposes of a homestead, as well as other taxable property, notwithstanding the provisions of section 273.13, subdivisions 6 and 7, and shall be subject to no limitation of rate or amount until all such bonds and interest thereon are fully paid. The proceeds of this tax are appropriated and shall be credited to the state bond fund, and the principal of and interest on the bonds are payable from such proceeds, and the whole thereof, or so much as may be necessary, is appropriated for such payments. If at any time there is insufficient money from the proceeds of such taxes to pay the principal and interest when due on Minnesota zoological garden bonds, such principal and interest shall be paid out of the general fund in the state treasury, and the amount necessary therefor is hereby appropriated, with such sums from tax levies and the general fund subject to future reimbursement to the bond fund by the Minnesota zoological garden bond account as indicated in section 85A.04, subdivision 2.

MINNESOTA ZOOLOGICAL GARDEN 85A.05

Subd. 6. Bond authorization and appropriations. For the purpose of providing money for the acquisition and betterment of public land, buildings, and improvements of a capital nature needed for the Minnesota zoological garden in accordance with the comprehensive plan of the state zoological board adopted in accordance with section 85A.02, subdivision 2, the commissioner of finance is directed to sell and issue Minnesota zoological garden bonds in the amount of \$23,025,000 in the manner and upon the conditions provided in subdivisions 1 to 5. The commissioner of finance may sell or issue an additional \$2,350,000 of bonds, but no part thereof shall be expended unless equally matched by other than state appropriations. Any gifts, grants, or contributions accepted pursuant to section 85A.02, subdivision 5, other than contribution of lands by governmental entities, for the establishment or operation of the Minnesota zoological garden, whether in cash or in kind, shall be considered as matching funds. Non-cash items shall be tangible real or personal property and shall be attributed as matching funds according to their fair market value at the time of receipt. The bonds may include a sum representing interest to accrue on the bonds from and after its date of issue through the anticipated period of construction and development of the zoological garden, which sum is needed for the payment and security of the interest payments during that period, but in no event shall the bonds exceed the maximum amount stated above. The bonds shall be sold, issued, and secured as provided in subdivisions 1 to 5 and in Article 11, Section 7, of the Constitution, except that none of the bonds of any series issued pursuant to this authorization shall mature earlier than one year after the date of completion of the Minnesota zoological garden and related facilities as estimated by the state zoological board at the time of the issuance of such series. The proceeds of the bonds, except premium and accrued interest, are appropriated to the Minnesota zoological garden building account in the general fund, for expenditure by the state zoological board for the purpose for which the bonds are authorized in accordance with the provisions of section 85A.04, subdivision 2. In order to reduce the amount of taxes otherwise required by the Constitution to be levied for the payment of interest and principal on the bonds, there is also appropriated annually to the Minnesota state zoological bond account in the state bond fund from the general fund a sum of money sufficient in amount, when added to the balance on hand on November 1 in each year in the bond account, to pay all principal and interest due and to become due on the bonds to and including July 1 in the second ensuing year. The money received and on hand pursuant to this annual appropriation is available in the state bond fund prior to the levy of the tax in any year required by the Constitution and by subdivision 5 and shall be used to reduce the amount of the tax otherwise required to be levied.

[1973 c 207 s 3; 1973 c 492 s 14; 1975 c 382 s 10,11; 1976 c 2 s 172]

15.0575 ADMINISTRATIVE BOARDS AND AGENCIES. Subdivision 1. **Procedure.** The membership terms, compensation, and removal of members and the filling of membership vacancies of boards shall be governed by this section whenever specifically provided by law. As used in this section, "boards" shall refer to all boards, commissions, agencies, committees, councils, authorities and courts whose provisions are governed by this section.

Subd. 2. Membership terms. The terms of the members shall be four years with the terms ending on the first Monday in January. The appointing authority shall appoint as nearly as possible one-fourth of the members to terms expiring each year. If the number of members is not evenly divisible by four, the greater number of members, as necessary, shall be appointed to terms expiring in the year of commencement of the governor's term and the year or years immediately thereafter. If the membership is composed of categories of members from occupations, industries, political subdivisions, the public or other groupings of persons, and if the categories have two or more members each, the appointing authority shall appoint as nearly as possible one-fourth of the members in each category at each appointment date. Members may serve until their successors are appointed and qualify. If the appointing authority fails to appoint a successor by July 1 of the year in which a term expires, the term of the member for whom a successor has not been appointed shall extend, subject to the advice and consent of the senate if the member was appointed by the governor, until the first Monday in January four years after the scheduled end of the original term.

Subd. 3. Compensation. Members of the boards shall be compensated at the rate of \$35 per day spent on board activities, when authorized by the board, plus expenses in the same manner and amount as received by state employees. Members who are full time state employees or full time employees of the political subdivisions of the state shall not receive the \$35 per day, but they shall suffer no loss in compensation or benefits from the state or a political subdivision as a result of their service on the board. Members who are full time state employees or full time employees of the political subdivisions of the state may receive the expenses provided for in this subdivision unless the expenses are reimbursed by another source.

Subd. 4. Removal; vacancies. A member may be removed by the appointing authority at any time (1) for cause, after notice and hearing, or (2) after missing three consecutive meetings. The chairman of the board shall inform the appointing authority of a member missing the three consecutive meetings. After the second consecutive missed meeting and before the next meeting, the secretary of the board shall notify the member in writing that he may be removed if he misses the next meeting. In the case of a vacancy on the board, the appointing authority shall appoint, subject to the advice and consent of the senate if the member is appointed by the governor, a person to fill the vacancy for the remainder of the unexpired term.

[1976 c 134 s 1]

ATTACHMENT 2.

Sec. 12. The site of the Minnesota zoological garden is legally described as follows:

The Northwest Quarter of Section 14, Township 115, Range 20, together with Government Lot 2, Section 11, Township 115, Range 20, together with the north one-half of the Southwest Quarter of Section 14, Township 115, Range 20, together with that part of Government Lot 1, Section 10, Township 115, Range 20, lying easterly of the centerline of Galaxie Avenue as traveled, together with that part of the Northeast Quarter of Section 15, Township 115, Range 20, lying easterly of the centerline of Galaxie Avenue as traveled, together with that part of the north one-half of the Southeast Quarter of Section 15, Township 115, Range 20, lying easterly of the centerline of Galaxie Avenue as traveled, all in Dakota County, Minnesota and containing 478.5 acres, more or less.

Sec. 13. This act takes effect the day following its final enactment.

Approved June 4, 1975.

ATTACHMENT 3

DOES NOT APPLY TO M.Z.G.
CONCESSIONS FOR FOOD SERVICES AND TRANSIT

16.06 SUPPLIES, MATERIALS; PURCHASE. Subdivision 1. Agencies may buy direct. Under rules and regulations prescribed by him, the commissioner may authorize any agency of the state government to purchase directly specified supplies, materials, equipment, and utility services; provided, that in making such purchases the authorized agency shall call for bids and proceed otherwise in like manner as herein required in case of purchases by the commissioner.

Subd. 2. **Emergency purchases.** In emergencies, under rules and regulations prescribed by him, the commissioner may contract directly for the repair, rehabilitation, and improvement of any state owned structure or may authorize any agency to do so, and he may purchase or may authorize any agency to purchase directly any supplies, materials, equipment, or utility services for immediate use without calling for bids. An emergency for the purposes of this subdivision is an unforeseen occurrence or combination of circumstances which calls for immediate action in the public interest.

Subd. 3. [Repealed, 1957 c 808 s 8]

Subd. 4. **Purchases, accounting and reporting.** All regulations made by the commissioner under this section shall prescribe the manner in which purchases shall be made, not inconsistent herewith, and the manner of accounting for and reporting the same to the commissioner and the commissioner of finance; provided, that every such purchase shall be so reported within three days.

[1939 c 431 art 2 s 6; 1945 c 155 s 1; 1955 c 675 s 1; 1955 c 754 s 1.2; 1969 c 279 s 1; 1973 c 492 s 14] (53-18e)

16.07 COMPETITIVE BIDS. Subdivision 1. **Application.** Except as otherwise provided by sections 16.01, 16.02, and 16.03 to 16.23, all contracts for construction or repairs and all purchases of and all contracts for supplies, materials, purchase or rental of equipment, and utility services shall be based on competitive bids, and all sales of property shall be to the highest responsible bidder after advertising for bids, as herein provided; provided, that competitive bids shall not be required for utility services where no competition exists or where rates are fixed by law or ordinance. Standard requirement price contracts established for supplies or services to be purchased by the state shall be established by competitive bids. Such standard requirement price contracts may contain escalation clauses and may provide for a negotiated price increase or decrease based upon a demonstrable industrywide or regional increase or decrease in the vendor's costs. The term of such contracts shall not exceed two years with an option on the part of the state to renew for an additional two years.

Subd. 2. **Publication of notice; expenditures over \$5,000.** If the amount of the expenditure or sale is estimated to exceed \$5,000, sealed bids shall be solicited by public notice inserted at least once in a newspaper or trade journal not less than seven days before the final date of submitting bids. The commissioner shall designate the newspaper or trade journal for such publication, and may designate different newspapers or journals according to the nature of the purchase or contract. The commissioner shall also solicit sealed bids by sending notices by mail to all prospective bidders known to him, and by posting notice on a public bulletin board in his office at least five days before the final date of submitting bids. All bids shall be sealed when received, shall be opened in public at the hour stated in the notice, and all original bids together with all documents pertaining to the award of a contract shall be retained and made a part of a permanent file or record, and shall be open to public inspection. This subdivision shall not apply to the purchase of fibre used in the manufacture of binder twine, ply twines, and rope at the state penal institutions, which shall be purchased in accordance with such regulations as the commissioner may prescribe, requiring competitive bids as far as practicable.

