

**Board of Trustees Draft Meeting Minutes
The Wild Center
Via Web Ex
Monday, June 17, 2013**

Board Present:

Nancy Howard, Tom Jorling, Betsy Lowe, James Schoff, Sandra Strader, and Ross Whaley.

Board/Advisory Board Present via Web Ex:

Paul Alioto, Tom Aydelotte, Michael Bettmann, Lynn Birdsong, Jim Carr, Obie Clifford, Rick Godin, Sally Hart, Mike Hunsinger, Chris McFadden, Carl Shedd, Nancy Simpkins, Dan Sullivan, and Karen Thomas.

Staff Present and via Web Ex:

Marci Bencze, Hillarie Logan-Dechene, Robin Ellis, Howard Fish, Jamie Ford, Bob Kronenberger, Christine Owens, and Stephanie Ratcliffe.

I. Introduction

Discussion: Lynn Birdsong called the meeting to order at 10:07 AM and thanked everyone for attending this important meeting to update all Trustees on Wild Walk progress and the accelerated pace of the project.

There are State and construction deadlines that we must meet in order to stay on track and we will be discussing them today. It was noted that the formal vote to endorse the project will be taken at the July 8th board meeting; today is devoted to questions and discussion primarily about the fundraising and financing plans.

Action:

No action required.

II. Project Timeline, Recap and Update Wild Walk

Discussion: Stephanie provided an overview of the genesis of Wild Walk recalling that when the museum was being built a single observation tower was planned. The Cullman-Treisman family reserved this tower for naming with a gift of \$1 million. While designing the observation tower the concept morphed into a completely different project; therefore, the tower was not built. What was conceived was a major addition to the campus which would be ADA compliant and have an educational component. Today, the length of Wild Walk is designed specifically to accommodate wheelchairs and the program enhancements are designed to bring the indoor experience outdoors – a logical extension of the museum itself.

Wild Walk is designed to have people look at nature in new and novel ways. Stephanie acknowledged and thanked the Cullman-Treisman family for their

generous support of the research and development over the years that has brought us to the concept that is Wild Walk today.

In 2009, we had conceived the Bird Sky Tower/Walk but the Board determined that the concept needed refinement. Chip Reay, who was part of the original team, was hired and Tom Aydelotte convened a working group to reimagine the project. We believe we now have a much more thoughtful articulation of The Wild Center – moving to the next chapter – Wild Walk 2.0.

In April, 2012, the Board authorized the project to proceed. In December, 2012, The Wild Center was notified that we were successful in our \$1 million application. The State has several requirements that we must meet in order to receive the funding, but we are confident we can comply.

The bidding process was from February to April and the general contractor was selected, Northlands in Syracuse. We proceeded to seek and received APA approval.

The original project estimate in 2009 has increased from \$4 million to \$5.5 million primarily due to the cost of steel and the addition of four new design elements. The project is complex and very unique. In order to get the best pricing we need to move quickly and order the structural steel which will cost approximately \$150,000. We also need to complete the construction documents and the storm water management plan which costs \$110,000. We have two building seasons to complete the project. Stephanie is working with our contractor through the alternative design process, and value engineering discussions are underway.

Action:

Continue discussion and at the conclusion of the meeting authorize management to order the steel and complete the construction documents.

III. Report on Joint Committee Meeting of Campaign Cabinet and Finance

Lynn and Karen reported on the meeting held Thursday, June 13, 2013 in New York City. The primary focus of the meeting was a discussion about financing the project and how it fits into the campaign and fundraising plan. With a project of this size and the fact that a State grant is a part of the proposed campaign model, it was determined that some financing will be required. The State typically does not release its money until the project is completed (\$1 million).

They reported that after a very thorough and thoughtful discussion the Cabinet and Finance Committee believes The Wild Center has the resources and can get the job done. They also recommended moving forward with the steel purchase, completion of the construction documents and authorizing

Stephanie to sign the New York State Incentive Proposal indicating our commitment to move forward with the project.

