

Riverbanks Park Commission
Meeting Minutes
19 June 2014

Attendance Report

Commissioners Present: Phil Bartlett, Bud Tibshrary, Lloyd Liles, Jim Smith, Jan Stamps, Mary Howard

Commissioners Absent: Earl Brown

Staff Present: Satch Krantz, Tommy Stringfellow, Steve Hatchell

Guests Present: None

Call to Order

Vice Chairman Bartlett presided over the meeting due to Chairman Brown's illness. He called the meeting to order.

Reading of the Minutes

The April 2014 minutes of the Commission were approved as distributed.

Chairman's Comments

Vice Chairman Bartlett welcomed Commission members and staff and asked that everyone keep Chairman Brown in their thoughts and prayers. The Commission members wished him a speedy recovery.

Report of the Nominating Committee

Vice Chairman Bartlett noted that due to Mrs. Stamps recent illness, he agreed to fill her position on the Nominating Committee. The Committee, now composed of Bartlett, Liles and Howard, met on Wednesday, June 18th to develop a slate of officers for the 2014 - 2015 and 2015 - 2016 fiscal years. The slate is as follows:

- Chair Bartlett (Richland County)
- Vice Chair Howard (Lexington County)
- Treasurer Tibshrary (City, at-large)
- Liles Secretary (Richland County)

Smith moved that the presented slate be elected by acclimation, m/c, unanimous.

Chief Financial Officer's Report

CFO Hatchell reported that when compared to the fiscal year budget, the May 2014 financial statement reflects positive results with both attendance and revenue outperforming the current budget and last fiscal year's actuals. After transfers for Capital Projects, the general fund currently shows an excess of \$939,888, with only one month

remaining in the fiscal year. He noted that this excess would drop in June due to expenditures related to the summer marketing campaign. He noted the following:

Attendance

- As of May, attendance is over budget for all categories except free admissions, which is due mainly to rain occurring on most of the Free Fridays. For the month of May, attendance was 18,908 more than the month of May in 2013.

Balance Sheet

- We continue to show a very positive cash position through May.
- The Accounts Receivable balance is up as a result of the spring season bookings.
- We currently have \$456,953 of bond expenses that have yet to be reimbursed. We will be requesting these funds in June.

Revenue vs. Expense

- Admissions Revenue and SSA commissions continue to outperform both budget and prior fiscal year.
- Department expenses continue to show favorably as related to budget, while about 4% over last year's actuals.

2014 – 2015 Operating Budget Approval

Vice Chair Bartlett noted that the Commission's Finance Committee (Commissioners Smith and Bartlett) and the Riverbanks staff have spent some time working on the 2014 – 2015 operating budget. He asked that Commissioner Smith present the proposed budget. Smith noted that this budget will incur some of the first operating expenses related to the Destination Riverbanks bond issue projects.

The following highlights of the 2014-2015 proposed general fund budget were then presented:

- As proposed, the budget is balanced with \$11,725,491 of revenue, an increase of \$799,133 over the current fiscal year budget. The increase in revenues over last year's budget are mostly related to:
 1. Our outperforming the 2013-2014 budget
 2. Budgeting the 2014-2015 year based on our projected revenues for the current fiscal year
 3. A proposed increase in admissions fees
- The proposed budget also reflects \$11,411,755 in expenses, an increase of \$501,122. This increase includes a 2% across-the board pay increase for all employees. Operating (non-personnel) expenses are budgeted relatively flat with the exception of Facilities and Guest Services.
 - The Facility increase is due to an increase in general repairs & maintenance, LSS supplies, and anticipated AZA accreditation repairs.
 - Guest Services is due to an increase in the Aramark grounds contract (an increase in the CPI).
- The staff is projecting a slight decrease in attendance due to construction.

