

REPORT OF THE  
SPECIAL ZOO STUDY COMMITTEE  
ON GOVERNANCE OPTIONS FOR THE MINNESOTA ZOO

JANUARY 21, 1986

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## INTRODUCTION

The 1985 Minnesota Legislature directed the Minnesota Zoological Garden Board to evaluate governance options for the Minnesota Zoological Garden and recommend the most appropriate status for the zoo's employees. The zoo board appointed a study committee to make recommendations to the board on these issues. The study committee consisted of members from the private sector, the zoo board, the community and the state planning agency, assisted by the departments of administration, finance and employee relations. (See Appendix D for members of the Zoo Study Committee.)

The Zoo Study Committee was charged with the legislative mandate to "evaluate governance options that best foster an effective public/private partnership to oversee zoo operations" so that the Minnesota Zoo can "operate independently, efficiently and economically, and be active in soliciting nonstate contributions."

The Zoo Study Committee was also charged with recommending "the most appropriate status for zoo employees" under any proposed governance "structure", and a "transition process". In accordance with this charge, the following report with recommendations is submitted.

Mr. Charles Bieler, executive director emeritus of the Zoological Society of San Diego, was retained as facilitator by the Minnesota Zoo Board to assist the Zoo Study Committee in accomplishing its task. (See Appendix E for biographical data.)

## I. THE PURPOSE OF THE MINNESOTA ZOO

The purpose of the Minnesota Zoological Garden is to further recognition of the interdependence of life forms -- man, animals, plants -- on the planet Earth. The zoo was developed to illustrate the zoogeographic regions of the world, each with distinct animal residents. Visitors are meant to gain an understanding of the world and the life forms in it. If a visitor leaves the zoo with greater knowledge of and a commitment to the concept of the interdependence of life forms, the zoo's purpose has been met.

The Minnesota Zoo accomplishes this purpose through four areas of undertaking: 1) education; 2) conservation; 3) research; and 4) recreation.

The Minnesota Zoo is a unique vehicle for integrating these four areas of endeavor because of its unique design. The Minnesota Zoo was created around the concept of the ecosystem. The original design was to create, in four phases, many sub-ecosystems. Phase I, the current zoo, is comprised of an Asian Tropics, a tour across the Northern Hemisphere with particular emphasis on cold weather ecosystems, a cold water aquatic system and, smaller in scope, but greater in depth, the ecosystem of Minnesota.

Within each sub-ecosystem the vehicle to integrate education with recreation is the concept of a journey. This is to say that people are to become more aware of the role of each piece of an ecosystem and how these pieces fit together (the education component) by journeying into that world and experiencing it on its terms rather than on their own terms. While never identified by name, this is referred to as experiential learning. The

element of fun or recreation in this approach can better be described as "excitement" or "aliveness" or "stimulation" or "exhilaration." The finest example of this "alive learning" through journeys is probably Disney World. John Tilton, one of the early spirits of the Minnesota Zoo, actually referred to the Minnesota Zoo as "a biological Disney World."

Around this journey through an ecosystem are wrapped research and conservation. The latter focuses primarily on propagation of endangered species but certainly includes the promotion of the entire system and each of its inhabitants. Research programs have the dual opportunity of contributing to the scientific world, at large, and to the continuous new understanding of the specific ecosystem in the Minnesota Zoo setting.

Conservation is an automatic, integral part of the education thrust, since it comprises the major content of the knowledge to be transferred from the zoo to the visitor. Once recognizing a system, and how its pieces fit together, it is relatively simple to see when pieces are out of balance, i.e., lack of food, suitable habitat, over-predation, weather kill, etc. Severe long-term imbalance creates endangered species. The endangered species program's reason for being is to reestablish a balanced ecosystem (i.e., therapy for an imbalanced system) in critical situations whereas conservation is preventive medicine, i.e., to prevent critical imbalances.

While the Minnesota Zoo is among the foremost zoos in the country in attempting to integrate these components into the zoo visit, much needs to be done to further the stated purpose of the founders to make the Minnesota Zoo a more "alive learning" experience.

## II. SUMMARY OF FINDINGS

### MISSION

What is a zoo? A zoo is a museum whose collection is living. The Minnesota Zoo has a collection of wildlife that is difficult or impossible to see and experience in natural settings. It also exhibits a spectacular collection of tropical plants.

The Minnesota Zoo was born in an era of growing environmental awareness and a transition in zoo philosophy. Today zoos participate in a national association that accredits them. This association has a professional code of ethics and inspects facilities. Zoos no longer see themselves as merely collectors of wildlife but as producers of wildlife for future generations. This growing sense of obligation to protect a heritage for future generations has brought many changes to zoos, not the least of which are scientific, genetic-based breeding programs in place of casual or director-ego driven programs. A change in exhibit philosophy also has occurred. Today, naturalistic exhibits are preferred. In many instances this means the visitor is not face-to-face with an animal. The three major new facilities constructed in the 1970s are all designed on this principle -- the Minnesota Zoo, the Toronto Zoo and the Wild Animal Park of the San Diego Zoo.

Yet many recent studies find that zoos are still family recreation centers. When visitors are asked why they visited a zoo, there is a pure and simple reason that ranks ahead of all others -- family recreation. The goals of education and conservation are secondary and often unrecognized.

