

ANNUAL REPORT



2016

MINNESOTA
STATE FAIR

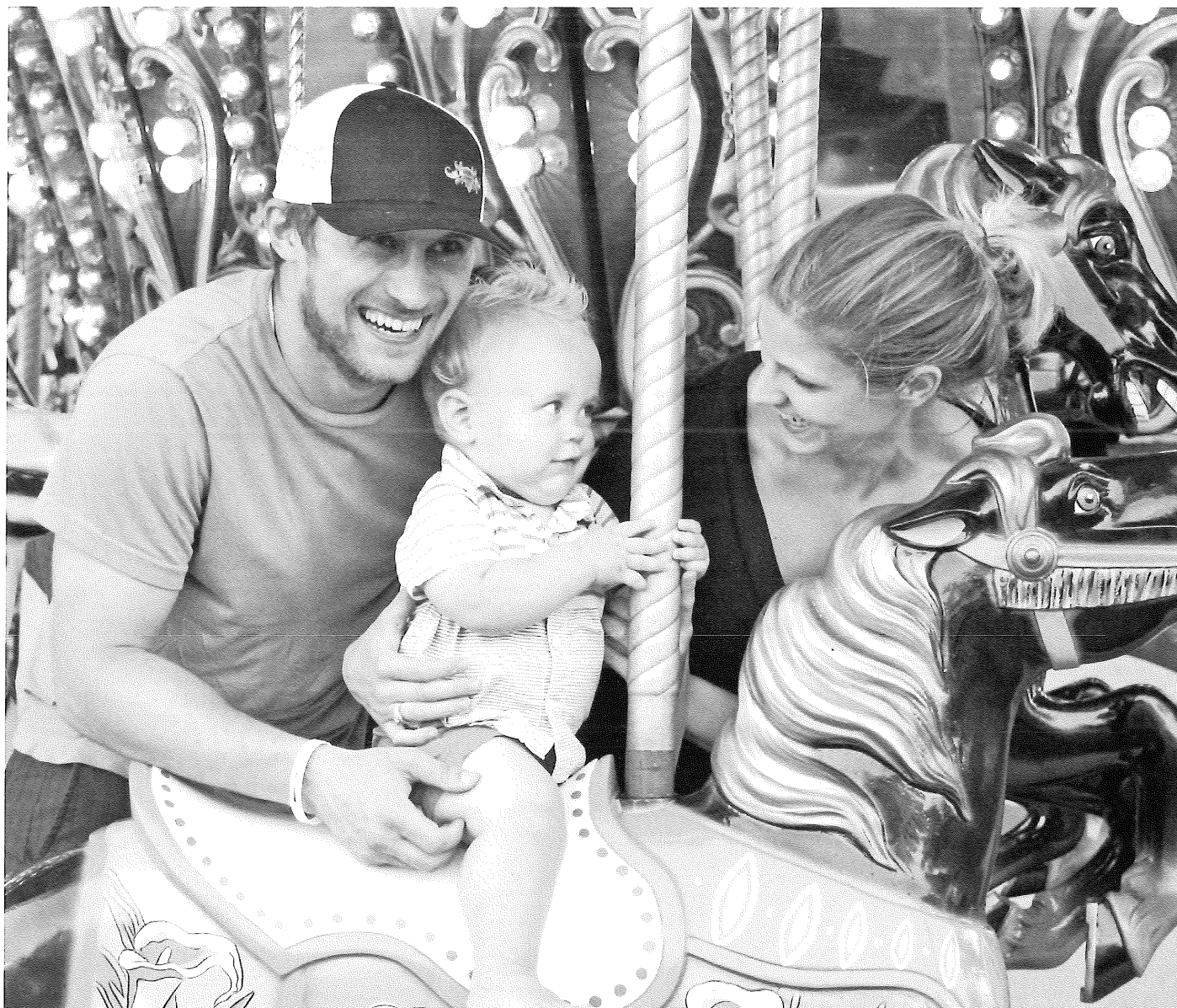


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REPORT of the EXECUTIVE VICE PRESIDENT



The 2016 Minnesota State Fair came at the perfect time. At home and abroad, it was a tough year marred by deadly incidents and unrest. Meanwhile, what can only be described as a very ugly election season was just getting warmed up. The general mood was uneasy. And then the end of August arrived, and the Great Minnesota Get-Together got underway.

The angst that was so palpable throughout the spring and summer

was nowhere to be found. Day after day, people from everywhere left their worries at the gate and celebrated the very best of Minnesota at the historic State Fairgrounds. In a world of uncertainty, people found everything exactly as it should be when they returned home to their State Fair.

Once again, we were connected with the people who raise our food. We were educated and entertained and enlightened, all while sharing our uplifting experience with our friends and neighbors from every walk of life. The fair was truly at its best by reminding us of our humanity and all that we have in common.

I'll speak for everyone involved with the State Fair and say that serving others through this amazing institution is an honor, and having a hand in producing the fair is a privilege. Our mission is to create a very special, even magical place where everyone is welcome and where everyone can be their very best. Minnesota's finest hour, year in and year out, is at its State Fair. Thank you for the opportunity to serve. God bless, and I'll see you at the fair.

Jerry Hammer
Executive Vice President

OUR MISSION

To educate and involve our guests by providing a world-class showcase that is innovative, entertaining and fun.

WE STRIVE TO:

- Showcase Minnesota's finest agriculture, art and industry
- Present an unparalleled forum for knowledge and ideas
- Provide outstanding customer service
- Offer exceptional value
- Provide a safe, clean environment that is accessible to all
- Create unique experiences



TOTAL ATTENDANCE: 1,943,719*

THURSDAY, AUG. 25 Thrifty Thursday: 111,902

High: 74 Low: 61
Precipitation: none

FRIDAY, AUG. 26 Governor's Fire Prevention Day: 141,023*

High: 72 Low: 57
Precipitation: none

SATURDAY, AUG. 27 4-H Day: 180,567

High: 69 Low: 63
Precipitation: trace

SUNDAY, AUG. 28 Minnesota Cooks™ Day: 177,906

High: 85 Low: 61
Precipitation: none

MONDAY, AUG. 29 Seniors, Kids & MN State Patrol Day: 119,522

High: 86 Low: 67
Precipitation: 1.27 in.

TUESDAY, AUG. 30 Military Appreciation Day: 126,354

High: 81 Low: 64
Precipitation: .34 in.

WEDNESDAY, AUG. 31 Read & Ride Day: 118,042

High: 80 Low: 58
Precipitation: none

THURSDAY, SEPT. 1 Seniors Day: 133,773

High: 77 Low: 60
Precipitation: none

FRIDAY, SEPT. 2 MPR Day: 182,926*

High: 76 Low: 57
Precipitation: none

SATURDAY, SEPT. 3 FFA Day: 260,374*

High: 76 Low: 59
Precipitation: none

SUNDAY, SEPT. 4 Friends of the Fair Day: 233,303

High: 79 Low: 60
Precipitation: trace

MONDAY, SEPT. 5 Kids & Last Chance Day: 158,027

High: 81 Low: 67
Precipitation: .51 in.