- Admissions increase – If revenues remain steady during the construction period, combined with a slight increase in our governmental support, we would still produce a deficit *even without the proposed pay increase*. The option of increasing admission prices at some point during the fiscal year will not only cover existing costs, but allow us to create additional, much-needed capital. The staff proposes implementing the following increase in the admission fee schedule on July 1, 2014:
 - Adults – \$13.95 (from \$11.75)
 - Children – \$11.50 (from \$9.25)
 - Seniors/Military – \$12.95 (from \$10.75)
 - Group Sales would also increase but a price has yet to be determined.
 - We propose keeping online purchases at a discounted price (TBD).
- This proposed 2014-2015 budget creates a “surplus” of \$313,635, which is shown as a Capital Projects fund transfer. This surplus will allow us the ability to continue the recent strides in maintaining and upgrading the needs of the Zoo and Garden.
- Anticipated increases in Earned Revenue from the current year budget are:
 - Admissions Revenue is increased by \$782,446. This increase is due to the fact that we continue to outperform the budget in the current year. We have budgeted the 2014-2015 year based on current actual revenues. We are also proposing raising admission fees in order to cover the anticipated increases in expenses.
 - SSA Commissions are increased by \$160,416. This amount comes directly from the SSA budget.
 - An increase in Attractions of \$95,518, primarily due to the fact that the zipline had no budget amount for the current fiscal year.
- Governmental Support increases are based on the recommended amounts of both counties. Neither county has approved their final budget at this time.
- We are requesting a 2% across-the-board salary increase for all employees. This request is based on two factors. The state retirement contribution paid by employees will increase by 0.5%. Without a salary increase, our employees’ take-home pay would actually decrease. Combined with a general rise in the cost-of-living, we feel that a 2% across-the-board increase for employees hired before January 1st, 2014 is a reasonable request.
- The budget includes two new full-time positions. Both positions are in the botanical division. The first is in the Botanical Garden with a start date of January 2015. The second is in the Zoo and is scheduled to start in March 2015 in preparation for the new entryway. The attrition of the one position in Administration and Animal Care is due to the fact that we transferred the courier position from Administration to Facilities and the LSS position from Animal Care to Facilities (representing their 2 new positions).

Following some discussion, Tibshrary moved, Howard seconded, m/c unanimous, to approve the 2014 - 2015 general fund budget as presented.

Bond Issue Projects

Commissioner Stamps and Krantz presented the following report on the various bond issue projects:

- **Rivermont Properties** – Krantz reviewed the status of three issues relating to the Rivermont properties.
 - Columbia City Jazz (CCJ) – On Monday, June 9th Krantz received a frantic phone call from the owners of Columbia City Jazz, one of the three remaining Rivermont tenants. They had erroneously been informed by the rental agent that they needed to vacate their building by the end of July 2014. They were quite upset, feeling that they had been misled by the Zoo about not needing their property. Krantz met for an hour and a half with four representatives of the CCJ on Wednesday, June 11th. He assured them that they could remain in the building until the summer of 2015 but would need to vacate by the end of that summer. Krantz asked that CCJ put in writing their need to remain in the building.
 - Working with our real estate counsel and Wilson Kibler, proceedings have been initiated to evict Pool Tables Plus from their Rivermont property. This is being done due to the expiration of their lease and the fact that they are in arrears.
 - We have run into a minor issue in dividing the three rental properties into separate parcels (for property tax purposes) because the existing road (Rivermont) does not meet the minimum 50' right-of-way width required by the City of Columbia. Rivermont is now grandfathered in at the current width, and the City will require that it be upgraded to the required width once the parcels are subdivided. No variance can be sought to change this requirement.
- **CSX** – On Wednesday, June 4th a two hour meeting was held between representatives of CSX, Riverbanks staff (Krantz, Stringfellow) and Riverbanks' architects and engineers (Joel Carter, Richard Jackson). This was the first face-to-face meeting between CSX and Riverbanks since this project first surfaced over a year ago. The two CSX representatives were very cordial and accommodating. They answered each and every question as honestly and directly as they possibly could. The following are some of the highlights of the meeting:
 - Riverbanks and CSX mutually agreed to separate the Rivermont pedestrian bridge from the newly proposed bridge and shoofly track at the lower end of the parking lot. This will allow the pedestrian bridge to be fast-tracked. In fact, they gave our architects and engineers permission to begin working on the actual design and blueprints of the pedestrian bridge. They went so far as to state that it is possible to have the drawings approved and the bridge constructed by the end of this year.