Zoos are experiencing a new factor in their existence -- competition. Charles Bieler, using San Diego as an example,

recalled that in the 1950s, other than the beach, the San Diego Zoo was the only thing in town to do. Then Disneyland opened in 1955, Sea World in 1962, and Knott's Berry Farm opened a facility. The visitor base was divided among several attractions in addition to baseball, football and video. Hence, San Diego and all zoos have had to get into the recreation business, often by doing additional programming on site, such as concerts, and by offering more zoo activities that actively involve the visitor. Most zoos recognize they are competing with other facilities/institutions for the leisure dollar. For the Minnesota Zoo this is an especially important consideration because it arrived on the scene later than many of its "competitors."

At the same time, competition for tax dollars has developed and most governmental bodies throughout the nation are looking for alternatives to full funding of zoos. One of the most common thrusts today is a public/private partnership. The private component of this partnership is the donor community -- foundations, corporations and individuals.

While the competition for revenue (income both earned and contributed) intensifies, the visiting public has greater expectations. Again, Mr. Bieler commented that visitors willingly pay \$13.95 to go to Sea World, but question why they must pay \$5.50 to go to the San Diego Zoo. Studies have found these two facilities have the same length of stay and the same entertainment value. The tradition of zoos being tax-supported and often free recreation is one that is well instilled in the American public. Thus, revenue growth through increased admission prices appears to be limited.

If a public/private partnership is an essential funding component for modern zoos, what is required to achieve private support? To



garner private support, the Minnesota Zoo must aspire to goals beyond simply housing a living collection and serving recreational needs. The original mission to further the recognition of interdependence of life forms -- man, animals, plants -- on the planet Earth remains the only viable mission if the Minnesota Zoo is to justify its existence to the donor community. Mission is what donors give for and endowments endow.

### IMAGE

In addition to mission, image is an important ingredient in attracting donor support. The Minnesota Zoo has an image problem that is difficult, if not impossible, to overcome in its present structure. The Minnesota Zoo is seen as and believed to be a state government agency. All the critical tests indicate the zoo is a state agency. Its employees are state employees. It has been governed by the various checks and balances characteristic of government and its board is selected according to a prototypical governmental model.

Although the 1985 legislature established an Enterprise Fund and zoo receipts are deposited to the fund for zoo expenditures and the General Fund appropriation is now a grant with unspent balances no longer canceling to the General Fund, the fundamental structural elements of the zoo have not changed. For example, the zoo's board is not drawn from community leaders who have given leadership to other major institutions and who are successful at fund-raising, and thus can insure that the zoo is an integral part of the community support network. Further, it is difficult to get a feeling of succession in a state agency with a politically appointed board, because board members are there for relatively short periods of time and the board has no role in deciding its successors. Where boards are involved in

determining their successors through a "laying on of hands," organizations get people who are like-minded and share a vision for an organization. Then a culture can develop which is nurtured by both the staff and the board members.

The Minnesota Zoo offers much to build on. It has assets and it has programs. It has been recognized for excellence in education. Nearly one million people visit it every year, making it one of the most popular attractions/institutions in Minnesota. Its visitors come from a broad base of the population. In spite of these successes, the Minnesota Zoo has not been able to attract private support.

While the Zoo Study Committee looked at image, it did not devote large segments of time to this topic, believing that the image problems are not amenable to a public relations fix, but will be taken care of once structural problems are resolved and the mission is reaffirmed.

#### EMPLOYEES

The employees of the Minnesota Zoo are its heart and soul. They have kept the zoo alive through some difficult periods. But confusion exists in employees' minds about whom they really work for; some say the state, others say zoo management, others the board. Goal setting is fragmented and the ability of the board to commit to a long range plan, and then to secure as future board members those who believe in and will work to further the plan, is nil. Most major institutions work and succeed because they can do this, and because staff, board, and community understand, support and perpetuate the goals of the institution.

## GOVERNANCE

The Zoo Study Committee devoted much of its time and attention to meet the legislative mandate of evaluating "governance options that would best foster an effective public/private partnership to oversee zoo operations." The committee concurs with the legislature that governance is the key to unlocking a brighter future for the Minnesota Zoo.

The Zoo Study Committee reviewed zoo governance in the United States and found four basic types of governance:

1. Government owned and government operated. The Minnesota Zoo falls in this category today as does the North Carolina Zoo, the National Zoo, the Los Angeles Zoo, the Lincoln Park Zoo (Chicago), the Milwaukee County Zoo and many other smaller city and county zoos. Under this model employees are civil servants and nearly one hundred percent of the operating budget comes from government sources and admissions, if charged. However, with the exception of the North Carolina and Minnesota Zoos, the geography of the governmental unit is smaller, i.e., a city or county.
2. Government owned but operated by a private not-for-profit group. Leases are often present and there is a public/private partnership with some tax money going to the zoo either through a mill rate or from the governmental unit. The Brookfield Zoo (Chicago), the New York Zoological Society Zoos (New York City) and the San Diego Zoo are all well known zoos that operate under this format. The amount of public money varies. (Brookfield receives about 55 percent of its operating budget from the county.) The

other two zoos mentioned are more nearly self-sufficient because of private contributed income. The New York Zoological Society has a \$40 million endowment. Under this model, the entire staff is usually employed by the operating group and this private group has full power and authority to operate and manage the zoo.