Subd. 3. [Repealed, 1971 c 836 s 9]

Subd. 4. **Purchases, sales, or rentals; \$5,000 or less.** All purchases or sales the amount of which is estimated to be \$5,000 or less may be made either upon competitive bids or in the open market, in the discretion of the commissioner; but, so far as practicable, shall be based on at least three competitive bids which shall be permanently recorded. All rentals of equipment and animals with operators or drivers furnished the amount of which is estimated to be less than \$1,000 in any 30-day period shall be made in accordance with rules prescribed by the commissioner.

Subd. 5. **Standard specifications, security.** Contracts and purchases shall in all cases be based on the standard specifications prescribed by the commissioner in accordance with Laws 1939, Chapter 431, as amended, unless otherwise expressly provided. Each bidder for a contract shall furnish such security as the commissioner approves to insure the making of the contract for which he bids.

Subd. 6. **Advertisement of highway contracts.** Notwithstanding anything herein to the contrary, all contracts for the repair, improvement, maintenance, or construction of highways or highway bridges shall be advertised and let as now or hereafter provided by law for highway construction contracts.

Subd. 7. [Expired]

Subd. 8. **Bids not required.** With the approval of the commissioner of administration and under such regulations as he may prescribe, merchandise for resale at state park refectories or facility operations may be purchased without advertising for bids. Farm and garden products may be sold at the prevailing market price on the date of the sale without advertising for bids. Competitive bidding shall not be necessary for purchases clearly and legitimately limited to a single source of supply in which instance the purchase price may be best established by direct negotiation.

Subd. 9. [Expired]

Subd. 10. **Auction in lieu of bids.** The commissioner of administration in lieu of advertising for bids may sell buildings and other personal property owned by the state and not needed for public purposes at public auction to the highest responsible bidder. Such sale shall be made after publication of notice thereof in a newspaper of general circulation in the area where the property is located and such other advertising as the commissioner of administration may direct. Any of the property may be withdrawn from the sale prior to the completion of such sale unless the auction has been announced to be without reserve. If the sale is made at public auction a duly licensed auctioneer shall be retained to conduct such sale, his fees for such service to be paid from the proceeds, and there is appropriated from such proceeds an amount sufficient to pay such fees.

The commissioner may consign automobiles and trucks for sale at auction either to the general public or to licensed car dealers under such terms and conditions as are in the judgment of the commissioner most advantageous to the state.

Subd. 11. **Negotiated contracts.** In lieu of any of the other requirements of this section the commissioner of administration may negotiate a contract for the doing of public work at a state owned institution or installation where the cost does not exceed \$5,000 and where the head of the affected state department or agency requests the commissioner so to do. The commissioner shall cause to be prepared such plans and specifications for the public work as he deems the protection of the public interest to require. Contractor's bonds or security, as provided for in chapter 574 shall not be required for contracts entered into pursuant to this subdivision.

Subd. 12. **Meat purchases.** The commissioner of administration may purchase meat for other state institutions from the vocational school maintained at Pipestone by Independent School District No. 583. The purchases shall be negotiated and made on terms agreeable to both parties. The provisions of chapter 16, relating to competitive bidding shall not apply to purchases made in accordance with this subdivision.

Subd. 13. **Federal general services administration price schedules.** Notwithstanding anything in this section to the contrary, the commissioner may, instead of soliciting bids, contract for purchases with suppliers who have published schedules of prices effective for sales to the general services administration of the United States. Such contracts for purchases may be entered into, regardless of the amount of the purchase price, if the commissioner of administration deems such contracts to be advantageous, and the purchase price of any and all commodities purchased thereunder shall not exceed the price specified by the schedule.

Final Signed Copy

ARTICLES OF INCORPORATION
OF
MINNESOTA ZOOLOGICAL GARDEN FOUNDATION

The undersigned, for the purpose of forming a corporation pursuant to the provisions of the Minnesota Nonprofit Corporation Act, Minnesota Statutes, Chapter 317, adopt the following Articles of Incorporation:

ARTICLE I

The name of this corporation shall be Minnesota Zoological Garden Foundation.

ARTICLE II

This corporation is organized and shall be operated exclusively for charitable, educational, and scientific purposes and, in limitation of the foregoing, this corporation is organized and shall be operated exclusively for the benefit of the Minnesota Zoological Garden in the accomplishment of its purposes through the rendering of financial assistance, performing of services, and such other acts and benefits as are appropriate and helpful to further the authorized objectives of the Minnesota Zoological Garden and to assist the Minnesota Zoological Board which has been created to supervise and control the Minnesota Zoological Garden. For such purposes and not otherwise, and subject always to the limitations contained in Article III hereof, this corporation shall have only such powers as are required by and are consistent with the foregoing purposes, including the power to acquire and receive funds and property of every kind and nature whatsoever, whether by purchase, conveyance, lease, gift, grant, bequest, legacy, devise, or otherwise and to own, hold, expend, make gifts, grants, and contributions of, and to convey, transfer, and dispose

of any funds and property and the income therefrom for the furtherance of the purposes of this corporation hereinabove set forth, or any of them, and to lease, mortgage, encumber, and use the name, and such other powers which are consistent with the foregoing purposes of this corporation and which are afforded to the corporation by the Minnesota Nonprofit Corporation Act, and any further laws amendatory thereof and supplementary thereto.

ARTICLE III

(a) This corporation shall, with respect to each of its taxable years, make distributions in furtherance of its purposes as set forth in Article II hereof, at such times and in such manner and in sufficient amounts that this corporation is not subjected to any taxes imposed by Section 4942 of the Internal Revenue Code of 1954, as now enacted or as hereafter amended.

(b) This corporation shall not engage in any act of "self-dealing" (as such term is defined in Section 4941(a) of the Internal Revenue Code of 1954, as now enacted or as hereafter amended) with any "disqualified person" (as such term is defined in Section 4946(a) of the Internal Revenue Code of 1954, as now enacted or as hereafter amended) or "government official" (as such term is defined in Section 4946(c) of the Internal Revenue Code of 1954, as now enacted or as hereafter amended).

(c) This corporation shall not engage in any act, or purchase or hold any property, or make any expenditure of its funds, or otherwise, which subjects this corporation to any tax imposed by Section 4943, or Section 4944, or Section 4945 of the Internal Revenue Code of 1954, as now enacted or as hereafter amended.

ARTICLE IV

This corporation does not and shall not, incidentally or otherwise, afford pecuniary gain to, its members, directors or officers; provided that,

subject always to the limitations contained in Article III hereof, this corporation may pay reasonable compensation for services rendered to or for the corporation affecting, and to make payments and distributions in furtherance of, one or more of its purposes as set forth in Article II hereof. No part of the property or the net earnings of this corporation or any other pecuniary gain or profit shall, directly or indirectly, be distributable to or otherwise inure to the benefit of any member, director, or officer, or any other person having a personal and private interest in the activities of the corporation. No part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting, to influence legislation, and this corporation shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these Articles, this corporation shall not carry on any activity not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954, as now enacted or as hereafter amended, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954, as now enacted or as hereafter amended.

ARTICLE V

The period of duration of this corporation shall be perpetual.

ARTICLE VI

The registered office of this corporation in the State of Minnesota shall be located in the City of St. Paul, County of Ramsey.

ARTICLE VII

(a) In the event of dissolution of this corporation, and subject always to the limitations contained in Article III hereof, all of its then assets shall be distributed as follows:

(i) The dissolution shall be conducted under court supervision if required or permitted under the Statutes of the State of Minnesota, as now enacted or hereafter amended, and the assets of this corporation shall be distributed to the Minnesota Zoological Board created under Chapter 85 A of the Minnesota Statutes for the benefit of the Minnesota Zoological Garden created under said chapter, or their successor organization or organizations, or, in the event that at the time of such dissolution, such organization or successor organization or organizations do not then exist, the assets of this corporation shall be distributed in such manner and to or for such benefit of such organizations, causes, or projects as in the judgment of the Court will accomplish the general purposes for which this corporation is organized.

(ii) If the dissolution under Court supervision is not required or permitted under the Statutes of the State of Minnesota, as now enacted or as hereafter amended, the assets of this corporation shall be distributed to the Minnesota Zoological Board created under Chapter 85 A of the Minnesota Statutes for the benefit of the Minnesota Zoological Garden created under said chapter, or their

successor organization or organizations, or, in the event that at the time of such dissolution, such organization or successor organization or organizations do not then exist, the assets of this corporation shall be distributed in such manner and to or for such benefit of such organizations, causes, or projects as in the judgment of the Board of Directors of this corporation will accomplish the general purposes for which this corporation was organized, provided that such organizations must be organizations to which gifts must be deductible from the income of a donor under the Internal Revenue Code of 1954, as now enacted or as hereafter amended. If the Internal Revenue Code, as hereafter amended, does not provide for such a deduction, then the distribution shall be made to such one or more state or local governments, for a public purpose, as the Board of Directors of the corporation shall determine.

(b) In the event of dissolution of this corporation, none of its assets will directly or indirectly be transferred to or in any other respect whatsoever inure to or for the benefit of any member, director, or officer of the corporation.

ARTICLE VIII

The names and addresses of the incorporators, each of whom is a natural person of full age, are:

Name

Address

Firmin L. Alexander

1355 Lincoln Avenue
St. Paul, Minnesota 55105

<u>Name</u>	<u>Address</u>
Robert H. Engels	1921 Humboldt Avenue South Minneapolis, Minnesota 55403
John E. Tilton	5320 Malibu Drive Minneapolis, Minnesota 55436
Adolf Tobler	915 Edmund St. Paul, Minnesota 55104
James D. Weiler	2413 Hayes Court Burnsville, Minnesota 55337
Larry S. Freeman	2581 Quebec Avenue South St. Louis Park, Minnesota 55426

ARTICLE IX

(a) the members of this corporation shall consist solely and exclusively of the persons who constitute the directors of this corporation from time to time. When a person becomes a director of this corporation he shall concurrently with becoming such a director, automatically become and be a member of this corporation, and when a person ceases to be a director of this corporation he shall, concurrently with ceasing to be such a director, automatically cease to be a member of this corporation.