*New attendance record

2016 PRICING

PRE-FAIR ADMISSION PRICE

- All ages \$10

REGULAR ADMISSION PRICES

- Adults (13-64) \$13
- Seniors (65+) \$11
- Kids (5-12) \$11
- Children (under 5) Always FREE

THRIFTY THURSDAY • AUG. 25

- Adults (13-64) \$11
- Kids (5-12) \$8

SENIORS DAYS • AUG. 29 & SEPT. 1

- Seniors (65+) \$8

KIDS DAYS • AUG. 29 & SEPT. 5

- Kids (5-12) \$8

MILITARY APPRECIATION DAY • AUG. 30

Active military families, retired military and spouses, and veterans and spouses receive discount admission with valid service documentation: \$8

READ & RIDE DAY • AUG. 31

Public library cardholders who purchased a ticket at the gate:

- Adults (13-64) \$11
- Seniors (65+) \$8
- Kids (5-12) \$8

BLUE RIBBON BARGAIN BOOK

- \$5

MIGHTY MIDWAY & KIDWAY

- Pre-fair 25-ticket sheet \$15
- Fair-time
 - 54-ticket sheet \$40
 - 30-ticket sheet \$25
 - Single ticket \$1

PARKING

- \$13



2016 State Fair BOARD OF MANAGERS

The State Fair is governed by the Minnesota State Agricultural Society, which is charged exclusively with governance of the State Fair. Society delegates represent all 87 county fairs in Minnesota, along with statewide agricultural groups. At its annual meeting each January, this group of delegates elects a 10-member board of managers to set policy and provide oversight for the fair. Nine members represent the Agricultural Society's nine regional districts and the 10th member (the president) serves at large.



Front row (L-R): Dan Grunhovd, Gary, 9th District Manager; Sharon Wessel, Hamel, President; Joseph Fox, Maplewood, 4th District Vice President; Gail Johnson, Anoka, 3rd District Manager; Back row (L-R): Joe Scapanski, Sauk Rapids, 6th District Manager; Ron Oleheiser, Grand Rapids, 8th District Manager; Paul Merkins, Stewart, 2nd District Manager; Gordy Toenges, Alden, 1st District Manager; Wally Wichmann, Balaton, 7th District Manager. Not present: D.J. Leary, Minneapolis, 5th District Vice President.

AGRICULTURE, ANIMALS and COMPETITION

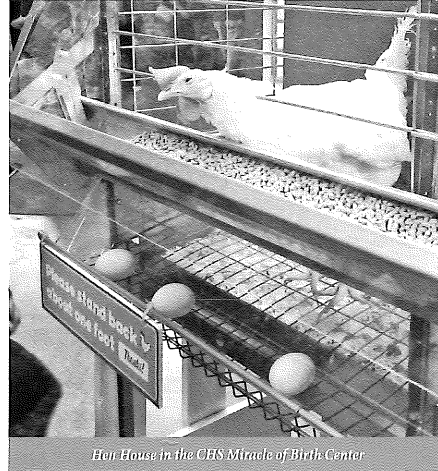


AGRICULTURAL AND CREATIVE COMPETITION ENTRIES

The Minnesota State Fair's agricultural and creative competitions (including open class, FFA and 4-H) drew more than 36,000 entries in 2016, with more than 18,000 competitors vying for a share of ribbons, trophies and more than \$1.5 million in prize money.

By-the-numbers breakdown:

- More than 14,500 entries in livestock and horse competitions
- More than 6,500 entries in agriculture and horticulture competitions
- More than 15,000 entries in all other competitions (fine arts, creative activities, school projects, etc.)



HEN HOUSE

This brand new agricultural education exhibit located in the CHS Miracle of Birth Center showcased modern housing designed for hens. Fair visitors discovered how farmers use different egg production systems to produce safe and wholesome food and had an opportunity to see a backyard chicken coop up-close.

NEW COMPETITIONS FOR 2016

Three competitions made their debut at the 2016 Minnesota State Fair in the Lee & Rose Warner Coliseum:

- Draft Horse Barrel Racing
- 4-H Minnesota Meat Grilling Contest
- Bulls & Barrels Championship



RECIPE CARD ROUNDUP

This new daily collectible card giveaway in the Creative Activities Building featured six top recipes from gluten-free pumpkin bars to zesty salsa to chocolate brownies. The recipe cards offered visitors an opportunity to create blue ribbon-winning cuisine in their very own kitchens.



CONTESTS and ACTIVITIES



MSF AMATEUR TALENT CONTEST

Nearly 8,000 fans cheered on the best amateur talent in the state at the 44th Annual MSF Amateur Talent Contest Finals, sponsored by JACK'S® Pizza, held Sept. 4, at the Grandstand. Winners were:

Open Division:

First place: Anne Goedtko of St. Paul, cello solo, "Julie-O"

Second place: Elite Family of St. Paul, dance performance, "Bottom of the River & Ante Up"

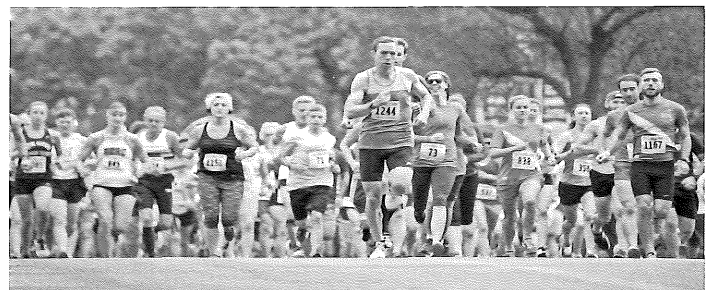


HIGH SCHOOL MARCHING BAND COMPETITION

High school marching bands from Minnesota and Wisconsin competed in the State Fair's daily parade. Rosemount High School was awarded Grand Champion, Rosemount High School was awarded Class A honors, Waseca High School took first place in Class B, and St. Peter High School won in the Class C division. This competition is sponsored by McDonald's.

MILK RUN

The 32nd Annual Milk Run, sponsored by Great River Energy, Midwest Dairy Association and Minnesota Farmers Union, took place on Sunday, Aug. 28. Jeremy Reichenberger of Minneapolis and Kari Putterman of Bloomington were the overall male and female 5K Milk Run winners with times of 16:54 and 18:31, respectively.



Third place: Roland Hawkins of Orono, vocal performance, "La Donna E Mobile"

Teen Division:

First place: Amanda Chan of Plymouth, piano performance, "The Tom & Jerry Show"

Second place: Lauren Senden of North Mankato, vocal performance, "Il Bacio"

Third place: Izzy Cruz of Edina, vocal/ukulele performance, "Beast to Me"

Preteen Division:

First place: Gabby Bruestle of Woodbury, vocal performance, "Time To Say Goodbye"

Second place: Bella and Libby Butters of White Bear Lake, dance performance, "Rumba Latina"

Third place: Brody Merila of Albertville, dance performance, "Illusion"

NEW ENTERTAINMENT, EXHIBITS and ELEMENTS



STATE FAIR ANNIVERSARIES

2016 marked significant anniversaries for these State Fair icons:

- The State Fair's mascot, Fairchild, turned 50. Named in a statewide contest in 1966, Fairchild the Gopher wears a green pinstriped jacket and is often seen with his sidekick and nephew, Fairborne, who was introduced to the fair in 1983.

- The Moo Booth in the Cattle Barn celebrated its 25th anniversary. This exhibit allows fair guests to watch cow milking, learn fascinating facts about cattle care and behavior, join in fun "cow-nests" and demonstrations, see showcase cattle breeds and more.

SELFIE SPOTS

2016 featured five iconic fairgrounds locations by marking them with a Selfie Spot badge on the ground for taking the perfect State Fair photo memory.