- The newly proposed train bridge and shoofly track project will take much longer than anticipated. When I asked if this project could be completed by the summer of 2016 (the projected opening date for the sea lion exhibit) they replied, “Possible, but not probable.” The problem with this project is that it is so complex that final approval will require multiple reviews by multiple departments within CSX. If one of these departments raises an issue or finds a problem, the review process must start all over again. Based on their comments, this process cannot be circumvented.
- It was learned that the railroad’s union employees will play a significant role in the final cost of the project. Per the union’s contract with CSX, if work is carried out on less than 6,000 linear feet of track, CSX is required to use union employees. Our project is far less than 6,000 feet. Also, once the new railroad bridge is completed, we (the Commission) will own it. We will also be responsible for its maintenance. This has to do with the complex issues of property taxes and liability. This was the first time this issue has been raised.
- Both CSX and our architects and engineers pledged to develop a cost estimate on the railroad bridge and shoofly ASAP.
- **Entry/Grizzly/Otter** – Rodgers Builders has submitted a Guaranteed Maximum Price (GMP) of \$7,830,947 for the EGO (Entry/Grizzly/Otter) projects. Stamps moved, Howard seconded, m/c unanimous, to approve the Phase I (EGO) projects by an amount not to exceed \$7,830,947.
- **Sea Lion** – Nothing new to report, however it is anticipated that Rodgers Builders will present a GMP of this project during the month of July.
- **Children’s Garden** – The children’s garden project is now “on the street,” having been posted last week on the South Carolina Business Opportunities Bulletin. Bid opening will be held on Tuesday, July 15th. Riverbanks staff have continued to meet with DHEC regarding the splash pool and stream. DHEC has been very accommodating and has approved in principal our requested permit that will include a number of variances requested by our architects and engineers.
- **414 Rivermont** – Krantz noted that the due diligence phase has ended and that we will close on the 414 Rivermont Drive building within the next two weeks.
- **Tuskers’ Deck** -- The new Tuskers’ deck over the alligator lagoon is complete and open to guests. Krantz noted that the deck turned out beautifully and is a wonderful addition to Riverbanks. He also noted that the alligator is expected to return on Wednesday, June 25th.

Chief Operating Officer’s Report

Nothing to report

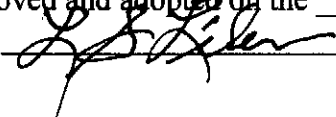
Chief Executive Officer’s Report

- **Lexington County TIF** – Krantz reviewed the status of a memo sent to the Commission concerning a proposal by the Town of Lexington to create a Tax Increment Financing (TIF) fee to fund a \$5 million downtown renovation project. If the TIF succeeds, it freezes the assessed value for “overlapping tax entities” for

the duration of the bonds. Overlapping entities are those entities/agencies located within the TIF area, including the Riverbanks Park Commission. Given the relatively small bond, the financial impact on the Commission will be negligible. The Commission expressed its support of the TIF and has no concerns about its impact on the Zoo and Garden.

- Lexington County Escrow Account – Krantz reviewed his recent meeting with Lexington County Administrator Joe Mergo to discuss the Zoo’s escrow account. Mergo noted that he would be meeting with members of Council and would broach the subject of releasing a portion of the funds. Krantz then noted that earlier today he had received an email from Mergo asking that he prepare a letter requesting a portion of the funds as well as their intended use. The Commission discussed the matter and instructed Krantz to request approximately 75% of the funds.
- SCE&G Solar Grant – SCE&G has agreed to donate up to \$25,000 towards the Zoo’s 50% match of a Palmetto Clean Energy (PaCE) grant to install solar array panels on the new guest services building. The array is expected to cost approximately \$100,000, which will be covered by a \$50,000 PaCE grant (pending). Riverbanks would have been responsible for the remaining \$50,000.
- Giraffe Contribution – The family of an 8-year-old child who recently passed away from a sudden, acute illness has been meeting with members of the Zoo staff regarding their desire to make a donation to the giraffe exhibit.
- July Meeting – The Commission decided to cancel its July 2014 meeting due to the scheduled absence of Krantz (annual leave) and at least one Commission member.

Approved and adopted on the _____ day of August,
2014.

 _____, Secretary