(b) The first Board of Directors of this corporation shall consist of fifteen (15) persons, and the name and address of each of them are:

<u>Name</u>	<u>Address</u>
Reuel Harmon	14 High Road Inver Grove Heights, Minnesota 55075
Larry S. Freeman	2581 Quebec Avenue St. Louis Park, Minnesota 55426
Firmin L. Alexander	1355 Lincoln Avenue St. Paul, Minnesota 55105
Robert H. Engels	1921 Humboldt Avenue South Minneapolis, Minnesota 55403

<u>Name</u>	<u>Address</u>
James Weiler	2413 Hayes Court Burnsville, Minnesota 55337
John Tilton	5320 Malibu Drive Edina, Minnesota 55436
Adolf Tobler	915 Edmund St. Paul, Minnesota 55104
Mary Ann Scroggins	3222 St. Croix Trail South Afton, Minnesota 55001
Dr. U. S. Seal	9801 Pillsbury Avenue Minneapolis, Minnesota 55420
Jerome Wagner	715 Park Avenue Anoka, Minnesota 55303
Robert Kinney	Rural Deliver 1 Excelsior, Minnesota 55331
Reverend Alan W. Moss	21 S. E. Prince Minneapolis, Minnesota 55414
G. Richard Palen	1473 Summit Avenue St. Paul, Minnesota 55105
John McKay	2106 Caroline Lane South St. Paul, Minnesota 55075
David Onan	235 Gleason Lake Road Wayzata, Minnesota 55391

The term of office of the first Board of Directors shall be until successor directors shall have been elected and shall qualify.

(c) the successor directors to the first Board of Directors shall be elected or appointed in the manner and by the terms provided for in the Bylaws of this corporation.

(d) From time to time, the number of directors of this corporation, as well as the types or classes of directors and the terms of office of each,

Final

BYLAWS OF
MINNESOTA ZOOLOGICAL GARDEN FOUNDATION

ARTICLE I
Offices, Corporate Seal

Section 1.01. Registered Office. The registered office of the corporation in Minnesota shall be that set forth in the Articles of Incorporation or in the most recent amendment of the Articles of Incorporation or resolution of the directors filed with the Secretary of State of Minnesota changing the registered office.

Section 1.02. Other Offices. The corporation may have such other offices, within the State of Minnesota, as the directors shall from time to time determine.

Section 1.03. Corporate Seal. The corporation shall have no corporate seal.

ARTICLE II
Members and Meetings of Members

Section 2.01. Members. The members of this corporation shall consist solely and exclusively of the persons who constitute the directors of this corporation from time to time. When a person becomes a director of this corporation he shall concurrently with becoming such a director, automatically become and be a member of this corporation, and when a person ceases to be a director of this corporation he shall, concurrently with ceasing to be such a director, automatically cease to be a member of this corporation.

Section 2.02. Property. No member shall have any right, title or interest in or to the property of the corporation.

Section 2.03. Annual Meetings. The first annual meeting of the members shall be held in November, 1975, on a day designated by the directors. Each subsequent meeting shall be held on the same date of the same month, or if that date shall fall upon a legal holiday, on the next succeeding business day.

Section 2.04. Special Meetings. A special meeting of the members for any purpose or purposes, unless otherwise prescribed by statute, may be called at any time by the President or by the Board of Directors or by petition of not less than five (5) members.

Section 2.05. Place of Meetings. Each meeting of the members of the corporation shall be held at any place within or without the State of Minnesota, designated by the directors, and, in the absence of such designation, shall be held at the registered office of the corporation in the State of Minnesota.

Section 2.06. Notice of Meetings. Except as otherwise provided by statute and in these Bylaws, written notice of each meeting of the members, whether annual or special, shall be given not less than five (5) nor more than thirty (30) days before the day on which the meeting is to be held, to each member by mailing such notice in a postage prepaid envelope addressed to the member at the member's post office address as shown on the books of the corporation. Notice of any meeting of members shall not be required to be given to any member who shall attend such meeting in person or by proxy. Notice of any adjourned meeting of the members shall not be required to be given, except where expressly required by law.

Section 2.07. Quorum. At each meeting of the members, one-half (1/2) of the total number of voting members present in person or by proxy shall constitute a quorum for the transaction of business, except where a greater percentage may be required by statute.

Section 2.08, Voting. At each meeting of members, each member shall be entitled to one (1) vote in person or by proxy on each matter to be voted upon at the meeting. At all meetings of the members, all matters (except in special cases where other provision may be made by statute or by the Articles of Incorporation of the corporation) shall be decided by a majority of the votes cast by the voting members present in person or by proxy, a quorum being present. Voting shall not be cumulative. Unless demanded by a voting member present in person or by proxy at any meeting, the vote on any question need not be by ballot.

ARTICLE III
Board of Directors

Section 3.01. General Powers. The property, affairs and business of the corporation shall be managed by its Board of Directors.

Section 3.02. Number, Qualifications, and Term of Office. The first Board of Directors of this corporation shall consist of the fifteen (15) persons named in the Articles of Incorporation. Following incorporation but in no event later than November 1, 1975, the members of the first Board of Directors shall, by written action or at a meeting called for the purpose: (a) expand the Board of Directors from fifteen (15) in number to twenty-six (26) in number with eleven (11) of the directors being referred to as "Appointed Directors" and fifteen (15) of the directors being referred to as "Elected Directors"; and (b) elect the twenty-six (26) individuals to fill these directorship positions, which twenty-six (26) individuals may include some or all of the members of the first Board of Directors. Each of the eleven (11) Appointed Directors shall serve until his or her successors are appointed in the following manner: In July of each year, commencing in 1976, the then Chairman of the Minnesota Zoological Board created under Chapter 85 A of the Minnesota Statutes shall appoint the successors to these eleven (11) Appointed Director positions and such successor Appointed Directors shall serve for a period of one (1) year, to be succeeded by eleven (11) successive Appointed Directors

appointed in the same manner by the then Chairman of the Minnesota Zoological Board for succeeding one-year terms. Appointed Directors may serve as many one-year terms as they are appointed to by the Minnesota Zoological Board Chairman. The remaining fifteen (15) directors referred to as "Elected Directors" elected by the first Board of Directors shall be divided into three (3) groups regarding the length of their terms, with five (5) of such Elected Directors to serve from the date of their election until the annual meeting of the members occurring in November of 1976, five (5) of such Elected Directors to serve from the date of their election until the annual meeting of the members occurring in November of 1977, and five (5) of such Elected Directors to serve from the date of their election until the annual meeting of the members in November of 1978. At each annual meeting of the members, commencing with the first annual meeting held in November of 1976, successors to the Elected Directors whose terms expire in the year of such annual meeting shall be elected for three (3) year terms and each successor shall hold office until his or her term expires and until his or her successor shall have been elected and have qualified, or until his or her death, or until he or she resigns. No Elected Directors may serve for more than two (2) consecutive full three (3) year terms, but after an absence of one (1) year from the Board, a person shall again become eligible to be an Elected Director. At such time as the first Board of Directors expands the Board of Directors of this corporation to twenty-six (26) in number and names the eleven (11) Appointed Directors and the fifteen (15) Elected Directors, the first Board of Directors shall instruct the secretary of the corporation to complete Exhibit A attached to these Bylaws and made a part hereof, thereby designating which directors are Appointed Directors and which directors are Elected Directors, as well as the term of office of each director.

Section 3.03. Organization. At each meeting of the Board of Directors, the President of the corporation or, in his or her absence, such person as is chosen by a majority of the directors present, shall preside as chairperson of such meeting.

Section 3.04. Resignation. Any director of the corporation may resign at any time by giving written notice to the President or to the Secretary of the corporation. The resignation of any director shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.05. Vacancies. Any vacancy in the Board of Directors caused by death, resignation, disqualification, or any other cause, may be filled for the unexpired term by a vote of the remaining directors (though less than a quorum), and each director so chosen shall hold office until the expiration of the unexpired term for which he or she was so chosen and until his or her successor shall have been duly elected and shall qualify.

Section 3.06. Place of Meetings. The Board of Directors may hold its meetings at such place or places, within or without the State of Minnesota, as it may from time to time determine.

Section 3.07. Annual Meeting. As soon as practicable after each annual election of Elected Directors, and preferably on the same day, the Board of Directors shall meet, at the place where such annual election of directors is held, or at such other place within the State of Minnesota as may be designated by the Board of Directors, for the purpose of electing the officers of the corporation and for the transaction of such other business as shall come before the meeting. Notice of such meeting need not be given if it is held at the place where the annual election of directors is held, but if such annual

meeting of the directors is to be held at any other place, such other place shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors or in a consent and waiver of notice thereof signed by all the directors.

Section 3.08. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly in November (concurrently with the annual meeting), February, May, and August of each year, in each instance on such day and at such time and place within the State of Minnesota as the Board may determine by resolution adopted by a majority of the whole Board of Directors. Notice of regular meetings need not be given.

Section 3.09. Special Meetings; Notice. Special meetings of the Board of Directors shall be held whenever called by the President or by two (2) of the directors. Notice of each such special meeting shall be mailed to each director, addressed to the director's residence or usual place of business, at least two (2) days before the day on which the meeting is to be held, or be delivered personally or by telephone, not later than one (1) day before the day on which the meeting is to be held. Each such notice shall state the time and place of the meeting, but need not state the purposes thereof except as otherwise herein expressly provided. Notice of any meeting of the Board need not be given to any director who shall be present at such meeting; and any meeting of the Board shall be a legal meeting without any notice thereof having been given, if all of the directors of the corporation then in office shall be present thereat.