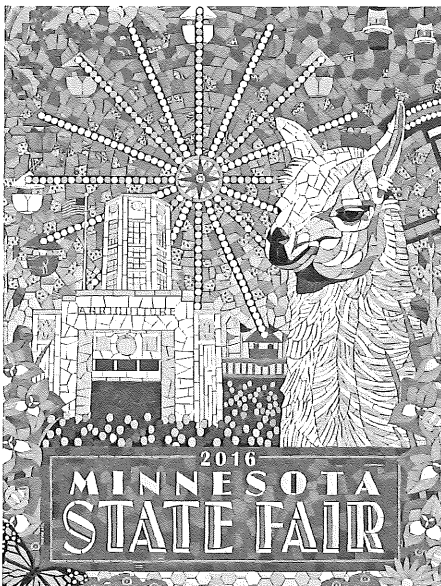
BEST AWARDS

The State Fair's 2016 Best Awards recognized outstanding vendors, attractions and commercial exhibits. Winners were:

- Best product or service: Doghouses & Playhouses built by Hoffman Weber Construction
- Best food or beverage: The Preferred Pickle
- Best attraction: Boy Scouts of America
- Best value: Patinella's Chicken Grill
- Best customer service: HomeTown Mobility
- Best midway ride: New York New York Fun House (Fair Ride Entertainment)
- Best midway game: Fish-A-Rama (Oren Concessions)
- Best Kidway ride: Safari Train (Michael Wood, owner)

GATE #18 TROLLEY

A free ADA-accessible trolley was introduced along Randall Avenue with stops at Buford Avenue and Gate #18 at Dan Elmer Way.

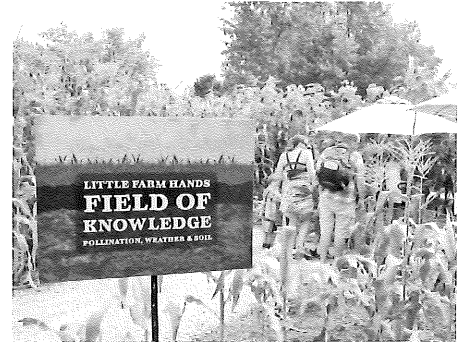


2016 MINNESOTA STATE FAIR COMMEMORATIVE ART BY MICHAEL SWEERE

The 2016 Commemorative Art was the 13th in a series created annually for the Great Minnesota Get-Together. Artist Michael Sweere's colorful mosaic was created entirely from paper packaging, much of which was collected during his visit to the 2015 Minnesota State Fair.

KEMPS LITTLE FARM HANDS - NEW FEATURES

New hands-on learning adventures sprouted at Little Farm Hands, the pint-sized mock farm experience especially for little fair fans ages 3 to 10. New features included why soil erosion occurs, the importance of pollination, the work of honeybees, how water travels in a cycle, and what rain barrels do. Children meandered through a new path in the Field of Knowledge to get an up-close look at soybeans, wheat, a straw bale garden and a variety of sunflowers. These new activities joined Little Farm Hands favorites – riding a tiny tractor, milking a cow, gathering eggs, planting crops and more – that walk children through the agricultural journey from farm to grocery store.



GARDEN KALEIDOSCOPES

Fair guests had the opportunity to peer into distinctive garden kaleidoscopes and see gorgeous flowers transform into mesmerizing images of color and movement. These three unique metal sculptures and spinning flower bowls, showcased in the Agriculture Horticulture Building, were created by artist Robert C. Anderson of Sturgeon Bay, Wis.

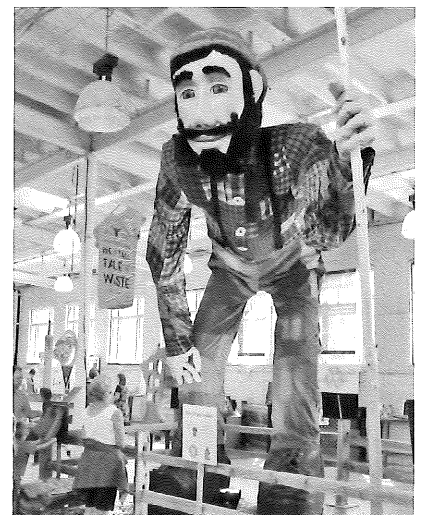
NEW CONSTRUCTION ON THE FAIRGROUNDS

- A new 6,540-square-foot restroom just south of Kidway on Cooper Street
- New Family Fair Stage at Baldwin Park

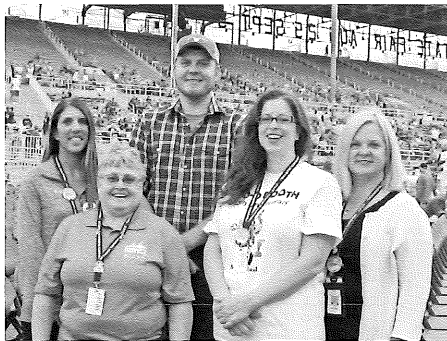
ECO EXPERIENCE NEW HIGHLIGHTS

This one-of-a-kind educational exhibit is a partnership of the Minnesota State Fair, the Minnesota Pollution Control Agency and more than 150 organizations and businesses across the state. A sampling of the new exhibits showcased in 2016:

- A 15-foot Paul Bunyan re-fashioned his outfit to call attention to a giant-sized waste problem: Minnesotans throw away nearly 12 grocery carts of clothing and textiles every minute.
- A living green wall more than 14-feet long created by the University of Wisconsin-River Falls highlighted study findings that show foliage can positively affect college students' well-being and academic performance.
- The elegant, solar-powered "Getaway Tiny House" made from a shipping container featured a lofted sleeping and seating area.
- A 7-foot pop-up book offered a story on reuse, recycle and repair.



AWARDS and ACCOLADES



2016 MSF ALL-STAR MVP WINNERS

Five Minnesota State Fair employees were awarded the MSF All-Star MVP Award for exceeding expectations and outstanding service. Winners for 2016 were (left to right): Brianna Wieland (Ag-Hort), Mary Murphy (Attraction Ticket Takers), Matt Frenchick (Coliseum & Livestock Events), Jill Anderson-Brindamour (Moo Booth), Tami Fisher (Marketing).

MINNESOTA STATE FAIR SCHOLARSHIPS

The Minnesota State Fair Scholarships were established in 1994 to help further the educational endeavors of young adults from greater Minnesota. Up to 20 scholarships of \$1,000 each are made available to youth enrolled in agriculture programs with participation in the current year's Minnesota State Fair. The following individuals were the 2016 recipients:

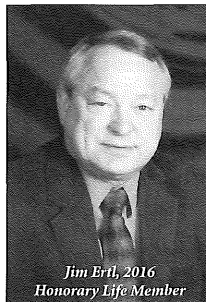
- Nick Aarsvold, Altura
- Carson Bryan, Red Wing
- Mallory Carlson, Murdock
- Riley Donkers, Faribault
- Ryan Donkers, Faribault
- Andrew Gathje, Stewartville
- Kristin Harrington, Grandin
- Jakob Hicks, Tracy
- Abigail Hopp, Chatfield
- Laura Irvine, Woodbury
- Kayla Leiding, Fountain
- Molly Maudal, Carlos
- Juliana Pederson, Westbrook
- Abby Penzenstadler, Chisago City
- Paige Pitlick, Jordan
- Robert Rohloff, Morris
- Austin Schmitt, Rice
- Megan Slater, Chisago City
- Mikaela Smith, Jeffers
- Shianna Teas, Aitkin

50 YEAR AWARDS

Nine 50 Year awards were presented to individuals who have actively participated in the Minnesota State Fair for a half-century.

The recipients were:

- Dennis Beise – Swine Exhibitor
- Kenneth Beise – Swine Exhibitor
- Mark Costello – Horse Exhibitor & Judge
- Bob Duerr – Snake Zoo
- Fairchild – Minnesota State Fair mascot
- Charlie Koppy – Admissions
- Joyce Lacey – Volunteer
- Doug Stade – Swine Exhibitor
- Cindy Thrasher – Sanitation



HONORARY LIFE MEMBER

The Minnesota State Agricultural Society annually elects one individual for honorary life membership in the society. Longtime FFA executive and State Fair fixture Jim Ertl was this year's honoree.