The group recognized that there always is uncertainty when it comes to fundraising, but with active participation by the board we can meet the challenge.

Dan Sullivan remarked that our collective wisdom brought us to this point, and The Wild Center needs future growth and prosperity. If not, we run the risk of simply pursuing extended survival, and this is not what a thriving, vibrant institution does. We must make the very best strategic investment we can, and Wild Walk is that project. Tom Aydelotte added that we have every reason to believe this will be a successful endeavor.

Action: None required.

IV. WW Funding Model Proposal

Discussion: In response to a question from Chris McFadden regarding TWC's fundraising momentum, Hillarie explained that thus far in the campaign we have reached our endowment goal, on July 8th we also will be announcing an anonymous \$1 million bequest but annual operating support remains a challenge. In order to be successful, to raise what is needed for Wild Walk and our annual fund goals, we must identify and attract new supporters. It will require active participation by the board opening doors, and introducing The Wild Center to new prospects. We know we do not have enough in the pipeline right now. You typically need 4 prospects to yield one gift.

Christine commented on the results of the feasibility study noting that the Bird Tower/Sky Walk as originally conceived was the third ranked priority. The two most important campaign goals were stabilizing the annual fund and building the endowment. This is a perfect time in the campaign to introduce the capital project to bring excitement and interest. It should be appealing and attractive to new donors. Also, the award from New York State adds a sense of urgency that should impel campaign momentum. She also added that the marketing of the next chapter – The Wild Center 2.0 enhances fundraising.

Lynn reported that he is reaching out to all board members requesting an additional commitment hoping to realize at least \$1 million more in gifts and pledges from Trustees.

Action: None Required

V. Bank Financing

Discussion: Bob Kronenberger reported that he has been having very productive conversations with Adirondack Bank and has had a preliminary discussion with Community Bank. He has a term sheet from Adirondack Bank for a \$5.5 million line of credit. They have indicated that they are very interested in working with us. He indicated that Adirondack Bank was willing to convert the debt in \$2 million increments to term loans and we had 5-7-and 10 year options.

After the joint meeting with the Cabinet and Finance Committee, Bob said he prepared two scenarios for the board to review and consider. He incorporated the fundraising model into his scenarios except he made the assumption that TWC would not raise any money; therefore, if we needed to borrow \$3.5 million; debt service would be approximately \$250,000 per year. If we borrowed \$2 million the annual debt service cost would be \$175,000. Chris McFadden recommended that a sensitivity analysis be completed as it relates to our annual budget.

Bob indicated that the draws correlated with the construction timeline. It is important to also take into account that it takes time to develop new relationships and to develop new contacts into donors.

Bob explained he used a 20% bump in attendance for the first year after Wild Walk opened. He noted that there does not appear to be any penalty to pre-pay. Chris asked if it was within the board purview to drawn down the entire endowment and Lynn said yes. He added that currently 60% of the endowment is in equity index funds, \$1 million is in money market CDs and the remainder in Treasury bond holdings.

Action: Bob Kronenberger will prepare a sensitivity analysis.
Christine will see if there is any research on the implications of the new tax law as it relates to charitable deductions

VI. Next Steps

Discussion: The three items that needed to be approved at the meeting are:

1. approval of the \$150,000 expenditure for the custom steel
2. approval of a \$110,000 expenditure to complete construction documents and the storm water management plan
3. authorize signing the New York State Incentive Proposal

A motion to approve all three expenditures was unanimously approved.
Tom Jorling motion, Betsy Lowe second.

Action: Management will purchase the steel, complete the construction documents and storm water management plan and sign the NYS Incentive Proposal.

The Finance Committee will review the terms of the loan prior to the Board of Trustees meeting, July 8, 2013.

At the July 8th Board meeting the Trustees will vote on the terms of the loan and vote to sign the construction contract.

Having satisfied the agenda the meeting was adjourned at 10:37 AM.