Section 3.10. Quorum and Manner of Acting. Except as otherwise provided by statute or by these Bylaws, one-third (1/3) of the total number of directors (but not less than two (2)) shall be required to constitute a

quorum for the transaction of business at any meeting, and the act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum, a majority of the directors present may adjourn any meeting from time to time until a quorum be had. Notice of any adjourned meeting need not be given.

Section 3.11. Compensation. No director shall receive any compensation for any service that he or she may render to the corporation in his or her capacity as such director.

Section 3.12. Minnesota Zoological Garden Director. The Director of the Minnesota Zoological Garden created under Chapter 85 A of the Minnesota Statutes shall at all times be an ex-officio member, without voting rights, of the Board of Directors of this corporation. Said Director shall be entitled to attend all meetings of the Board of Directors of this corporation and receive notice thereof. At such time as the Director of the Minnesota Zoological Garden shall change, the outgoing Director shall cease to be a member of the Board of Directors of this corporation and the new Director shall immediately become a non-voting ex-officio member of the Board of Directors of this corporation.

ARTICLE IV Officers

Section 4.01. Number. The officers of the corporation shall be a President, one or more Vice Presidents (if elected by the Board of Directors), a Secretary, a Treasurer, and, if the Board shall so elect, such other officers as may be appointed by the Board of Directors. No two (2) offices except that of Secretary and Treasurer may be held by the same person.

Section 4.02. Election, Term of Office, and Qualifications. The officers shall be elected annually by the Board of Directors, and, except in the case of officers appointed in accordance with the provisions of Section 4.10, each shall hold office until the next annual election of officers and until his or her successor shall have been duly elected and qualified, or until his or her death, or until he or she shall resign, or until he or she shall have been removed in the manner hereinafter provided.

Section 4.03. Resignations. Any officer may resign at any time by giving written notice of his or her resignation to the Board of Directors, to the President or to the Secretary of the corporation. Any such resignation shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.04. Removal. Any officer may be removed, either with or without cause, by a vote of the Board of Directors at a meeting called for the purpose, and such purpose shall be stated in the notice or waiver of notice of such meeting unless all the directors of the corporation shall be present thereat.

Section 4.05. Vacancies. A vacancy in any office because of death, resignation, removal or any other cause shall be filled for the unexpired portion of the term in the manner prescribed in these Bylaws for election or appointment to such office.

Section 4.06. President. The President shall be the chief executive officer of the corporation and shall have general active management of the business of the corporation. The President shall, when present, preside at all meetings of the members and directors; shall see that all orders and

resolutions of the Board of Directors are carried into effect; may execute and deliver in the name of the corporation any contracts or other instruments pertaining to the business of the corporation, including, without limitation, any instruments necessary or appropriate to enable the corporation to donate income or principal of the corporation to or for the account of such organizations, causes, and projects described in the Articles of Incorporation of the corporation as the corporation was organized to support; shall have such other duties as may from time to time be prescribed by the Board of Directors; and, in general, shall perform all duties usually incident to the office of President.

Section 4.07. Vice President. Each Vice President shall have such powers and shall perform such duties as may be specified in the Bylaws or prescribed by the Board of Directors or by the President. In the event of absence or disability of the President, the Vice President shall succeed to the powers and duties of the President; and in the event of a vacancy in the office of the President, such vacancy shall be filled by the Vice President assuming such office. In the event of absence or disability but not a vacancy in the office of any other officer, the Vice President shall succeed to the powers and duties of such other officer.

Section 4.08. Secretary. The Secretary shall be secretary of, and, when present, shall record proceedings of meetings of the members and Board of Directors; shall, when directed to do so, give proper notice of meetings of members and directors; shall perform such other duties as may from time to time be prescribed by the Board of Directors or by the President; and, in general, shall perform all duties incident to the office of Secretary.

Section 4.09. Treasurer. The Treasurer shall keep accurate accounts of all moneys of the corporation received or disbursed; shall deposit all moneys,

drafts and checks in the name of, and to the credit of, the corporation in such banks and depositories as a majority of the whole Board of Directors shall from time to time designate; shall have power to endorse for deposit all notes, checks, and drafts received by the corporation; shall disburse the funds of the corporation as ordered by the Board of Directors, making proper vouchers therefor; shall render to the President, the directors, and the members, whenever required, an account of all his or her transactions as Treasurer and of the financial condition of the corporation and shall perform such other duties as may from time to time be prescribed by the Board of Directors or by the President; and, in general, shall perform all duties incident to the office of Treasurer.

Section 4.10. Other Officers. The corporation may have such other officers and agents as may be deemed necessary by the Board of Directors, who shall be appointed in such manner, have such duties and hold their offices for such terms as may be determined by resolution of the Board of Directors.

Section 4.11. Compensation. No officer shall receive compensation for any service that he or she may render to the corporation in his or her capacity as such officer.

ARTICLE V

Books and Records, Audit, Fiscal Year

Section 5.01. Books and Records. The Board of Directors of the corporation shall cause to be kept:

- (1) records of all proceedings of members and directors;
and
- (2) such other records and books of account as shall be necessary and appropriate to the conduct of the corporate business.

Section 5.02. Documents Kept at Registered Office. The Board of Directors shall cause to be kept at the registered office of the corporation originals or copies of:

- (1) records of all proceedings of members and directors;
and
- (2) Articles of Incorporation and Bylaws of the corporation
and all amendments thereto.

Section 5.03. Audit. The Board of Directors may, but shall not be required to, cause the records and books of account of the corporation to be audited each fiscal year and at such other times as it may deem necessary or appropriate.

Section 5.04. Fiscal Year. The fiscal year of the corporation shall end on the last day of June in each year, the first fiscal year ending on June 30, 1975.

ARTICLE VI Waiver of Notice

Whenever any notice whatsoever is required to be given by these Bylaws or the Articles of Incorporation of the corporation or any of the corporate laws of the State of Minnesota, such notice may be waived in writing, signed by the person or persons entitled to said notice, whether before, at or after the time stated therein or before, at or after the meeting.

ARTICLE VII Authorization Without a Meeting

Any action that may be taken at a meeting of the voting members may be taken without a meeting if authorized in writing and signed by all the voting members who are entitled to notice of the meeting for such purpose. Any action that could be taken at a meeting of the Board of Directors may be taken without a meeting when authorized in writing signed by all of the directors.

ARTICLE VIII
Committees

Section 8.01. Executive Committee. There shall be an Executive Committee of the President and not less than four (4) members of the Board of Directors who shall be designated by the Board of Directors, provided that at least two (2) members of the Executive Committee shall at all times be Appointed Directors, as that term is used in the Bylaws. The Executive Committee shall have full power and authority of the Board of Directors in the management of the property, affairs and business of the corporation, provided, however, that the Executive Committee shall act only in intervals between meetings of the Board of Directors and shall at all times be subject to the control and direction of the Board of Directors.

Section 8.02. Nominating Committee. The persons who are, on the first day of November of each year, commencing in 1975, members of the Executive Committee, together with such two (2) non-officer members of the Board of Directors as the President shall appoint, shall constitute the Nominating Committee of the corporation, provided that at least one (1) member of the Nominating Committee shall at all times be an Appointed Director, as that term is used in the Bylaws. The Nominating Committee shall, at each annual meeting of the members of the corporation, commencing in 1975, nominate one (1) candidate as a successor to each Elected Director whose term expires in the year of such meeting, and also shall have and perform such other related duties as may from time to time be prescribed by the Board of Directors.

Section 8.03. Other Committees. The corporation may have such additional committees, with such membership, authorities and duties, as may from time to time be prescribed by the Board of Directors, provided that at least one (1) member of each such committee shall at all times be an Appointed Director, as that term is used in the Bylaws.

ARTICLE IX
Amendments

These Bylaws may be amended or altered by a vote of the majority of the whole Board of Directors at any meeting provided that notice of such proposed amendment shall have been given in the notice given to the directors of such meeting. Such authority in the Board of Directors is subject to the power of the voting members to change or repeal such Bylaws by a majority vote of the voting members present in person or by proxy at any annual or special meeting of voting members called for such purpose, and the Board of Directors shall not make or alter any Bylaws fixing their qualifications, classifications, term of office, or number, except that the Board of Directors may make or alter any Bylaw to increase their number.

ARTICLE X
Indemnification of Directors, Officers, and Employees

Section 10.01. Actions Not By Corporation. Except as otherwise provided in Section 10.04, this corporation shall indemnify each present or future director, officer, and employee of this corporation who now or hereafter is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, wherever brought, whether civil, criminal, administrative, or investigative, other than an action by or in the right of this corporation, by reason of the fact that he or she is or was a director, officer, or employee of this corporation, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of this corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her

conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 10.02. Actions by Corporation. This corporation shall indemnify each present or future officer, director, or employee of this corporation who now or hereafter is a party or is threatened to be made a party to any threatened, pending, or completed action or suit, wherever brought, by or in the right of this corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, or employee of this corporation, against expenses, including attorneys' fees, actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of this corporation, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to this corporation, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 10.03. Successful Defense. To the extent that such present or future director, officer, or employee of this corporation has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred

to in Sections 10.01 or 10.02, or in defense of any claim, issue, or matter therein, he or she shall be indemnified against expenses, including attorneys' fees, actually and reasonably incurred by him or her in connection therewith.

Section 10.04. Unsuccessful Defense. Any indemnification under Section 10.01, unless ordered by a court, shall be made by this corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, or employee is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Section 10.01. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit, or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion. Any indemnification under Section 10.02 must be ordered by a court.