Ertl's FFA career began in 1976 at St. Francis and Kasson-Mantorville high schools where he taught agriculture and served as an FFA advisor. In 1981, Ertl became superintendent of the fair's very popular FFA Children's Barnyard. He was instrumental in reshaping the original Barnyard into the Miracle of Birth attraction in 2001. In 2006, he was an integral contributor in developing plans and goals for today's CHS Miracle of Birth and FFA Chapter House & Leadership Center.

In addition to his role at the State Fair, he served as executive secretary of the Minnesota FFA Association from 1981 to 2015.

Ertl was inducted into the Minnesota FFA Hall of Fame in 2010 and named Outstanding FFA Alumni Member in 2015. He is also a 2016 inductee into the Minnesota Livestock Breeders Hall of Fame.

STATE FAIR HALL OF FAME

Fred Pittroff, the creator, owner and operator of the Giant Slide, is the newest member of the Minnesota State Fair Hall of Fame. The Hall of Fame is the State Fair's highest honor and was founded in 1966 to recognize individuals whose outstanding service has had a lasting impact on the Great Minnesota Get-Together. For 49 years, Pittroff's Giant Slide has been a State Fair icon, creating lifelong memories for generations of families. Pittroff's lifetime in the amusement industry has had a profound influence not only in Minnesota, but at fairs and festivals around the world.

While still in his 20s, Pittroff was inspired by a small indoor slide at a Santa Cruz amusement park. He dreamt big and the Giant Slide was born. His first Slide opened at the 1966 Orange Show in San Bernardino, Calif., followed by

others including Minnesota's in 1968. In all, Pittroff built 42 Giant Slides all over North America and in Sydney, Australia. Pittroff's influence also extends to food service. Many of Pittroff's food operation innovations, including uniformed staff, are now staples of food concessions everywhere.

OUTSTANDING SENIOR CITIZENS

Inez Johnson of Marshall County and Gary Hawkins of Isanti County were named Minnesota's 2016 Outstanding Seniors at the Leinie Lodge Bandshell on Seniors Day, Sept. 1. The two were honored for their outstanding commitment to community service since reaching the age of 65.



Outstanding Seniors: Inez Johnson of Argyle & Gary Hawkins of Stanchfield

DOUGLAS K. BALDWIN AWARD

Elen Skaar of the Minneota FFA Chapter, was named the recipient of the Douglas K. Baldwin Award, named in honor of the fair's general manager from 1951 to 1963.

PRINCESS KAY

Haley Hinrichs from Goodhue, Minn., representing Goodhue County, was crowned the 63rd Princess Kay of the Milky Way and will serve as a goodwill ambassador for the dairy industry and more than 3,000 Minnesota dairy farmers.

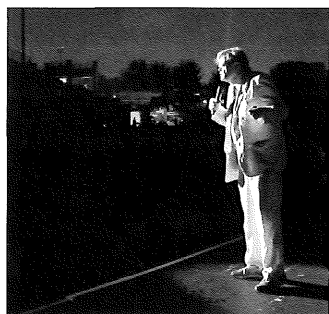
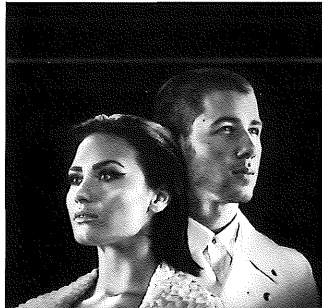
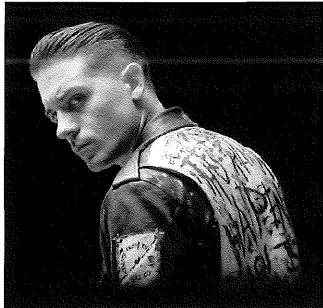
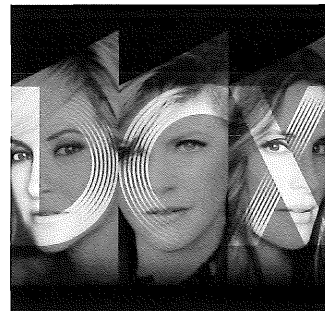
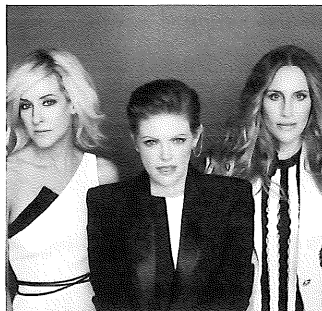
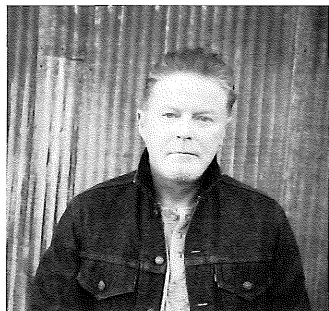
IAFE HERITAGE AWARDS

Each year, the International Association of Fairs and Expositions (IAFE) presents Heritage Awards to recognize the achievements of exceptional fair volunteers. Minnesota State Fair board member Paul Merkins of Stewart, Minn., was presented with the 2016 Heritage Award, recognizing his volunteer service since 1975 to the McLeod County Fair. Merkins has represented the Minnesota State Agricultural Society's 2nd District on the State Fair's board of managers since 2009.

IEBA FAIR OF THE YEAR AWARD

The International Entertainment Buyers Association (IEBA), the leading trade organization for live entertainment industry professionals, awarded the Minnesota State Fair the 2016 Fair of the Year Award. Deputy General Manager Renee Alexander accepted the honor in October at IEBA's 46th Annual Conference.

GRANDSTAND ATTENDANCE



THURSDAY, AUG. 25

DON HENLEY

7:30 p.m. • \$65, \$50 • Attendance: 10,590

FRIDAY, AUG. 26

CHARLIE WILSON with special guest **FANTASIA**

7:30 p.m. • \$55, \$40 • Attendance: 6,463

SATURDAY, AUG. 27

DIXIE CHICKS DCX WORLD TOUR MMXVI with special guests **VINTAGE TROUBLE** and **SMOOTH HOUND SMITH**

7 p.m. • \$67, \$57 • Attendance: 13,162 (sold out)

SUNDAY, AUG. 28

DIXIE CHICKS DCX WORLD TOUR MMXVI with special guests **VINTAGE TROUBLE** and **SMOOTH HOUND SMITH**

7 p.m. • \$67, \$57 • Attendance: 13,151 (sold out)

MONDAY, AUG. 29

THE HAPPY TOGETHER TOUR 2016 featuring **THE TURTLES WITH FLO & EDDIE**; **CHUCK NEGRON, FORMERLY of THREE DOG NIGHT**; **GARY PUCKETT & THE UNION GAP**; **MARK LINDSAY, FORMER LEAD SINGER of PAUL REVERE & THE RAIDERS**; **THE COWSILLS**; and **THE SPENCER DAVIS GROUP**

8 p.m. • \$21 • Attendance: 5,411

TUESDAY, AUG. 30

G-EAZY with special guest **MARTY GRIMES**

7:30 p.m. • \$41, \$33 • Attendance: 14,130

WEDNESDAY, AUG. 31

DEMI LOVATO and **NICK JONAS - FUTURE NOW: THE TOUR** with special guest **MIKE POSNER**

7 p.m. • \$56, \$40 • Attendance: 10,244

THURSDAY, SEPT. 1

ALABAMA with special guest **LEVON**

7:30 p.m. • \$50, \$40 • Attendance: 7,522

FRIDAY, SEPT. 2

THE MINNESOTA SHOW with **GARRISON KEILLOR**

7:45 p.m. • \$35, \$27 • Attendance: 12,115

SATURDAY, SEPT. 3

THE CURRENT'S MUSIC ON-A-STICK featuring **WEEZER** with special guests **THE STRUTS** and **FURY THINGS**

7 p.m. • \$45, \$35 • Attendance: 10,052

SUNDAY, SEPT. 4

44TH ANNUAL MINNESOTA STATE FAIR AMATEUR TALENT CONTEST FINALS

7:30 p.m. • Free - No Grandstand Ticket Required
Attendance: approximately 8,000

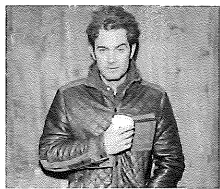
MONDAY, SEPT. 5

BONNIE RAITT with special guest **THE RICHARD THOMPSON TRIO**

7:30 p.m. • \$46, \$36 • Attendance: 8,479

FREE STAGES

LEINIE LODGE BANDSHELL TONIGHT!