3. Privately owned and privately (not-for-profit) operated. The Phoenix Zoo and the Arizona-Sonora Desert Museum fit this pattern. These organizations actually own their assets on privately held land and have never received any tax money.
4. Privately owned and operated for profit. Sea World, Busch Gardens and Catskill Game Farm are examples of this model.

The study of governance options does not in and of itself provide insight into the best option for the Minnesota Zoo to foster a public/private partnership. However it does provide some clues as to models that have been effective in generating private support.

The Zoo Study Committee concludes that the private not-for-profit (with public ownership) model is the best model to foster a public/private partnership in Minnesota. But what are the advantages of a public/private partnership? Are they worth the change? The committee believes they are.

A public/private partnership would:

1. Produce a better zoo. The Minnesota Zoo is a good zoo. The proposed model could produce a great zoo. A great

zoo is unlikely under the current model unless the state is willing to increase its subsidy substantially.

2. Require less public money in the long run. The committee believes that the current dollar level of subsidy would not have to increase over time. Thus, the state's share of funding would decrease.
3. Make the zoo an integral part of the community support network.

Simply stated, the people of Minnesota would get a better zoo for fewer tax dollars. Indeed, the study committee believes that without the recommended changes, it will be very difficult, if not impossible, for the zoo to reach its potential unless the state is willing to increase its subsidy by significant amounts. The Minnesota Zoo has great potential. But it is unlikely that its quality will improve without a different structure; in fact, it is likely to decline. Decline would have geometric ramifications because we live in an area in which expectations are very high.

The Zoo Study Committee believes it is possible, in effect, to reduce the state's subsidy over time by management efficiency, effective decision-making, marketing know-how and increased community support.

The Minnesota Zoo is like other cultural institutions in the Twin Cities area and unlike a state agency. The zoo is different from other state agencies in that its viability depends on satisfied consumers and generous contributors, both of whom have many other options.

If there are advantages to a public/private partnership, why hasn't such a partnership developed? The Zoo Study Committee has identified four critical factors, all relating to structure and governance, that prevented the development of such a partnership. Briefly stated, these factors are:

1. The appointment of the board by the governor doesn't involve any private participation.
2. A public/private partnership was never articulated.
3. A lack of clear control of operations by the board does not invite private participation because it lacks power.
4. The combination of being a state agency with a policy board is a disadvantage in attracting superior management and then compensating them accordingly.

#### Board

The board is not structured to encourage community or private support and participation. Minnesota Zoo Board members are selected through a political appointment process and for the last several years through the open appointments process. Political appointments are not necessarily partisan appointments. However, board members are not chosen because of their ability to foster community support and involvement. In addition, often they are unable or unwilling to do what a board should do and what most zoo boards must do -- nurture the effort to oversee the running of a significant enterprise and raise funds for that enterprise.

The plain truth is that those who support institutions do not do

so until the cause is marketed and the board is seen as responsive and responsible. In other words, the board must say "leadership."

While the Minnesota Zoo was originally envisioned as being self-sufficient, once it was clear it would not be, no public/private partnership was established. The Minnesota Zoo very quickly became a state agency in every sense of the word. When donors are approached many ask if the Minnesota Zoo is not a state agency. Since it is, they ask why should they contribute.

Yet public/private partnerships abound in Minnesota and work well. Two outstanding and well known examples are the Minneapolis Art Institute and the Science Museum of Minnesota. The Art Institute receives a \$3 million property tax levy from Hennepin County taxpayers. The Art Institute with income of nearly \$12 million, generates earned income, is active in soliciting contributed income and has an endowment. The Science Museum, with an \$8 million income, gets 23 percent of its operating budget from a combination of federal, state and county funds. Ramsey County provides funding for the annual maintenance of the buildings. The value of this maintenance is equal to about 11 percent of the operating budget. Thus, the Science Museum's fund raising can focus on programs. The Science Museum earns (admissions, gift store, etc.) over fifty percent of its operating budget.

What is important is that in both of these examples the amount of public support is known and thus a program can be built based on all revenue sources -- tax money, earned income and contributed income. The known "parameters" of the public/private partnership are critical for planning, management and credibility in fundraising. In simple words, all parties know what the "deal" or "contract" is. In the case of the Minnesota Zoo, there is no "contract" between the public and private sectors.

For a public/private partnership to be established, much depends on the structuring of the governing body. The Zoo Study Committee believes that there should be no problem attracting able people to the Minnesota Zoo Board if real power, accountability and responsibility move to the board. In addition, the funding partnership will have to be clarified. The responsibility for the zoo's operations, as well as the power to exercise that responsibility, must be vested in the zoo board, without diminution by state rules, regulations, and controls from other agencies.

#### Director

The skills necessary to effectively operate a substantial public/private enterprise, serving nearly one million visitors annually and competing for the recreation dollar with a myriad of attractive options, are different from the skills required to operate a division of state government.

