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DIRECTOR'S UNIT

January 15, 1993



**THE  
OAKLAND  
ZOO**

in Knowland Park  
P.O. Box 5238  
9777 Golf Links Road  
Oakland, California 94605  
(510) 632-9525  
FAX (510) 635-5719

**East Bay  
Zoological Society**

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**Executive Director**  
Joel J. Parrott, DVM

**Herbye White**  
Office of Parks and Recreation  
City of Oakland  
1520 Lakeside Drive  
Oakland, CA 94612

**Dear Herbye!**

Enclosed are our comments regarding each item in your letter regarding changes to the proposed contract.

1. Page 1: Acceptable.
2. Page 2: #3a, b, c - Add the following line (following line 20, page #4): The two caretakers' houses, located northeast of the lower meadow will be reserved for night security personnel. The rental charge for security personnel will include a monthly fee of \$100 per month plus night and gate security responsibilities assigned by the Zoological Society.
3. Page 4: line 21 - Our question is: "What is meant by 'City approval'? ". Amend this to read "with appropriate Notification to the City."
4. Acceptable.
5. Page 6: Acceptable
6. Page 7, line 1 - Return the entry "one hundred and fifty (150) day" language as proposed. The purpose of this 150 days is because we are dependant on the performance of the auditor to produce a finished document within this time frame. In the past few years, we have been unable to complete the audit process with a finished document within a 90-day period. Include the following: "The Society shall inform the City of the status of the annual audit within the ninety (90) days following the end of the fiscal year."



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7. Page 8: Acceptable

8. Page 9: Include the clause, "Fees for the Snow Building may be increased by the Society not more than an average of ten percent (10%) each calendar year without prior City Council approval. Any increases during the term hereof contemplated that exceed ten percent shall be approved by the City Council prior to its effective date.

Page 9, line 5 (b): We need clarification on zoo events, such as fund raisers and our Zoofari, as regards City Council regulation. We have numerous educational programs, food service events, and fundraisers that experiment with cost/value analysis. In many cases, our Board does not even set prices on what is essentially a staff issue. We can say that: "The Society will notify the City of charges for all events at the zoo."

Page 9, (c): Parking Fees and Zoo Admission Fees: Return to the original 1982 contract statement, "Said fees may be increased by the Society not more than an average of ten percent (10%) each calendar year thereafter without prior City Council approval. Any increases during the term hereof contemplated that exceed said ten percent (10%) shall be approved by the City Council prior to its effective date."

9. Page 10: We need further clarification on what is required for our subcontract concessionaire for our Gift Shop. Please realize that this is a very minor source of revenue and the value of an independant, annual audit is questionable. We will provide a copy of our concessionnare agreement for the Gift Shop annually to OPR. We need to know what constitutes City approval for our Gift Shop concessionaire agreement.

10. Page 12: Acceptable.

11. Page 12: The proposed text by the City is acceptable. However, include in the current proposal (page 15, lines 1 - 25) the CPI escalation clause for the annual management fee of \$250,000. A fixed amount represents a real subsidy cut of 3-7% every year. A CPI increase represents a constant dollar commitment from the City to support the zoo and minimize the need for admission price increases.

12. Page 17: Acceptable.

13. Page 18: Acceptable.

14. Page 19: Acceptable.

15. Page 21: Acceptable.

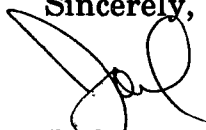
16. We never fully understood the language of this section. This was text from the original contract. We can provide a copy of the EBZS Bylaws if you need them. The Board of Trustees is elected at the annual meeting of the membership of the East Bay zoological Society, a non-profit corporation. The Board officers are elected by the Board annually. The Executive Director is hired by vote of the full Board.

17. Page 24: Acceptable.

Please realize that the allowance of a 10% admission price increase, should this be necessary, is extremely important to the Zoological Society to insure financial stability throughout this period. Approval in this contract should constitute the requisite Council approval for City facilities.

I believe we are close to finalizing a new agreement which is far stronger and more viable than the original contract. If you have any questions, please feel free to give me a call. I look forward to hearing from you soon.

Sincerely,



Joel J. Parrott, DVM  
Executive Director

JJP:mas

c.c. Ceda Floyd