AUG. 25 & 26
**G. LOVE
& SPECIAL SAUCE**



AUG. 27 & 28
MARTY STUART



AUG. 29 & 30
**A GREAT BIG
WORLD**



AUG. 31 & SEPT. 1
**BILLY BOB THORNTON
AND THE BOXMASTERS**



SEPT. 2 & 3
THE SPINNERS



SEPT. 4 & 5
WAR

■ LEINIE LODGE BANDSHELL

- Aug. 25 – Sept. 3: MSF Amateur Talent Contest Semifinals
- Aug. 25 & 26: Martin Family Circus, Tonic Sol-fa, High Valley
- Aug. 27 & 28: Dave Barnes, Ashley Campbell, The Bros. Landreth
- Aug. 29 & 30: The 34th Infantry Division “Red Bull” Band, Chris Hillman & Herb Pedersen, We Banjo 3
- Aug. 31 & Sept. 1: The Sound Exchange, The Quebe Sisters, Pokey LaFarge
- Sept. 2 & 3: The Rainers, Max Baca & Los TexManiacs, BeauSoleil avec Michael Doucet
- Sept. 4 & 5: Peterson Brothers, Dirty Dozen Brass Band, The Last Bandoleros, Tim Cavanagh

■ FAMILY FAIR STAGE AT BALDWIN PARK

- Aug. 25 – Sept. 2: MSF County Fair Talent Contest Semifinals
- Aug. 25 – Sept. 5: Sean Emery, Break-Shop Bump’n
- Aug. 25 & 26: Kenny Ahern
- Aug. 27 & 28: Teddy Bear Band
- Aug. 29 & 30: Jared Sherlock
- Aug. 31 & Sept. 1: Mama Lou: American Strong Woman
- Sept. 2 & 3: Jack & Kitty, MSF County Fair Talent Contest Finals (Sept. 3 only)
- Sept. 4 & 5: Kidsdance

■ RAMBERG SENIOR CENTER

- Aug. 25 & 26: The Mellow Fellows, Rich Lewis Band
- Aug. 27 & 28: Bill Koncar, Jack Knife and the Sharps
- Aug. 29 & 30: Switched At Birth, Rod Cerar Orchestra
- Aug. 31 & Sept. 1: Big Bob Scoggin, Jim Berner’s Music Legends
- Sept. 2 & 3: Pushing Chain, Tim Patrick and his Blue Eyes Band
- Sept. 4 & 5: The Joey Johnson Band, Vic Volare

■ INTERNATIONAL BAZAAR

- Aug. 25 & 26: Ballet Folklórico Mexico Azteca, Annie Mack
- Aug. 27 & 28: Universal Artist Movement, Alex y su Conjunto Branteño
- Aug. 29 & 30: Craig Ebel & DyVersaCo, Café Accordion Orchestra
- Aug. 31 & Sept. 1: The Irish Brigade, Native Pride Dancers

- Sept. 2 & 3: Concord Singers, Dominic Gaudious
- Sept. 4 & 5: Jack Brass Band, Marimba Africa

■ BAZAAR AFTER DARK

- Aug. 25 & 26: Maiden Dixie
- Aug. 27 & 28: The Not Guilty Band
- Aug. 29 & 30: Viva Knieval
- Aug. 31 & Sept. 1: Salsa del Soul
- Sept. 2 & 3: Gypsy
- Sept. 4 & 5: GB Leighton

■ SCHELL’S STAGE AT SCHILLING AMPHITHEATER

- Aug. 25 – Sept. 5: MNHS presents History On-A-Schtick
- Aug. 25 & 26: Sawtooth Brothers, Everett Smithson Band, In Capable Hands
- Aug. 27 & 28: Jillian Rae, The Minnesota State Fiddle Contest, Lizzy – The Dream Girl
- Aug. 29 & 30: Sisters of Swing, Sherwin Linton and The Cotton Kings, The Looney Lutherans
- Aug. 31 & Sept. 1: Sourdough Slim, Barefoot Becky & The Ivanhoe Dutchmen, James Wedgwood
- Sept. 2 & 3: The Okee Dokee Brothers, Minnesota Americana-Roots Music Contests, Mary Rowles
- Sept. 4 & 5: Sarah Morris and The Sometimes Guys; Becky Schlegel Trio; Jerry Frasier, Comic Magician

■ WEST END AT SUNSET

- Aug. 25 & 26: Reina del Cid
- Aug. 27 & 28: Mark Olson (of The Jayhawks)
- Aug. 29 & 30: Davina and The Vagabonds
- Aug. 31 & Sept. 1: The Twilight Hours
- Sept. 2 & 3: Pert’ Near Sandstone
- Sept. 4 & 5: Sonny Knight & The Lakers

■ THE X-ZONE

- Aug. 25 – Sept. 5: 3rd Lair SkatePark

■ THE NORTH WOODS

- Aug. 25 – Sept. 5: All-Star Stunt Dogs Splash, Timberworks Lumberjack Show

★★★★★ 2016 MN STATE FAIR SPONSORS ★★★★★

- | | | | |
|-----------------------------|---------------------------------|--------------------------------------------|-----------------------------------|
| • August Schell Brewing Co. | • Gold Medal Flour | • LeafFilter | • Minnesota Lottery |
| • Cal Spas | • Gold’n Plump | • Mazda | • Mrs. Meyer’s Clean Day |
| • Cargill | • Good Health Saunas | • Midwest Dairy Association | • North Suburban Eye Specialists |
| • CenturyLink | • Great River Energy | • Minnesota Corn Growers Association | • Sam’s Club |
| • Coca-Cola | • Green Mill Restaurant | • Minnesota Farm Bureau Foundation | • Sleep Number |
| • Cub | • JACK’S® Pizza | • Minnesota Farmers Union | • Summit Brewing Co. |
| • DISH | • Jacob Leinenkugel Brewing Co. | • Minnesota Livestock Breeders Association | • Treasure Island Resort & Casino |
| • Faribault Woolen Mill Co. | • John Deere Company | • Minnesota Rusco | • Uber |
| • Gedney | • Kemps | | • Xfinity |
| • Go RVing | • Kia | | |



PRINCIPALS

Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA

INDEPENDENT AUDITOR'S REPORT

To the Board of Managers and Management
Minnesota State Agricultural Society

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the enterprise fund and the discretely presented component unit of the Minnesota State Agricultural Society (dba Minnesota State Fair) (the Society) as of and for the year ended October 31, 2016, and the related notes to the financial statements, which collectively comprise the Society's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Minnesota State Fair Foundation (the Foundation), a discretely presented component unit whose statements reflect total assets and expenses of \$2,464,778 and \$2,013,907, respectively, as of and for the year ended October 31, 2016. Those financial statements were audited by other auditors whose reports thereon have been furnished to us. Our opinion on the basic financial statements, insofar as it relates to the amounts included for this organization as a component unit of the Society, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

(continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

OPINIONS

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the enterprise fund and the discretely presented component unit of the Society as of October 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report letter, and the required supplementary information (RSI), which follows the notes to basic financial statements, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Society's basic financial statements. The general information, Supporting Schedule – Revenues and Expenses, and meeting minutes, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

(continued)

The Supporting Schedule – Revenues and Expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The general information and meeting minutes have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Prior Year Comparative Information

We have previously audited the Society's 2015 financial statements and we, with reliance on other auditors, expressed unmodified audit opinions on the respective financial statements of the enterprise fund and the discretely presented component unit in our report dated May 3, 2016. In our opinion, based on our audit and the report of the other auditor, the partial comparative information presented herein as of and for the year ended October 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2017 on our consideration of the Society's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Society's internal control over financial reporting and compliance.