In this new era of tightening budgets and increasing recreation dollar competition, the Minnesota Zoo will succeed only if it can attract a director with excellent managerial and leadership skills. This will require a higher salary, increased decision-making power, and full responsibility to manage staff. Most successful major zoos are headed by strong administrators who foster a public/private relationship and understand zoos. The Minnesota Zoo can attract this kind of leadership and needs to, if it is to succeed. Adoption of the report's recommendations concerning structure and governance will greatly facilitate the Minnesota Zoo's ability to attract and appropriately compensate an outstanding chief executive and an able staff of assistants.



### III. RECOMMENDATIONS

The Minnesota Zoo Study Committee identified structure and governance as the underlying factors which are keys to fostering a partnership between the private sector and the state for the purpose of operating the Minnesota Zoo. The changes the Zoo Study Committee recommends require enabling legislation.

The recommendations are as follows:

1. That a new, private, not-for-profit corporation be formed to operate the Minnesota Zoo under a lease arrangement with the state of Minnesota.

The Zoo Study Committee has acted as a catalyst in identifying and recruiting the "founders" of this proposed private, not-for-profit corporation.

This new entity will consist of thirty (30) board members. The board will be self-perpetuating.

The fifteen (15) founders whose names appear in the addendum have agreed to serve if the legislature accepts the study committee's recommendations and enacts the necessary enabling legislation.

These fifteen founders will name their representatives to negotiate any unresolved issues relating to the operating lease with the state of Minnesota and any unresolved issues arising during the transition period.

The remaining fifteen (15) board members will be selected no later than July 1, 1987.

2. That the operating lease include covenants such as those which follow:

- a. A subsidy for operations. For 1986-87, the second year of the current biennium, \$4.6 million will be requested. The intent is that the subsidy remain constant. Because of the unpredictability of rampant inflation, and because one legislature can not bind the next, the operating subsidy would be negotiated for every biennium.
- b. A method by which state funds for major, catastrophic maintenance needs of the physical plant can be requested.
- c. Performance standards for the new organization will specify, for example, that it:
  - 1) take responsibility for all mammals, birds, reptiles and plants and their progeny as well as the exhibits and personal property of the state located at the Minnesota Zoo and preserve and maintain them. Any additions will be assets of the state.
  - 2) operate the Minnesota Zoo according to the highest standards of the zoo profession.
  - 3) provide opportunities for recreation and education at the Minnesota Zoo and foster research and conservation.

- 4) have the right to charge reasonable fees for admission and for the activities therein, in an amount to be determined by the organization. However, these fees shall not exceed the amount needed to run the operation. Of course, as a nonprofit organization, no profits would be made.
- 5) use all operating revenue for the maintenance and operations of the Minnesota Zoo and for research and education, promotion and development of the Zoo.
- 6) provide an opportunity for access to the Minnesota Zoo for all Minnesotans.
- 7) grant every Minnesota school child one free visit per year if that visit is part of an organized school group.
- 8) submit an audited statement of the Minnesota Zoo's financial status every year to the legislative auditor who may make additional examinations if these would be in the public interest.

The private, not-for-profit entity will be reviewed on these performance standards every two years. If the private, not-for-profit entity does not meet these performance standards, the state may cancel the lease within 60 days of notifying the operating entity.

d. The state reserves and shall always have the right to enter the premises for the purpose of reviewing and ascertaining the condition of the property.

e. The initial lease should run for twenty (20) years subject to the operating covenants.

3. That the employees of the Minnesota Zoo cease being employees of the state of Minnesota and become employees of the new entity because the Minnesota Zoo will no longer be a state agency.

The Zoo Study Committee sees the long-term lease arrangement (minimum of 20 years) as one of the few options available that would create an environment which would attract a broadly-based board, create a permanency in the transfer of power, and move the Minnesota Zoo out of a bureaucratic, inflexible environment into an environment where innovation and responsiveness can flourish.

The long-term lease would be subject to the performance standards as spelled out for both the state and the new entity. These covenants would contain safeguards for both the state and for the new entity. The Zoo Study Committee believes that the Minnesota Zoo will require a financial subsidy from the state for the foreseeable future. However, the Zoo Study Committee believes that the current level of \$4.6 million will be adequate and will not have to be increased in succeeding years.

The new organization will take the entrepreneurial risk. This contrasts with the current structure where all risk rests with the state. In fact, the state's subsidy as a share of the Minnesota Zoo's budget has increased during the first half of the 1980s (see Appendix A).

The study committee is aware that certain expenses, such as insurance and promotion, will be significantly increased, but the committee still believes it will be possible to cover these increases with a combination of program revenue and contributed support.

#### IV. PLAN FOR IMPLEMENTATION

##### TIME FRAME

If the governor and the legislature are truly committed to a public/private partnership, then the Zoo Study Committee urges that its recommendations be adopted by the 1986 Minnesota Legislature through enabling legislation and that the new private not-for-profit group and its board become the new managers and operators as of July 1, 1986.

The committee recommends that a six month period, from July 1, 1986 to December 31, 1986, be designated as a transition period in order that zoo employees and their status in the new organization can be negotiated with the appropriate parties.

##### EMPLOYEE STATUS

The Zoo Study Committee believes that the zoo's employees are a key resource. If the new structure is to be successful, the employees must be a part of it, a part of the effort. If the zoo employees are not employees of the new entity, the new structure is not likely to work.

The study committee envisions that current employees of the zoo will continue as zoo staff if they so choose. However, once the zoo operation is private, it is no longer appropriate for zoo employees to be represented by public employee unions.