Section 10.05. Advance Payments. Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by this corporation in advance of the final disposition of such action, suit, or proceeding as authorized by the Board of Directors in the manner provided in Section 10.04 upon receipt of an undertaking by or on behalf of the director, officer, or employee to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the corporation as authorized in this Article X.

Section 10.06. Extended Application. The indemnification provided by this Article X shall continue as to a person who has ceased to be a director, officer or employee and shall inure to the benefit of the heirs, executors, and administrators of such a person.

Section 10.07. Insurance. This corporation may, by resolution of its Board of Directors, purchase and maintain insurance on behalf of any person who now or hereafter is a director, officer, or employee of this corporation, against any liability asserted against him or her and incurred by him or her in any such capacity, provided, that no indemnification shall be made under any policy of insurance for any act which could not be indemnified by this corporation under this Article X.

Section 10.08. Court Approval. Where court approval is required by this Article X, application therefor shall be made by this corporation in such manner and form as is required by Section 300.08, Subd. 8, of the Minnesota Statutes of 1973, as now enacted or as hereafter amended.

Section 10.09. Overriding Provisions. Notwithstanding anything apparently or expressly to the contrary contained in this Article X, no indemnification, advancement, or allowance shall be made under this Article X in any circumstance

(1) if or to the extent that such indemnification, advancement, or allowance would violate the provisions of Section 317.165 of the Minnesota Statutes of 1973, as now enacted or as hereafter amended;

(2) if the indemnification, advancement, or allowance would be inconsistent with any provision of the Articles of Incorporation or Bylaws, a resolution of the Board of Directors or of the members of this corporation, or an agreement or other proper corporate action, in effect at the time of the accrual of the alleged cause of action asserted in the threatened or pending action or proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(3) in the event there has been a settlement approved by the court, if the indemnification would be inconsistent with any condition with respect to indemnification expressly imposed by the court in approving the settlement.

ARTICLE XI
Appointment of Agent

The Board of Directors of this corporation may from time to time appoint an individual or a corporation as an agent to carry out the day to day affairs of this corporation, subject to review and approval of the actions of such appointed agent by the Board of Directors.

EXHIBIT A

List of directors elected by first Board of Directors, effective date
_____, 1975.

Appointed Directors whose terms expire in July, 1976:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____

Elected Directors whose terms expire in November, 1976:

1. _____
2. _____
3. _____

4. _____

5. _____

Elected Directors whose terms expire in November, 1977:

1. _____

2. _____

3. _____

4. _____

5. _____

Elected Directors whose terms expire in November, 1978:

1. _____

2. _____

3. _____

4. _____

5. _____

June 10, 1975

RESTATED
ARTICLES OF INCORPORATION
OF
MINNESOTA ZOOLOGICAL SOCIETY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, all of whom are citizens of the United States, do hereby associate themselves together for the purpose of forming a nonprofit corporation under the Minnesota Nonprofit Corporation Act (Minnesota Statutes, 1971, Ch. 317), and to that end have adopted, signed and acknowledged the following restated Articles of Incorporation:

ARTICLE I

The name of the corporation shall be
MINNESOTA ZOOLOGICAL SOCIETY.

ARTICLE II

This corporation shall be organized for the following charitable, educational and scientific purposes:

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.

ARTICLE III

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its members, Directors, officers,

or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II hereof. No substantial part of the activities of the Corporation shall be the carrying on of propoganda, or otherwise attempting, to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501(c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which are deductible under section 170(c) (2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

ARTICLE IV

The Corporation shall have perpetual existence.

ARTICLE V

The principal office of the Corporation shall be located in the City of St. Paul, Ramsey County, Minnesota, or such other place as the Board of Directors may determine.

ARTICLE VI

The property, affairs and business of the Corporation shall be managed and controlled by a Board of Directors of twenty one (21) members, who shall be elected by class as hereinafter provided, fourteen (14) of whom shall be elected by Class I members and seven (7) by Class II members.

The term of office, powers, authority and duties of the Directors, and the times and places of their meetings, shall be as set forth in the Bylaws of the Corporation.

ARTICLE VII

There shall be two classes of voting members. Class I shall be dues paying members whose qualifications and manner of becoming members shall be prescribed by the Bylaws.

Class II members shall be the members from time to time of the Minnesota Zoological Board, or other persons selected by said Board to act in the place of members of said Board. The total numbers of said Class shall not exceed the number of members of said Board.

Each class shall vote as a class for the election of the number of Directors assigned for that Class and on the amendment of the Articles of Incorporation. No amendment shall be adopted without the approval of both Classes.

The manner of appointment or election of members of Class II, and the manner of voting by each Class, shall be prescribed by the Bylaws.

ARTICLE VIII

There shall be no personal liability of members for corporate obligations.

ARTICLE IX

The Corporation shall have no capital stock.

ARTICLE X

Upon dissolution of the Corporation, the Board of Directors shall, after adding or making provisions for the payment of all of the liabilities of the Corporation, distribute the assets to the Minnesota Zoological Garden.

ARTICLE XI

These Articles of Incorporation shall be subject to amendment or repeal, and new Articles may be made, by the affirmative vote of a majority of the members of the Society in attendance at an annual meeting, or at a special meeting called for that expressly stated purpose, except as stated in the new Article VII.

The names and addresses of the persons who were the initial incorporators of the Corporation on the 6th day of June, 1961, were as follows:

Archibald G. Bush	St. Paul, Minnesota
Stanley E. Hubbard	St. Paul, Minnesota
Raymond M. Schneider	St. Paul, Minnesota
Thomas Moore, Sr.	Minneapolis, Minnesota
Roy W. Larsen	Minneapolis, Minnesota
David Paper	St. Paul, Minnesota
Harry L. Holtz	St. Paul, Minnesota
Adolf T. Tobler	St. Paul, Minnesota
Fred Manley	St. Paul, Minnesota
Reuel D. Harmon	St. Paul, Minnesota
William H. Oppenheimer	St. Paul, Minnesota

The fifteen persons who constituted the first Board of Directors, commencing the 6th day of June, 1961, their addresses, and their tenures in office, were as follows:

Donald C. Dayton	Minneapolis	1 year
Thomas Moore	Minneapolis	1 year
Roy W. Larsen	Minneapolis	1 year
Fred W. Manley	St. Paul	1 year
Reuel D. Harman	St. Paul	1 year
J. G. Ordway	St. Paul	2 years
Adolf T. Tobler	St. Paul	2 years
Harry L. Holtz	St. Paul	2 years

5.

Oliver Skellet	St. Paul	2 years
B. H. Ridder, Sr.	St. Paul	2 years
Archibald G. Bush	St. Paul	3 years
Stanley E. Hubbard	St. Paul	3 years
Raymond M. Schneider	St. Paul	3 years
David Paper	St. Paul	3 years
W. H. Oppenheimer	St. Paul	3 years

IN WITNESS WHEREOF, the undersigned, present officers of the Corporation, have executed these restated Articles of Incorporation this _____ day of _____, 1975, and declare themselves the new incorporators of this Corporation:

_____	Signed	_____	Term of Office
_____		_____	
_____		_____	
_____		_____	

Notarial acknowledgment.

BYLAWS
OF THE
MINNESOTA ZOOLOGICAL SOCIETY

ARTICLE I

NAME

The name of this organization, which is a nonprofit corporation organized and existing under the laws of the State of Minnesota, shall be "The Minnesota Zoological Society".

ARTICLE II

MEETING OF THE SOCIETY

Section 1. PLACE OF MEETINGS OF THE SOCIETY.

Meetings of members of the Society shall be held at such place as the Board of Directors may from time to time designate.

Section 2. DATE OF ANNUAL MEETING OF THE SOCIETY.

The annual meeting of the Society shall be held on the second Tuesday of June or at such other time and at such place as may be designated by the Board of Directors.

Section 3. SPECIAL MEETINGS OF THE SOCIETY.

Special meetings of the Society may be called by the President or by a majority of the members of the Board of Directors by written request to the Secretary.

Section 4. NOTICE OF MEETINGS OF THE SOCIETY.

Notice of each annual and special meeting of the Society stating the time and place, and if a special meeting, the purpose thereof, shall be sent to all members by mail at least ten (10) days prior to the date of the meeting.

Section 5. BUSINESS TO BE TRANSACTED.

No business shall be transacted at any special meeting of the Society except that stated in the notice of meeting.

Section 6. QUORUM AND ADJOURNMENT OF THE SOCIETY.

At all meetings of the Society, a minimum of 20 members present and entitled to vote shall constitute a quorum. If such quorum is not present, the members present may adjourn the meeting from time to time without notice until the requisite quorum shall be present.

On all matters requiring voting by Classes, 20 Class I members shall constitute a quorum and a majority of Class II members shall constitute a quorum unless the vote of Class II members be cast by the Secretary of the Minnesota Zoological Board as hereinafter provided, in which case a quorum of that Class shall be deemed to be present.

Section 7. MANNER OF VOTING.

Each member shall, at every meeting of the Society, be entitled to one vote. Votes may be cast by written proxy filed with the Secretary. Class II members may authorize the Secretary of the Minnesota Zoological Board to cast their votes on any matter upon which they shall vote as a Class, which vote may be cast by proxy as herein provided.

Section 8. ORGANIZATION OF MEETINGS OF THE SOCIETY.

At all meetings of the Society, the President or, in his absence, the Vice President, shall act as Chairperson, and the Secretary or, in his absence, any person appointed by the President, shall act as Secretary.

ARTICLE IIICLASS I MEMBERSHIPSSection 1.

This Article shall apply only to Class I members as designated in the Articles of Incorporation and shall relate to sub-classes of said Class.

Section 2. QUALIFICATIONS, ELIGIBILITY AND NUMBERS OF MEMBERS.