Malloy, Montague, Karnowski, Radosevich & Co., P. A.

Minneapolis, Minnesota
May 2, 2017

MINNESOTA STATE FAIR

■ MANAGEMENT DISCUSSION AND ANALYSIS

The Minnesota State Agricultural Society produces the annual Minnesota State Fair and manages the State Fairgrounds. The Society is a quasi-state agency, and operates with no public subsidy of any kind, for any purpose. The costs to produce the annual State Fair and all capital and maintenance improvements to the historic State Fairgrounds are financed with revenue earned by the Society and State Fair Foundation donations. Following is an analysis of the Society's financial activities and performance during the fiscal years ended October 31, 2016 and 2015, along with detailed financial statements and supplementary information.

The Minnesota State Fair Foundation was established in 2002 as a tax exempt 501(c)(3) nonprofit corporation with the exclusive mission of raising accessible funds to significantly assist the Society in improving and maintaining the State Fairgrounds. Therefore, comparative Foundation financial statements for fiscal years 2016 and 2015 are presented as a component unit of the Society.

■ OVERVIEW OF THE FINANCIAL STATEMENTS

The Society's financial statements are accounted for as an enterprise fund, which operates in a manner similar to a private business enterprise. The Statement of Net Position outlines all of the Society's assets, deferred outflows of resources, liabilities and deferred inflows of revenues, and includes detailed discussion of capital assets – namely, the State Fairgrounds and its facilities. Next, income and expenses for the year are presented in the Statement of Revenue, Expenses and Changes in Net Position; this statement serves to determine if the Society has earned an acceptable level of operating income. Finally, the Statement of Cash Flows provides information on cash receipts and payments generated from operations, as well as finance and investment activities that occurred during the year.

■ NET POSITION

The Condensed Statement of Net Position provides a quick look at the Society's overall financial position. Net position increased to \$50.7 million during fiscal 2016, an increase of \$1.6 million during fiscal 2016. The significant increase in the net position liability and deferred outflows of resources is related to the Society's participation in the Minnesota State Retirement System (MSRS) pension plan. The plan experienced a change in assumptions in fiscal 2016 resulting in these increases. Approximately \$51.8 million of the Society's net position represents the Society's continual investment in capital assets (building, equipment, and infrastructure) that are absolutely essential to the Society's ability to present the annual exposition and conduct a busy schedule of non-fair events year-round.

■ INCOME AND EXPENSE

The State Fair realized an increase in net position of \$1.6 million in 2016, based upon gross revenues of \$51.5 million and gross expenses of \$49.9 million. Net position was significantly reduced due to charges incurred in the current year for changes in reporting the Society's participation in the MSRS pension plan. The previous year showed a decrease in net position of \$400,000 from income of \$48.8 million and expenses of \$41.8 million and a \$7.4 million change in accounting principle. State Fair income is earned primarily from three sources: ticket sales, licensing of commercial exhibit space, and the rental of fair facilities for non-fair events.

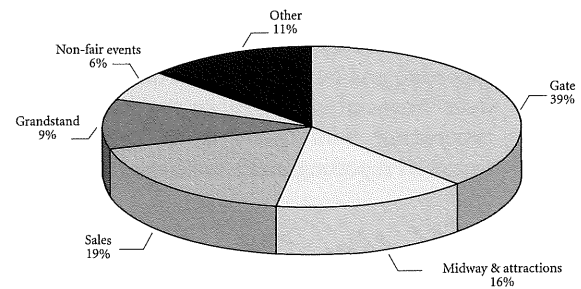
In a typical year, ticket sales represent two-thirds of the State Fair's gross annual income. In 2016, the ticket sales total of \$32.2 million was earned chiefly through sales of outside gate and parking tickets (\$20.2 million), Mighty Midway and Kidway tickets (\$7.4 million), and Grandstand tickets (\$4.6 million).

As with most business enterprises, expenses are very diverse. The State

REVENUE, EXPENSE AND CHANGES IN NET POSITION

	2016	2015
Revenue		
Ticket sales	\$32,173,000	\$29,804,000
Activities	13,125,000	12,380,000
Other	5,100,000	5,115,000
Non-operating revenue		
Investment income	13,000	4,000
Grant revenue	<u>1,073,000</u>	<u>1,462,000</u>
Total revenue	51,484,000	48,765,000
Expense		
Activities, support and administrative	34,406,000	28,113,000
General operations	<u>15,495,000</u>	<u>13,654,000</u>
Total expense	<u>49,901,000</u>	<u>41,767,000</u>
Changes in net position	1,583,000	6,998,000
Beginning net position	<u>49,085,000</u>	<u>42,087,000</u>
Ending net position	<u>\$ 50,668,000</u>	<u>\$49,085,000</u>

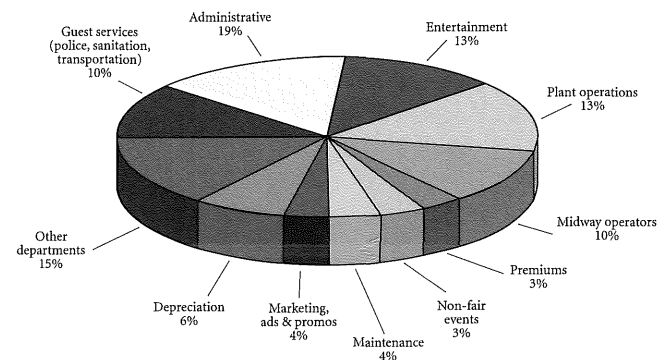
2016 INCOME (\$51.5 million)



2016 Income (in millions)

- Gate - \$20.2
- Midway & attractions - \$8.3
- Sales - \$10.0
- Grandstand - \$4.6
- Non-fair events - \$3.2
- Other - \$5.2

2016 EXPENSE (\$49.9 million)



2016 Expense (in millions)

- Midway operators - \$4.9
- Plant operations - \$6.5
- Entertainment - \$6.6
- Administrative - \$9.3
- Guest services - \$5.0 (Police, sanitation, transportation)
- Other departments - \$7.1
- Depreciation - \$3.2
- Marketing, ads & promos - \$2.0
- Maintenance - \$2.1
- Non-fair events - \$1.7
- Premiums - \$1.5

Fair provides extensive services to fair visitors that include police protection (\$1.6 million), sanitation (\$1.2 million) and Park & Ride bus service (\$2.2 million). Other expenses include Grandstand and free entertainment (\$6.6 million), fairgrounds plant operations (\$6.5 million) and maintenance and depreciation of State Fair facilities (\$5.3 million).

A detailed breakdown of the State Fair's income and expenses is included in the Revenues and Expenses Supporting Schedule on pages 26-29.

■ CAPITAL ASSETS (THE STATE FAIRGROUNDS)

The State Fair's capital assets consist of: 120 fair-owned structures, land and improvements to the land, personal property and infrastructure including an intricate network of electricity, communications, gas, water and sewer distribution systems.