Once employees of the zoo are employees of the new organization, they have the right to organize and affiliate with a union(s) of their choice.

The study committee urges the state to negotiate with the public employee unions a fair and equitable transition process so that:

1. The length of time for an employee to make a decision about "transferring" to the new organization is reasonable.
2. The length of time for incumbents to seek a transfer to another state position is reasonable, for example, a "leave of absence" might be granted for a reasonable period of time so that an incumbent has adequate time to look for employment elsewhere in state government before he/she is considered terminated with respect to seniority for benefits and pension purposes.
3. Once employees are terminated the state will meet all its normal obligations to terminated employees.
4. During the transition period, if employees choose to organize into a private sector bargaining unit(s) that the state mediation bureau act as the agency to provide elections to determine the employees' status regarding the bargaining representative(s).

The study committee envisions the new organization as providing employment, not taking it away. Thus, it envisions that the new organization would:

1. Receive incumbents and recognize their past service at the Minnesota Zoo or other state employment for purposes of vacation.
- 2) Offer a benefits package comparable to that of public/private sector Twin Cities employers, with the

advantage of a flexible benefits package not currently found in state service.

#### TRANSITION COSTS

A special appropriation of \$300,000 must be made to cover transition costs.

#### LONG-RANGE PLANNING

One of the major tasks of the new board will be to revisit at the various planning efforts for the zoo, from the original Master Plan to the most recent fill-in-the-spaces strategy and to develop a vision around which staff, board, and community can coalesce. The new organization will give this a high priority.



APPENDICES  
A THROUGH E

Appendix A

FUNDING HISTORY

FINANCIAL HISTORY  
FOR THE FIVE YEARS ENDED JUNE 30, 1985

History of Total Zoo Budget

	<u>Actual</u>	<u>Constant Dollars*</u> <u>(1972 = 100)</u>	<u>% State</u> <u>Subsidy</u>
1981	\$6,508,449	\$3,327,449	42.7%
1982	\$6,107,911	\$2,944,991	57.0%
1983	\$6,359,340	\$2,953,711	56.3%
1984	\$7,280,798	\$3,259,086	56.0%
1985	\$7,837,700	\$3,390,009	54.3%

History of State Subsidy

	<u>Actual</u>	<u>Constant Dollars*</u> <u>(1972 = 100)</u>
1981	\$2,779,752	\$1,421,141
1982	\$3,480,087	\$1,677,959
1983	\$3,578,463	\$1,662,082
1984	\$4,070,456	\$1,822,048
1985	\$4,112,700	\$1,840,958

\*Source: Business Conditions Digest, Department of  
Commerce, July 1985

MINNESOTA ZOO SOURCES AND USES OF REVENUE  
FOR THE FIVE YEARS ENDED JUNE 30, 1985

<u>Revenue Sources</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Admissions	\$1,600,834	\$1,315,353	\$1,448,561	\$1,577,654	\$1,679,700
Parking	216,614	193,804	200,617	205,503	200,600
Concessions	533,143	438,262	449,687	608,565	825,400
Monorail	491,586	388,347	449,986	463,461	455,800
Memberships	0	48,286	102,760	183,755	262,700
Donations	886,470	243,772	129,266	168,404	300,800
State of MN	<u>2,779,752</u>	<u>3,480,087</u>	<u>3,578,463</u>	<u>4,070,456</u>	<u>4,112,700</u>
	<u>\$6,508,449</u>	<u>\$6,107,911</u>	<u>\$6,359,340</u>	<u>\$7,280,798</u>	<u>\$7,837,700</u>

<u>Revenue Uses</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Labor	\$3,159,375	\$3,318,689	\$3,460,468	\$3,670,069	\$3,947,000
Operating Expenses	1,389,752	981,826	896,349	1,223,521	1,136,900
Cost of Goods Sold	238,099	206,710	193,278	288,492	369,700
Advertising	137,973	73,487	72,813	126,889	155,500
General & Admin.	405,250	352,713	440,982	482,151	557,000
Utilities	724,480	821,981	1,041,076	1,012,658	954,900
R. R. & B.	22,453	19,834	79,729	188,803	186,700
Dedicated Reserves	<u>431,067</u>	<u>332,671</u>	<u>174,645</u>	<u>288,215</u>	<u>530,000</u>
	<u>\$6,508,449</u>	<u>\$6,107,911</u>	<u>\$6,359,340</u>	<u>\$7,280,798</u>	<u>\$7,837,700</u>

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Attendance	<u>929,414</u>	<u>801,938</u>	<u>825,262</u>	<u>900,855</u>	<u>928,372</u>

**Appendix B**

**ASPECTS OF A MASTER PLAN**

### The Dream as Visitor Experience

Given the mission as stated in this document, what should a visitor expect to see, learn, experience and receive from a visit to the Minnesota Zoo?