Any person or organization, upon presenting suitable identification and upon payment of dues, may become a member of the Society. There shall be no limit as to the number of members.

Section 3. CLASSES OF MEMBERSHIP.

The Society shall offer the following classes of membership: A. Individual. B. Family. C. Donor. The Board of Directors may, in its discretion, delete or establish new classes of membership. The Board shall set the dues which must be paid for the various classes of membership.

Section 4. RIGHTS AND PRIVILIGES OF MEMBERS.

Each membership shall be entitled to one (1) vote on each issue which shall come before the membership for decision. Any individual holding or participating in any class of membership shall be entitled to participate in any and all activities of the Society and to hold any office in the society. No property rights shall attach to memberships. Any member may inspect all books and records of the Society for any proper purpose at any reasonable time.

Section 5. TERMINATION OF MEMBERSHIP.

Membership shall be terminated upon failure to pay dues annually; no specific action shall be required of a member to effect termination of his membership.

ARTICLE IV

BOARD OF DIRECTORS

Section 1.

This Section relates only to the election of those Directors who are elected by Class I members.

A. NOMINATION OF DIRECTORS.

A Nominating Committee of five members, not more than three of whom shall reside in the seven-county Metropolitan Area, and not more than three of whom shall be members of the existing Board of Directors, shall be appointed annually by the President, with the approval of the Board, for the purpose of nominating candidates for election as Directors of the Society. The list of all persons nominated shall be submitted to the Secretary not less than 90 days prior to the annual meeting. Nominations may be made also by members of the Society by the filing of a petition containing the signatures of a minimum of five Society members. Such petition must be filed with the Secretary no later than 60 days prior to the date of the annual meeting. The Committee may, in its discretion, nominate only as many candidates as there are vacancies to be filled.

B. ELECTION BY MAIL.

Directors shall be elected by mail ballot, as follows: not later than 30 days prior to the date of the annual meeting, the Secretary of the Society shall prepare a ballot to such form as the Board may prescribe, containing the names of all persons who have been nominated pursuant to Section 1 of this Article. Said ballot shall be mailed to each member of the Society as shown on the records of the Society as of the date of mailing. Each member shall vote for one (1) candidate for each vacancy to be filled and shall return his ballot to the Secretary not later than 15 days prior to the annual meeting. The Secretary shall certify to the President the names of those persons receiving the largest number of votes for each position to be filled. The results of the election shall be announced by the President at the annual meeting.

C. RESIGNATION OF DIRECTORS.

Any member of the Board of Directors may resign at any time by giving written notice to the Secretary of the Society. Such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise provided therein, acceptance of such resignation shall not be necessary to make it effective. If any member of the Board of Directors who, within a 12 month period, is absent from three consecutive scheduled Board meetings or one-half of the total number of Board meetings, their membership on the Board of Directors shall be considered terminated unless the President chooses to intervene.

D. VACANCIES ON THE BOARD OF DIRECTORS.

A vacancy on the Board of Directors shall be filled by the Board at any regular or special meeting. The person selected to fill such vacancy shall serve for the unexpired portion of the term of the vacant office.

Section 2.

This section relates to Directors elected by Class II members. The Secretary of the Minnesota Zoological Board shall certify in writing the names of all persons elected as Directors by the Class II members of the incorporation, who shall be subject to removal by a vote of a majority of the members of said Class and shall hold office until their resignation or removal, and until their successors are elected and qualified. The members of said Class may, from time to time, determine the time, place and manner of election of Directors, and the certificates of said Secretary shall be conclusive as to matters stated therein.

Section 3.

This section relates to Directors generally.

A. ORGANIZATION OF BOARD OF DIRECTORS.

At all meetings of the Board of Directors, the President, or in his absence, the Vice President, shall act as Chairperson, and the Secretary, or in his absence, any person appointed by the President shall act as Secretary.

B. PLACE OF MEETINGS OF BOARD OF DIRECTORS.

Meetings of the Board of Directors shall be held at such places as the Board may from time to time designate.

C. ANNUAL MEETINGS OF BOARD OF DIRECTORS.

The Annual Meeting of the Board of Directors shall be held at the same place and immediately prior to the Annual Meeting of the Membership.

D. REGULAR MEETINGS OF BOARD OF DIRECTORS.

Regular meetings of the Board of Directors shall be held at least quarterly at a time and place designated by the Board. Notices of such meetings shall be given each Director at least ten (10) days before the day on which the meeting is to be held.

E. SPECIAL MEETINGS OF THE BOARD OF DIRECTORS.

Special meetings of the Board of Directors shall be held upon written request of any Director stating the purpose or object thereof. Notice of each meeting shall be mailed to each member of the Board of Directors, addressed to him at his residence or usual place of business, at least three (3) days before the day on which the meeting is to be held. Every such notice shall state the time, place, and purpose of the meeting. No business other than that stated in the notice shall be transacted at such meetings without the unanimous consent of the members of the Board.

F. QUORUM AND ADJOURNMENT OF BOARD OF DIRECTORS.

Seven voting members of the Board of Directors in office at the time of any regular or special meeting shall constitute a quorum for the transaction of business at such meeting, and the act of a majority of such quorum shall be the act of the Board. In the absence of a quorum, a majority of the Directors present may adjourn the meeting from time to time until a quorum is present. Notice of any adjourned meeting need not be given.

G. WAIVER OF NOTICE.

Notice of any meeting need not be given to any member of the Board of Directors if such notice shall have been waived by him in writing or by telegram, or if he shall attend such meeting in person.

ARTICLE VOFFICERSSection 1. OFFICERS.

The officers of the Society, all of whom shall be Directors, shall be a President, a Vice President, a Secretary, and a Treasurer, with such other officers as may be appointed in accordance with Section 4 of this Article.

Section 2. NOMINATION OF OFFICERS.

Nominations for officers shall be made by a Nominating Committee of five members of the Board of Directors, appointed by the Executive Committee. The Committee may, in its discretion, nominate only one (1) person for each office to be filled. Additional nominations may be made from the floor at the time of election.

Section 3. ELECTION AND TERM OF OFFICE OF OFFICERS.

Officers shall be elected annually by the Board of Directors for terms

of one year. Each officer, except such officers as may be appointed in accordance with the provisions of Section 4 of this Article, shall continue in office until his successor shall have been duly elected and qualified in his stead or until he shall resign and his resignation shall have become effective.

Section 4. SUBORDINATE OFFICERS.

The Board of Directors may appoint such other officers as it may deem necessary, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time direct.

Section 5. RESIGNATION OF OFFICERS.

Any officer may resign at any time by giving written notice to the President or to the Secretary of the Society. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein. Acceptance of such resignation shall not be necessary to make it effective.

Section 6. OFFICER VACANCIES.

A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled for the unexpired portion of the term by appointment by the Board of Directors at any regular or special meeting.

Section 7. PRESIDENT.

The President shall preside at all meetings of the Society and of the Board of Directors. He shall do and perform such duties as may be from time to time assigned him by the Board of Directors. He may sign and execute all authorized contracts or other obligations in the name of the Society.

Section 8. VICE PRESIDENTS.

The Vice Presidents shall, in the absence of the President, perform the duties of that office.

Section 9. SECRETARY.

The Secretary shall perform the duties customarily required by that office, including correspondence in the name of the Society, and appropriate management of legal matters.

Section 10. TREASURER.

The Treasurer shall perform the duties customarily required by that office.

ARTICLE VIOPEN MEETINGS

All meetings of the Directors or of any committee shall be open to any member of the Society. Any member who shall request notice of meetings of all or any of the Boards or Committees shall be notified of such meetings.

ARTICLE VIICOMMITTEESSection 1. STANDING COMMITTEES.

These will be:

- A. Executive Committee
- B. Membership Services Committee
- C. Membership Procurement
- D. Finance Committee
- E. Volunteer Services Committee (V.S.C.)
- F. Education/Conservation/Research Committee
- G. Fund Raising Committee
- H. Publicity
- I. Project Screening Committee

Except for the chairmanships mentioned above, the President will appoint from the general membership, or from the Board of Directors, all members and chairmen, the terms of service for all of whom will be one calendar year, or less, as the President may direct.

Section 2. SPECIAL AND AD HOC COMMITTEES.

The President may appoint Special or Ad Hoc Committees for any purpose, the terms of service to extend from the date of appointment for one calendar year, or until such date as the Committee may be disbanded by the President. Special or Ad Hoc Committees may be reappointed by the President on their anniversary.

ARTICLE VIII

FISCAL AGENT

The Board of Directors may appoint a fiscal agent. In case of such appointment, the securities or properties held or owned by the Corporation shall be in the exclusive custody and control of said fiscal agent with full power to hold the legal title to such securities and properties as may be so transferred to it, and when authorized by the Board of Directors from time to time to invest and reinvest available funds of the corporation in such securities as the Society may approve and when so authorized to sell, transfer, convey and otherwise dispose of the properties of the Society, both real and personal. Said fiscal agent shall advise the Board of Directors and the Society from time to time as to the assets held by it, shall receive and disburse all income and principal funds as directed by the Board of Directors, and shall account to the Society and the Board of Directors from time to time for all assets held and funds received and disbursed. The fiscal agent shall also perform such other services for the Society as may from time to time be agreed upon.

The fiscal agent shall be entitled to reasonable compensation for his services.

The net income of the Society shall be deposited in a separate account to be disbursed by the fiscal agent under such general rules and regulations as the Board of Directors may from time to time fix and determine.

ARTICLE IX

CONTRACTS, CHECKS, BANK ACCOUNTS, ETC.

Section 1. CONTRACTS, ETC. - HOW EXECUTED.

The Board of Directors may authorize any officer or officers, agent or agents of the Society, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Society; such authority may be general or confined to specific instances and, unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power or authority to bind the Society by any contract or engagement or to pledge its credit or to render it liable pecuniarily for any purpose or to any amount.