Structures include everything from small permanent information and ticket booths to the Coliseum and the massive Grandstand. Most of the State Fair's significant structures and utilities date back to Works Progress Administration (WPA) days in the '30s and very early '40s. Some buildings are even older, such as the Grandstand (1909), Fine Arts Center (1907) and Progress Center (1907).

In 2016, the State Fair invested \$5,110,000 in capital improvements. Projects included \$1,823,000 for the construction of the new Kidway restroom; \$1,105,000 for the construction of a new bandshell in Baldwin Park; and \$680,000 for improvements to the fairgrounds electrical system.

Additional information on capital assets can be found in note 3 of the accompanying financial statements.

■ LONG-TERM LIABILITIES

Scheduled debt payments on notes in the current year reduced the Society's outstanding debt by \$2,004,000 during the year ended October 31, 2016. Additional information on long-term debt can be found in note 4 of the accompanying financial statements.

■ STATE FAIR FOUNDATION

Please refer to note 9 in the accompanying financial statements for information on the Minnesota State Fair Foundation and for information on how Foundation financial statements can be obtained.

CONDENSED STATEMENT OF NET POSITION

	2016	2015
Current & other assets	\$ 14,739,000	\$ 12,561,000
Capital assets	<u>65,516,000</u>	<u>63,579,000</u>
Total assets	80,255,000	76,140,000
Deferred outflows of resources	18,211,000	566,000
Long-term notes	13,997,000	16,001,000
Other liabilities	<u>31,893,000</u>	<u>8,242,000</u>
Total liabilities	45,890,000	24,243,000
Deferred inflows of resources	1,908,000	3,378,000
Net investment in capital assests	51,821,000	47,929,000
Restricted	2,544,000	2,485,000
Unrestricted	<u>(3,697,000)</u>	<u>(1,329,000)</u>
Total net position	<u>\$ 50,668,000</u>	<u>\$ 49,085,000</u>

■ MINNESOTA STATE FAIR STATEMENT OF NET POSITION

As of October 31

2016

2015

ASSETS

Current assets:

Cash and cash equivalents - unrestricted	\$ 11,021,429	\$ 8,987,038
Cash and cash equivalents - restricted	2,543,624	2,484,855
Accounts receivable	929,332	1,025,561
Prepaid expenses	243,950	53,018
Note receivable - current	-	10,800

Total current assets	\$ 14,738,335	\$ 12,561,272
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Non-current assets:

Capital assets, not being depreciated	2,503,439	2,503,439
Capital assets, net of related depreciation	63,012,984	61,074,845

Total non-current assets	\$ 65,516,423	\$ 63,578,284
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Total assets	\$ 80,254,758	\$ 76,139,556
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DEFERRED OUTFLOWS OF RESOURCES

Deferred amount on refunding of debt	\$ 301,736	\$ 352,026
Pension plan deferments - MSRS	17,909,022	214,143

Total deferred outflows of resources	18,210,758	566,169
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Total assets and deferred outflows of resources	\$ 98,465,516	\$ 76,705,725
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LIABILITIES

Current liabilities:

Accounts payable	\$ 2,751,077	\$ 1,963,467
Accrued salaries	326,263	288,606
Unearned revenue	250,327	249,125
Note interest payable	55,044	61,046
Note payable - current	2,110,000	2,004,000
Compensated absences - current	425,264	416,215

Total current liabilities	\$ 5,917,975	\$ 4,982,459
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Noncurrent liabilities:

Note payable due in more than one year	\$ 11,887,000	\$ 13,997,000
Compensated absences	417,324	379,739
Other post employment benefit obligations	1,877,816	1,727,959
Net pension liability - MSRS	25,789,681	3,155,757

Total non-current liabilities	\$ 39,971,821	\$ 19,260,455
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Total liabilities	\$ 45,889,796	\$ 24,242,914
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DEFERRED INFLOWS OF RESOURCES

Pension plan deferments - MSRS	\$ 1,908,129	\$ 3,377,776
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Total liabilities and deferred inflows of resources	\$ 47,797,925	\$ 27,620,690
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NET POSITION

Net investment in capital assets	\$ 51,821,159	\$ 47,929,310
Restricted for:		
Debt service	2,543,174	2,484,405
Capital improvements	450	450
Unrestricted	(3,697,192)	(1,329,130)

Total net position	\$ 50,667,591	\$ 49,085,035
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Total liabilities, deferred inflows of resources, and net position	\$ 98,465,516	\$ 76,705,725
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The accompanying notes are an integral part of the financial statements.

■ MINNESOTA STATE FAIR FOUNDATION STATEMENT OF NET ASSETS

As of October 31

	2016	2015
ASSETS		
Cash and cash equivalents	\$ 1,222,741	\$ 1,003,874
Investments	356,360	287,477
Accounts receivable	4,890	3,806
Contributions receivable, net	873,325	1,081,331
Prepaid expenses and other assets	5,257	6,609
Merchandise inventory	1,952	4,886
Property and equipment, net of accumulated depreciation of \$7,076 and \$6,610, respectively	253	719
Total assets	\$ 2,464,778	\$ 2,388,702
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 10,162	\$ 6,363
Accrued expenses	90,221	115,847
Payable due to the Minnesota State Agricultural Society	-	1,400
Total Liabilities	100,383	123,610
Net Assets		
Unrestricted:		
Undesignated	674,590	482,498
Board designated for fine arts	72,473	59,587
Board designated for endowment	-	3,672
Total unrestricted net assets	747,063	545,757
Temporarily restricted	1,288,072	1,425,100
Permanently restricted	329,260	294,235
Total net assets	2,364,395	2,265,092
Total liabilities and net assets	\$ 2,464,778	\$ 2,388,702

The accompanying notes are an integral part of the financial statements.

■ MINNESOTA STATE FAIR STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

For the years ended October 31

2016

2015

OPERATING REVENUES

Ticket sales	\$ 32,173,392	\$ 29,803,908
Activities	13,124,928	12,379,660
Other	<u>5,100,002</u>	<u>5,114,831</u>
Total operating revenues	\$ 50,398,322	\$ 47,298,399

OPERATING EXPENSES

Administrative	\$ 9,275,996	\$ 4,573,569
Activities and support	25,130,620	23,539,350
Premiums	1,500,517	1,429,534
Plant operations	6,488,468	5,685,298
Plant maintenance	2,126,931	1,356,173
Other	1,682,818	1,436,080
Depreciation	<u>3,171,509</u>	<u>3,174,866</u>
Total operating expenses	\$ 49,376,859	\$ 41,194,870
Operating income (loss)	\$ 1,021,463	\$ 6,103,529

NON-OPERATING REVENUES (EXPENSES)

Investment income	\$ 13,223	\$ 4,062
Grant revenue	1,072,563	1,462,087
Interest expense	<u>(524,693)</u>	<u>(571,615)</u>
Total non-operating revenues (expenses)	\$ 561,093	\$ 894,534
Change in net position	\$ 1,582,556	\$ 6,998,063
Net position, beginning of the year	<u>49,085,035</u>	<u>42,086,972</u>
Net position, end of year	<u>\$ 50,667,591</u>	<u>\$ 49,085,035</u>

The accompanying notes are an integral part of the financial statements.