On any visit, one might expect:

1. To feel more alive, "richer" somehow, on a personal level.
2. To have interacted with friends, spouse and children about "what's going on in the world we live in," and had an enriching interpersonal experience.
3. To have seen, in one's mind's eye, a picture of a new play, going on somewhere in Asia, the Bering Straits, and the Arctic Tundra.
4. To have been part of that play.
5. To see your own backyard and the woods and fields you walk through in a new way.
6. To take field trips just to find out what's going on -- spring, summer, fall and winter, in your own backyard.
7. To know which species need help, in Asia and right here in Minnesota and what to do to help.
8. To have seen cooperative projects between the Minnesota Department of Natural Resources, Ducks Unlimited, Pheasants Unlimited and citizens working in Minnesota.
9. To have met talented biology and zoology researchers, working as zoo curators and keepers and know what they're trying to find out and why and what difference it might make.
10. To know where to go to learn more about a particular species or another part of the world's ecosystem(s).

In short, a visitor might expect to leave fuller and richer than when he/she came and look forward to the next visit so he/she could have that feeling again.

If a visitor leaves feeling this way, then the dream has become reality. The mission has been accomplished. If not, then it has not.

Although the Zoo Study Committee has not researched the subject, our best estimate is that the dream has not, in the vast majority of visits, materialized.

The visitor experience must be the a focus of the zoo. In-depth market research may well be a useful tool to help in guiding the new board to achieve this focus.

#### Current Reality

The fourteen year-old master plan needs to be completely and competently revisited, given the many historical reasons for its having been changed. The current emphasis of bringing animals closer to visitors, of improving visitor amenities, and of spicing up the large exhibit areas with smaller active animals, needs to be evaluated. The ability to generate private sector support will depend upon excellent, up-to-date planning.

Some of the problem, however, is in the area of communications. The primary goal of the Zoo was to represent areas of the world, zoogeographically, by ecosystems. In the original Master Plan, communication of a closed ecosystem concept was central and the first priority.

"Once in the main entry complex, visitors will be introduced to the zoo by an ecosphere, a sealed, plastic exhibit ten feet in diameter symbolizing spaceship Earth. Within it, plants and animals will typify the major elements of an ecosystem. Life forms inside the sphere will support each other by participating in cycling the substances of life. Like Earth, the only addition from outside will be energy in the form of light."

This unfortunately could not be constructed and fourteen years later that self-contained life system is still not feasible. To substitute for that interpretive display, the original zoo board published a quality 46-page zoo album to explain "the interrelationships on our planet Earth." Unfortunately, visitors did not utilize this resource.

Although the Minnesota Zoo graphics have cost over \$1 million and have just won an award as being among the top three zoos in the country, they do not convey the sense of journey -- the vehicle for communicating the zoo's mission.

#### The Opportunity

Is there an opportunity for a new zoo board to build on the current situation? The answer is "Yes" -- but it will take a very special set of conditions to "pull it off."

1. The new board must:
  - a. Have one (and only one) common objective -- to make the Minnesota Zoo all it can be and was intended to be.
  - b. Understand how to create new entities from old -- how a highly productive organization works -- from concept through marketing, from operations to financial responsibility.
2. This board cannot be burdened with rules, regulations and more significantly, outside agenda that are not supportive or even counterproductive to "making the Minnesota Zoo work."
3. The essence of the Minnesota Zoo must be clearly, openly and broadly communicated by people, signs, displays, etc., so it's not a secret.



4. Every decision must be evaluated in the context of its relevance to the Minnesota Zoo's essential purpose. If it's relevant and affordable, do it now. If it's relevant but not affordable, create a program to raise the revenues for it. If it's irrelevant, drop it -- now and forever.
5. The new board must create a new Master Implementation Plan that will define those specific changes in zoo operation that will make the new plan a reality. Those changes include, but are not necessarily limited to the following:
  - a. New procedures for involving visitors in the zoo experience.
  - b. New trafficking patterns.
  - c. New signage systems.
  - d. New displays or exhibits.
  - e. Redesign of existing exhibits.
  - f. New zoo activities/programs.
  - g. New concessionaire contracts.
  - h. Expansion of services to the public.
  - i. Rehabilitation and new uses of structures on site.

This is a vision-based, tough-minded task description. It cannot be accomplished under the weight of legislative or state regulations or restrictions.

Appendix C

MINNESOTA ZOO CHRONOLOGY

### Minnesota Zoo Chronology

- 1955 Como Zoo Volunteer Committee formed to hire a zoo director and to raise money for the improvement of Como Zoo.
- 1961 Minnesota Zoological Society incorporated to establish a year-round modern zoo for St. Paul.
- 1966 A metropolitan area zoo proposed by the Citizens League after studies indicated that Como Zoo could not be expanded into a major zoo facility.
- 1967 Zoo bill failed in the Legislature. However, Metropolitan Council's Zoo Advisory Committee submitted a report and recommendations that were the basis for 1969 legislation.
- 1969 Legislation passed creating the eleven member Minnesota Zoological Board, appointed by the governor. \$500,000 was authorized to develop a master plan for the Minnesota Zoological Garden (MZG). First zoo director, Philip Ogilvie, hired.
- 1970 Site selection - 480 acres donated by Dakota County.
- 1971 Funding for the zoo bill failed by one vote in the legislature. Director Ogilvie resigns; assistant director Donald Bridgewater named director.
- 1973 Revised master plan presented encompassing smaller area and eliminating monorail; bill passed the legislature and was signed by Governor Wendell Anderson allowing for \$23,025,000 in bonds with \$2,350,000 additional matching funds for the construction of the MZG. Zoo board states that zoo will be self-supporting.
- 1974 Bush Foundation gives the single largest gift to the zoo (\$785,000) to build an education wing. Groundbreaking May 26.
- 1975 Minnesota Zoological Society changes its purpose to support of the Minnesota Zoological Garden. Minnesota Zoological Foundation formed to act as major capital fund raising support organization.
- 1976 Completion of first buildings. Staff moves to site. Capital budget increased to \$28,148,763.
- 1977 Move into main complex. Animal acquisition begins. Monorail construction begins as a privately financed ride. Budget increased to \$29,250,000.