Section 2. LOANS.

No loans or other indebtedness shall be contracted on behalf of the Society unless specifically authorized by the Board of Directors.

Section 3. CHECKS, DRAFTS, ETC.

All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Society shall be signed by such person or persons in such manner as shall be from time to time determined by the Board of Directors.

Section 4. DEPOSITS.

All funds of the Society shall be deposited from time to time to the credit of the Society in such banks, trust companies, or other depositories as the Board of Directors may designate, or if there be a

12.

fiscal agent with him, and shall be disbursed under such rules and regulations as the Board of Directors may from time to time determine.

ARTICLE X

FISCAL YEAR

The fiscal year of the Society shall be June 1 through May 31.

ARTICLE XI

AMENDMENT OF BYLAWS

The Bylaws of the Society shall be subject to amendment or repeal, and new Bylaws may be made by the Board of Directors at a special meeting called for that expressly stated purpose.

HISTORY OF THE MZG

- A. 1955 - Como Zoo Volunteer Committee set out to procure a zoo director and to raise money for the improvement of the Como Zoo.
- B. 1961 - The Minnesota Zoological Society was incorporated to establish a year-round, modern zoo for St. Paul.
- C. 1966 - A metropolitan area zoo was proposed after studies indicated that Como Zoo could not be expanded into a major zoo facility.
- D. 1967 - Zoo bill failed in the Legislature. However, Metropolitan Council's Zoo Advisory Committee submitted a report and recommendations that were basis for 1969 legislation.
- E. 1969 - Legislation passed creating the Minnesota Zoological Board, appointed by the Governor and \$500,000 was authorized to develop a master plan for the MZG.
- F. 1970 - Site selection
- G. 1971 - Funding for the zoo bill failed by one vote in the legislature.
- H. 1973 - Revised master plan was presented and the bill passed the legislature and was signed by Governor Anderson allowing for \$23.025 million in bonds with \$2.350 million additional matching funds for the construction of the MZG. Right now, every dollar donated to the zoo is worth two.
- I. 1973 (October) - First money voted to I.S.I.S. through AAZPA.
- J. 1974 (January) - Program implementation of I.S.I.S. began with hiring of the System Manager.
- K. 1974 (May 26) - Groundbreaking.
- L. 1975 (July)- Incorporation of the Minnesota Zoological Garden Foundation.
- M. 1976 - Completion of first buildings. Zoo staff moves to site. Budget increased to \$28,143,763.
- N. 1977 (spring) - Plant acquisition began.
- O. 1977 (summer) - Move into main complex. Animal acquisition began. Zoo Ride construction began. Budget increase to \$29,250,000.
- P. 1977 (fall) - Construction is completed.
- Q. 1977 (winter) - Essential completion of phase one construction.
- R. 1978 (May) - Grand Opening of MZG.

Plans for a major zoological garden in Minnesota date back several years. The initial concepts centered around an expanded Como Park Zoo. Subsequent studies by the Minnesota Society, the Citizens League, and the Metropolitan Council's Zoo Advisory Committee were undertaken from 1964-1968. Each study concluded that a zoological garden would fill a massive cultural void in the region, that it would be economically viable, and that it would bring a host of benefits ranging from increased tourism, to enrichment of educational experiences, to providing a major contribution to "quality of living" standards in the area.

Based upon collective recommendations, legislative action was sought to fund and establish a facility through state tax revenues. The 1969 legislature accepted in principle the concept of a major zoological garden and appropriated funds for development of a master plan for the first "state zoo" in the United States. An eleven member governor-appointed Minnesota Zoological Board was created to study, plan and acquire a site (subsequently selected in 1971). The 1973 legislature approved a master plan and approved a bonding program for the development of the zoo. Dakota County acquired the primary site and contributed it to the state. Construction commenced on May 1, 1974 with the first phase scheduled for completion in 1977. Opening day is scheduled for May 1978.

10/77



12101 Johnny Cake Ridge Road
Apple Valley, MN 55124
612 422-9000

July 17, 1978

Mr. Thomas T. Triplett, Senate Counsel
State of Minnesota
480 State Office Building
St. Paul, Minnesota 55155

Dear Mr. Triplett:

This letter is in response to your letter of June 26, 1978, inquiring about the relationships between the Minnesota Zoological Garden (Garden) and three related corporate entities: the Minnesota Zoological Garden Foundation (Foundation); Minnesota Zoological Society (Society); and Minnesota Zoo Ride, Inc. (Zoo Ride).

All three corporations are separately organized, have their own offices and administrative structures, and maintain their own records and operations without direct services, staff support, or facilities being provided by the Minnesota Zoological Garden, except as may be provided by contract such as the management contract with Minnesota Zoo Ride, Inc.

Each of these organizations provides a specialized support service to the Minnesota Zoological Garden, but the nature of that service differs in each case.

I also note that most of your questions are legal in character, and that both the Attorney General's office, particularly Mr. Rick Slowes, and attorneys for the corporations, will be in a better position to assist you with those legal questions. I have taken the liberty of providing Mr. Rick Slowes with a copy of your letter, and would be pleased to work with you, Mr. Slowes, and attorneys for the separate organizations in securing specific answers.

Brief policy or historical responses to some of the questions raised in your letter are as follows:

A. The Minnesota Zoological Garden Foundation

The Foundation was created as a way to assist the Minnesota Zoological Garden in active fund development. The Board had an obligation to raise matching funds, pursuant to the initial bonding authorization to the Minnesota Zoological Garden. The Board was advised that they could raise and receive money but under the State Constitution could not spend State funds for things such as the personnel necessary to raise those funds.

The Foundation was also expected to have greater credibility than a government agency in securing gifts and donations from some potential donors.

Attorneys for the Foundation recommended the joint board arrangement in order to assure the special qualification of the Foundation under Internal Revenue provisions. Since the Foundation activity is restricted to service as a support group to the Board, the Board sees no conflict of interest in Board members serving on both bodies. No members of the Foundation Board are compensated for their Foundation service.

The answers to your questions 3, 4, and 5 can best be provided by the Foundation, and I would direct you to Mr. Robert Voigt the Executive Director of the Foundation. I am attaching copies of the most recent copies of Foundation Bylaws in the Board's possession. Our records indicate that as of June 30, 1978, the Foundation has secured commitments of \$1,762,224 from the time it was first created, and that of that amount, the Foundation has actually received \$968,287.

B. The Minnesota Zoological Society

The Society is an organization that existed prior to the creation of the Garden. Its purpose is to create an interest in zoological issues generally and the Minnesota Zoological Garden specifically. It is a membership organization that provides broad citizen participation by over 10,000 individuals. The Society serves to promote knowledge about and interest in the Garden. It provides a major resource by identifying and providing volunteers to assist in outreach programs such as the Speakers Bureau and the internal information volunteers. At one time, the Minnesota Zoological Society was recognized as the advisory group which is statutorily authorized under Section 85A. As an advisory body to the Board, the potential for conflict of interest is reduced.

The Garden would not be able to provide the kind of support and services provided by the Society even with statutory authorization. Since the Society again is a separate corporate entity with its own offices, I would direct you to Ms. Chase Davies, Executive Director for the Society. Materials, services, and facilities are not provided to the Society except as necessary to train and supervise the volunteers providing a direct service to the Garden or related to a special Society function at the Zoo. Reimbursement of special costs for special functions is provided under the reciprocal agreement. Since the Attorney General's office did review the employee status of the Zoo volunteers, I would suggest you contact Mr. Rick Slows regarding those issues.

C. Automated Transportation System

Minnesota Zoo Ride, Inc. is a separate corporate entity created exclusively to assist Universal Mobility, the ride contractor, in developing a finance package.

The impact of the final agreements is that: (1) The Minnesota Zoological Garden will own and operate the Zoo Ride with full control over all levels of service, costs, and income (See the Installment Purchase Contract); (2) If the Minnesota Zoological Garden failed to make the payments, Minnesota Zoo Ride, Inc. would be entitled to come in and operate with some limited controls over the charges that might be made (See the Concession Contract); and (3) The obligations issued by Smith Barney are in no way obligations of the State. Smith Barney has provided a private finance contract for Minnesota Zoo Ride, Inc. on behalf of the Board. Smith Barney in turn may privately resell shares of the contract. The State obligation is only for the installment purchase payments.

Again legal counsel recommended that in order to secure the appropriate tax status for the Minnesota Zoo Ride, Inc., it was necessary to provide the interlocking Board relationships.

Several studies have assisted the Garden in developing projections about the potential use of and return from the zoo ride. Based upon those studies, it is reasonably projected that the income from the ride itself will cover the basic operating and purchase costs. In addition, the Zoo will receive several hundred thousand dollars in additional income because of the increased attraction factor in having the ride. This income would be at the gate and related food, gifts, and parking income.

The Board has been advised by representatives of the Attorney General's Office liability insurance at the Zoological Garden would not be appropriate since the Garden is covered by the self-insurance fund and the statutory limits on liability.

In my opinion, the three related organizations have provided in the past and will continue to provide in the future significant benefits to the Minnesota Zoological Garden and that the relationships have been carefully developed and controlled. If you still have questions after consulting with appropriate legal counsel, please advise me. I believe all issues can be effectively answered, and would be pleased to work with you if there are unanswered questions.

I would direct you to Mr. Rick Slows for his legal evaluation of these relationships. He has in his possession the complete documentation for the Zoo Ride transaction.