- 1978 (April) 10,500 walkers and 172 runners raised \$200,000 through a "Walk with the Animals" event.
- (May) Zoo opens with overcrowding, limited exhibit viewing, traffic problems, and incomplete Northern Trail.
- (June) First free day draws largest crowd ever -- 31,517; zoo unable to accommodate.
- (July) Zoo director Bridgewater resigns under pressure/health. Project director, Gerald Hegstrom, named acting zoo director.
- (Nov.) Zoo revenue below forecast; legislature asked for \$1.3 million supplement appropriation. Attendance below projections.
- 1979 (January) New director, Edward Kohn from National Zoo, Washington, D.C., hired.
- (May) Legislative audit: financial management of the zoo attacked.
- (Sept.) Monorail opens.
- 1980 (April) Monorail default to investors.
- (July) Legislative audit: admissions and parking procedures critized.
- (August) Monorail investors sue State of Minnesota. Also filed suit against underwriters and bond counsel in Federal District Court alleging SEC violations.
- (Nov.) Tribune story: two associate directors resign because of director: management problems alleged.
- (Dec.) Minnesota Zoo #1 attraction to public in state (Minnesota Poll).
- 1981 (January) Society notified of zoo board's intent to renegotiate reciprocity contract because of disagreement over the proportion of funds raised by the Society actually going to the zoo.
- (Feb.) Six legislators (House of Representatives) propose selling the zoo to private corporation.
- (July) Supreme Court rules State is not liable for monorail costs. Legislative audit: inadequate property/inventory control. Minnesota Orchestra concert at the Zoo.
- (Jul-Aug) State employee strike closed zoo for 23 days.
- (August) First cooperative marketing ventures begin (to date, Red Lobster, National Car Rental, Dayton's, Powers, Pillsbury, Western, Republic & Northwest Airlines, Naegele, Pepsi, radio stations, Proex, Durnings, Donaldsons, Cub Foods...).
- (Sept.) Zoo receives third education award from the American Association of Zoological Parks & Aquariums (AAZPA).

- (Nov.) Society contract terminated: board severs ties with Society after months of attempting to resolve conflicts. Record-breaking winter family free day of 19,000 visitors on Thanksgiving Friday.
- 1982 (January) Zoo begins its own membership program, continuing education classes, volunteer recruitment, volunteer recognition, and adopt-an-animal program -- all former society programs.
- (Feb.) 20,757 skiers during 76-day cross-country ski program: ski shop operated as concession.
- (March) Zoo security questioned by Pioneer Press story.
- (April) Zoo management investigation by the department of administration requested by Governor Quie.
- (July) Department of administration study team calls publicly for the resignation of zoo director Kohn, who resigns under pressure. Zoo finance officer, Steven Iserman, named acting zoo director.
- (Nov.) Zoo Foundation closes office: administrative functions for remaining funds turned over to the Saint Paul Foundation. First annual Teddy Bear Picnic.
- 1983 (April) Discovery Center project; KTCA's "Newton's Apple", featuring Nancy Gibson and zoo animals, goes national, 26 programs a year.
- (May) Camel and llama rides open as concession.
- (Nov.) Research director hired to start research program at the zoo. Fallon McElligott Rice take on zoo advertising as public service account. MZG wins Tourism's 1983 Marketing Award. The zoo wins Award of excellence in government communicator's contest.
- (Dec.) National Car Rental presents second Zoomobile van for off-site visits to county fairs, schools, and events.
- 1984 (May) Zoolab, the hands-on visitor experience, remodeled to increase room capacity 20%. Legislature approves \$225,000 matching grant for construction of wolf/caribou exhibit. First capital funding from the state since opening.
- (June) Visitor amenities such as benches, shade, satellite souvenir outlets and picnic grounds added to site.
- (Sept.) Zoomobile program reaches 74 of 87 Minnesota counties in the year.
- (Oct.) Fundraising study to define model for future zoo development completed for the Zoo Foundation.
- (Dec.) Breakfast with Santa at the Zoo. Governor Perpich starts discussion of a public/private partnership.

- 1985 (January) Legislature begins to review the zoo's relationship with the private sector. Changes method of funding zoo and lifts some of the restrictions of the state system so zoo can operate more efficiently. Eliminates direct review by legislative auditor.
- (March) Monorail closing, scheduled March 15 by the investors, postponed to October because of governor's intervention to allow the legislature time to consider purchase by the state. Department of finance does study, determines the highest price that state can pay for monorail and have it be self-supporting. Legislature authorizes up to an expenditure of \$750,000 for monorail purchase from the general contingency fund; authority expires December 31, 1985.
- (May) Legislature mandates board study of how to foster more private sector involvement in the zoo.
- (June) Zoo successfully completes campaign to raise \$225,000 matching grants from 14 private sector donors.
- (July) Attendance up for fourth year in a row, to 928,372. Zoo adopts policy for after-hours use of facility. Gift store revenue exceeds projections. Membership in Zoo Friends tops 9,000.
- (Dec.) The monorail is purchased for \$1.5 million by the Zoo with funds appropriated by the legislature and a grant from the Zoo Foundation.

Appendix D

COMMITTEE CHARTER AND LIST OF COMMITTEE MEMBERS

## MINNESOTA ZOO STUDY COMMITTEE

### COMMITTEE CHARTER

The Minnesota Zoo Study Committee appointed by the Minnesota Zoological Board consists of members from the private sector, the zoo board, and the state planning agency, assisted by the departments of administration, finance and employee relations. The zoo study committee is charged with the evaluation of governance options to foster an effective public/private partnership to oversee zoo operations so that the Minnesota Zoo can operate more independently, efficiently, and economically and solicit nonstate contributions. The study committee is to recommend the most appropriate status for zoo employees and establish a plan for implementation of the committee recommendations consistent with the charge given by the legislature. The report is due to the legislature by February 3, 1986.



# MINNESOTA ZOO STUDY COMMITTEE MEMBERS

Nancy Azzam

- Windstar Foundation
- Minnesota Volunteer

Pat Davies

- Chair, Minnesota Zoo Board
- Member, Lawyer Trust Account Board

Richard G. Gray, Sr.

- Chairman, Freshwater Foundation (Gray Freshwater Biological Institute)
- Former President of all publicly offered funds, IDS Mutual Fund Group

Cliff Havener

- President, Growth Resources Group, Inc.

Toni Hengesteg

- Director of Corporate Tax and Assistant Treasurer, Economics Laboratory
- Member, Minnesota Zoo Board

Malcolm McDonald

- Space Center, Inc.
- Member, Guthrie Theater Foundation Board
- Member, Bigelow Foundation Board

Hazel Reinhardt

- Vice President-Market Development, Cowles Media Company
- Member, Minnesota Zoo Board
- President and Chair, Brass Tacks Theatre

James Toscano

- Executive Vice President, Park Nicollet Medical Foundation

Thomas Crosby

- Retired, Former President - Northwest Growth Fund, Inc.

Stephen Doyle

- Former Host, WCCO TV's PM Magazine
- Public relations consultant
- Member, Minnesota Zoo Board

John Harris

- Partner, Faegre and Benson
- Chairman, Minnesota Council on Foundations
- Counsel to a number of philanthropic organizations

MacDonald Hawley

- President and CEO, Northern Pump Company

Peter Jordan

- Professor, Wildlife Biology, University of Minnesota
- Member, Minnesota Zoo Board

John Mooty

- Partner, Gray, Plant, Mooty, Mooty and Bennett
- Director, International Dairy Queen

Joe Sizer

- Director, Intergovernmental Division, Minnesota State Planning Agency

Rolf Turnquist

- President and CEO, Turnquist Paper Company
- Director, Young Presidents' Organization

Observers

Terry Bock  
- Management Analysis Division,  
Minnesota Department of  
Administration

Connie Nelson  
- Minnesota Department of  
Employee Relations

Doug Watnemo  
- Minnesota Department of Finance

Committee Facilitator

Charles Bieler  
- Director Emeritus, San Diego Zoo

Committee Advisor

Stephen A. Iserman  
- Director, Minnesota Zoo

Committee Staff Support Provided By:

Dana M. Schroeder

Appendix E

CHARLES BIELER RESUME

CHARLES L. BIELER  
BIOGRAPHICAL INFORMATION

BORN:

East Greenville, Pennsylvania, 1935

EDUCATION:

BA Degree, Gettysburg College, 1957; Political Science Major

FAMILY:

Married 1963 - wife, Judy. Three children - son, Stewart, attending Stanford; daughters, Beatriz and Christina, attending high school.

RESIDENCE:

1915 Sunset Boulevard, San Diego, California 92103

ZOOLOGICAL SOCIETY OF SAN DIEGO EXPERIENCE:

1985- - Executive Director Emeritus; Board Advisor,  
Development and Community and National Relations  
1973-1985 - Executive Director  
1972-1973 - Operations Manager, Wild Animal Park  
1969-1971 - Group Sales and Administrative Assistant to Director

OTHER MAJOR EXPERIENCE:

1962-1969 - General Motors Corporation; Director, Education and Training, GM Assembly Plant, Fremont, California. Also worked in Personnel Management and Industrial Relations.

Military - Captain, U.S. Army - Armor, with duties including Combat Command Adjutant, Company Commander, Battalion Motor Officer. Service in Germany and continental U.S. - 1957-1962.

ADDITIONAL ACTIVITIES:

San Diego Rotary - Board of Directors  
San Diego Convention & Visitors Bureau - Board of Directors for 8 years  
San Diego Science Fair - Board, Chairman 1978  
American Association of Zoological Parks and Aquariums - Board of Directors, 1978-1985; President, 1983-1984; Ethics Committee, By-Laws Committee, Special Funds Committee  
University High School (University of San Diego) - Board of Directors 1984-

HOBBIES:

Golf and outdoor sports activities