Yours very truly,

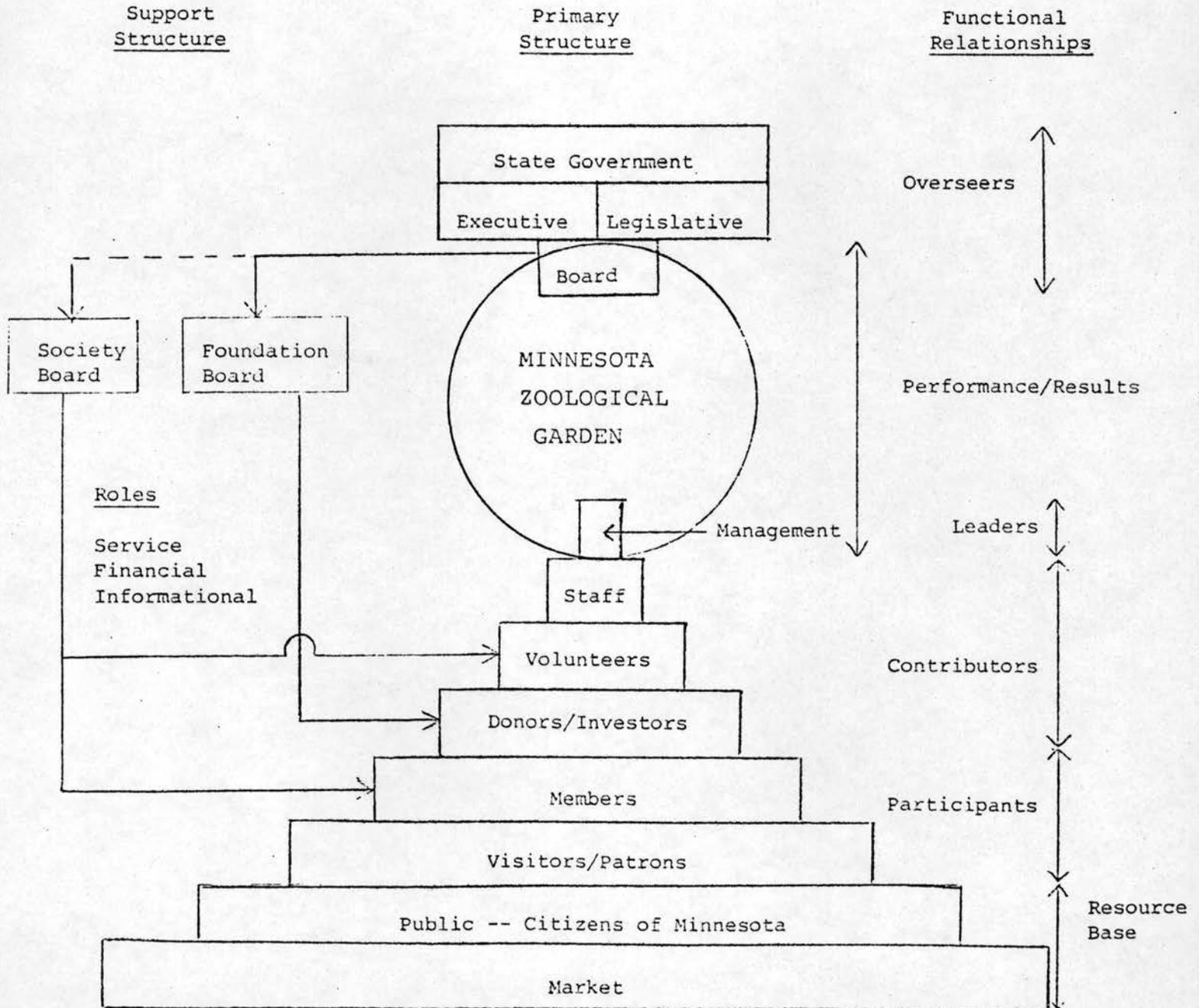

Gerard D. Hegstrom
Chief Operating Officer

GDH:pn

cc: U. S. Seal, PhD.
Robert Voigt
Chase Davies

Rick Slows
Tom Hay
John G. Hoeschler

A DIAGRAM OF ORGANIZATIONAL RELATIONSHIPS
for the
MINNESOTA ZOOLOGICAL GARDEN
as a
PUBLIC INTEREST LEISURE ENTERPRISE



POLICY ADVISORY COMMITTEE

The Minnesota Zoological Garden presently has statutory authority for appointment of an official advisory committee composed of Society members and other interested individuals. In separate consideration, it has been suggested that the Foundation and Society need to have a closer, more active relationship to the Zoo Board in order to assure close coordination and communications. Foundation involvement is particularly important in the capital improvement planning and funding approaches.

One alternative that could provide that kind of coordination and involvement is for the Society, Foundation, and limited other individuals to be represented on a Policy Advisory Committee to the Minnesota Zoological Board. The following outline describes such a committee.

Membership:

Nine total members, three to be appointed by the Minnesota Zoological Society, three to be appointed by the Foundation, and three to be appointed directly by the Minnesota Zoological Board.

Charge:

To provide prior review of identified Zoo Board policy issues so that the Zoological Board will be assured of advice and coordination of efforts. Further, to review such issues as may be appropriate from the Society and Foundation to assure coordination and communication.

Meetings:

Meetings to be held at least monthly with staff assistance to be provided by the Minnesota Zoological Garden.

Compensation:

Authority to provide per diem and mileage for official members of the Advisory Committee should be sought.

Zoo Board Relationship:

The Committee Chair shall be appointed by the Chairman of the Minnesota Zoological Board in the same fashion as other committee chairs. The Committee Chair (or designee) shall sit ex-officio as a member of the Zoo Board but without the right to vote. The Committee shall report directly to the Zoo Board.

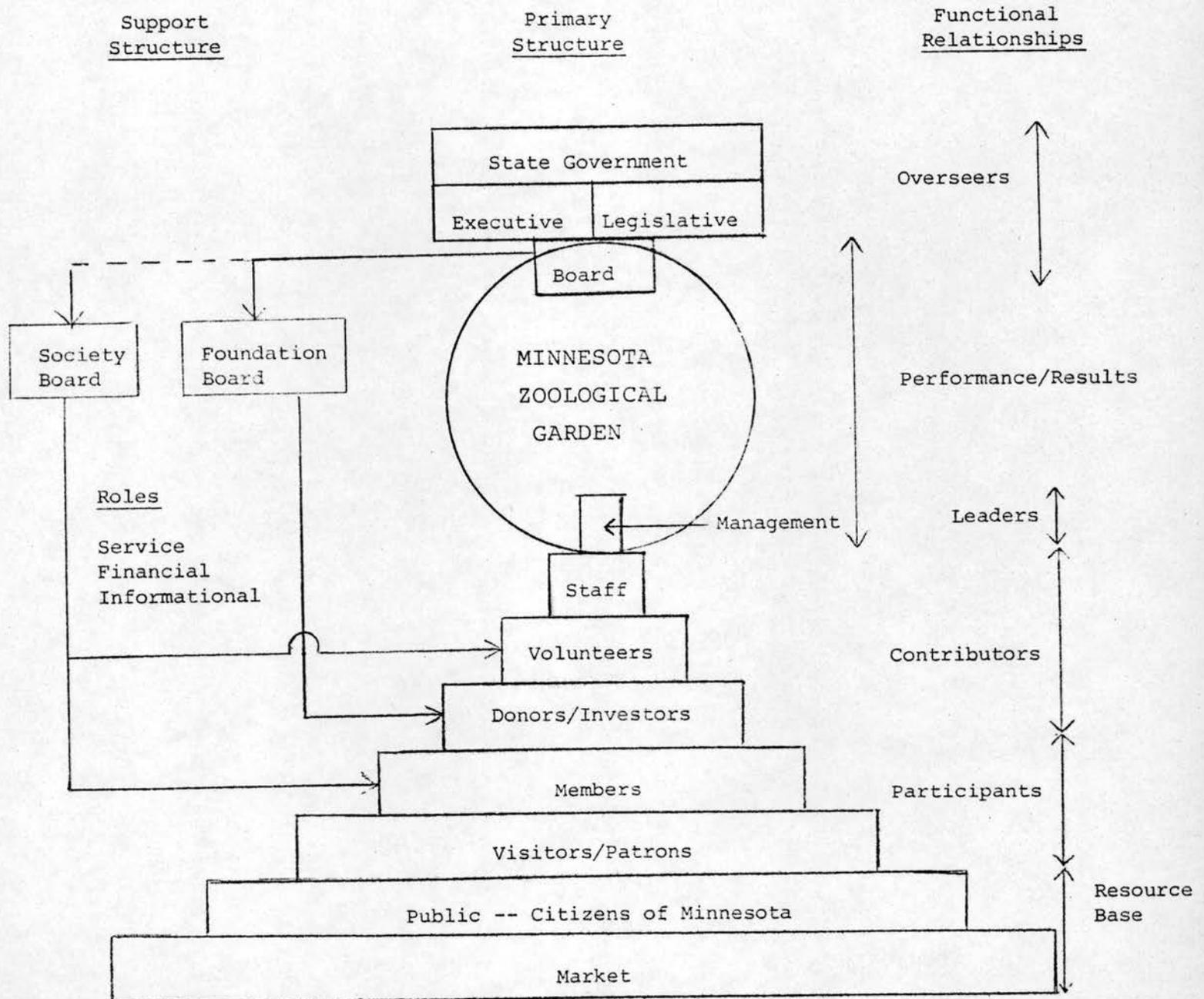
Issues Requiring Prior Review:

The Zoo Board may assign, or the Committee may request and the Zoo Board grant, prior review authority over any policy matter affecting

the Zoological Garden. Initially, right of prior review shall exist for the following: Capital Improvement Plans; plans for marketing/promotion/patronage development and income; fund development programs and donor recognition; and capital budgets. In addition, the relationship between the Society and the Foundation on membership and fund development efforts should be considered by this Committee.

GDH:pn

A DIAGRAM OF ORGANIZATIONAL RELATIONSHIPS
for the
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