■ MINNESOTA STATE FAIR FOUNDATION STATEMENT OF ACTIVITIES

For the Years Ended October 31

	2016				2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES								
Contributions	\$ 414,435	\$ 1,016,043	\$ 35,025	\$ 1,465,503	\$ 236,112	\$ 1,642,277	\$ 53,837	\$ 1,932,226
Support from the Minnesota State Agricultural Society	221,950	-	-	221,950	227,188	-	-	227,188
In-Kind Contributions	72,829	-	-	72,829	53,836	-	-	53,836
Special Events, Net of Direct Benefits of \$72,946 and \$60,309, Respectively	85,793	-	-	85,793	66,335	-	-	66,335
Interest and Dividends	2,688	-	-	2,688	1,588	-	-	1,588
Realized and Unrealized Gains (Losses) on Investments	167	17,053	-	17,220	(67)	4,949	-	4,882
Net Assets Released from Restrictions	1,170,124	(1,170,124)	-	-	1,531,227	(1,531,227)	-	-
Total	1,967,986	(137,028)	35,025	1,865,983	2,116,219	115,999	53,837	2,286,055
Merchandise Sales and Commissions	321,063	-	-	321,063	335,318	-	-	335,318
Less: Cost of Goods Sold	(73,836)	-	-	(73,836)	(80,394)	-	-	(80,394)
Net Merchandise Sales and Commissions	247,227	-	-	247,227	254,924	-	-	254,924
Total Revenues	2,215,213	(137,028)	35,025	2,113,210	2,371,143	115,999	53,837	2,540,979
EXPENSES								
Grants to the Minnesota State Agricultural Society	1,072,563	-	-	1,072,563	1,462,087	-	-	1,462,087
Payroll	666,188	-	-	666,188	576,775	-	-	576,775
Production Expenses	100,917	-	-	100,917	91,138	-	-	91,138
Contract Services	43,251	-	-	43,251	44,927	-	-	44,927
Office Expenses	43,209	-	-	43,209	45,302	-	-	45,302
Occupancy	27,750	-	-	27,750	25,427	-	-	25,427
Business Expenses	45,520	-	-	45,520	37,191	-	-	37,191
Travel and Meetings	5,499	-	-	5,499	3,126	-	-	3,126
Other Expenses	9,010	-	-	9,010	7,494	-	-	7,494
Total Expenses	2,013,907	-	-	2,013,907	2,293,467	-	-	2,293,467
CHANGE IN NET ASSETS	201,306	(137,028)	35,025	99,303	77,676	115,999	53,837	247,512
Net assets - Beginning	545,757	1,425,100	294,235	2,265,092	468,081	1,309,101	240,398	2,017,580
NET ASSETS - ENDING	<u>\$ 747,063</u>	<u>\$ 1,288,072</u>	<u>\$ 329,260</u>	<u>\$ 2,364,395</u>	<u>\$ 545,757</u>	<u>\$ 1,425,100</u>	<u>\$ 294,235</u>	<u>\$ 2,265,092</u>

The accompanying notes are an integral part of the financial statements.

■ MINNESOTA STATE FAIR STATEMENT OF CASH FLOWS

For the years ended October 31

2016

2015

Cash flow from operating activities

Cash received from operations

Ticket sales

\$ 32,262,397

\$ 29,714,597

Activities

13,397,987

12,208,584

Other

4,835,369

5,173,081

Cash payment for operating expenses

To suppliers for goods or services

(31,897,955)

(28,627,842)

To employees for services

(10,080,426)

(9,682,485)

Net cash provided by operating activities

\$ 8,517,372

\$ 8,785,935

Cash flow from capital and related financing activities

Payments for acquisition and construction of capital assets

\$ (4,964,853)

\$ (2,267,691)

Payments on note receivable

10,800

10,800

Principal payments on revenue note

(2,004,000)

(1,990,000)

Interest payments on revenue note

(480,405)

(527,283)

Net cash provided (used) by capital and related financing activities

\$ (7,438,458)

\$ (4,774,174)

Cash flow from non-capital financing activities

Grant revenue

1,001,023

1,408,252

Cash flow from investing activities

Interest earnings

13,223

4,656

Net increase (decrease) in cash and cash equivalents

2,093,160

5,424,669

Cash and cash equivalents, beginning of year

11,471,893

6,047,224

Cash and cash equivalents, end of year

\$ 13,565,053

\$ 11,471,893

Reconciliation of operating income (loss) to net cash provided by operating activities

Operating income (loss)

\$ 1,021,463

\$ 6,103,529

Adjustments to reconcile operating income (loss) to net cash provided by operating activities

Depreciation

3,171,509

3,174,866

Other non-operating revenues and cash expenses

71,540

53,835

Changes in assets, deferred outflows, liabilities and deferred inflows

Assets: (increase) decrease

Accounts receivable

96,229

(227,067)

Prepaid expenses

(190,932)

58,536

Deferred outflows of resources: (increase) decrease

Pension plan deferments - MSRS

(17,694,879)

28,334

Liabilities: increase (decrease)

Accounts payable

642,815

394,298

Accrued salaries

37,657

16,922

Compensated absences

46,634

57,046

Unearned revenue

1,202

24,930

Other post-employment benefit obligations

149,857

184,654

Net pension liability - MSRS

22,633,924

(200,897)

Deferred inflows of resources: (increase) decrease

(1,469,647)

(883,051)

Total adjustments

\$ 7,495,909

\$ 2,682,406

Net cash provided by operating activities

\$ 8,517,372

\$ 8,785,935

Supplemental disclosure of non-cash transactions for fiscal year 2016 and 2015, accounts payable included capitalized expenses of \$296,361 and \$151,566 respectively. For fiscal year 2016 and 2015, the Society received in-kind contributions totaling \$71,540 and \$53,835, respectively.

The accompanying notes are an integral part of the financial statements.

■ FOOTNOTES

Note 1: Summary of Accounting Policies

The Minnesota State Agricultural Society (dba Minnesota State Fair) is charged with the conduct of the annual State Fair and the management of the State Fairgrounds, as outlined by Chapter 37 of Minnesota Statutes. The financial activities of the Society are accounted for as an enterprise fund which operates in a manner similar to a private business enterprise.

Accordingly, the accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The Society's accounting practices conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned and expenses recorded when a liability is incurred, regardless of the time of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

This report includes the Minnesota State Fair Foundation financial statements. Although a legally separate organization, the Foundation is considered a component unit of the Society given its resources entirely, or almost entirely benefit the Society, the Society is entitled to these resources, and the resources are significant to the Society's operations. The Foundation is presented as a discretely presented component unit in these financial statements.

The Foundation is a private nonprofit organization that reports under Financial Accounting Standards Board standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's information in the Society's financial reporting entity for these differences.

Enterprise funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the enterprise fund's principal operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and the depreciation of capital assets. All other revenues and expenses are reported as non-operating items.

For purposes of the Statement of Cash Flows, the Society considers all highly liquid debt instruments with an original maturity from the time of purchase by the Society of three months or less to be cash equivalents.

When necessary, the Society utilizes an allowance for uncollectible accounts to value its receivables. However, the Society considers all of its receivables to be collectible.

Notes receivable consist of a loan by the Society to one local business for property development on the Fairgrounds. This note receivable was paid off in fiscal 2016.

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid expenses in the Society's proprietary funds. Prepaid expenses are reported using the consumption method and recorded as an expense at the time of consumption.

Costs of newly acquired assets are capitalized at historical cost and written off as depreciation charges over their estimated useful lives. Costs of improvements and renovations that add to the original value or materially extend the useful life to the related asset are capitalized and written off as depreciable over their estimated useful life. Purchases over \$5,000 with an estimated useful life exceeding one year are capitalized. Interest incurred during construction of capital assets is included in the value of the assets. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. Depreciation is computed by the straight-line method. Land and construction in progress are not depreciated. The provision for depreciation is calculated based on the following lives:

Land improvements:

Fence & fixtures	20 years
Land improvements	20 to 30 years
Structures	20 to 50 years

Utility systems:

Electrical system	30 years
Gas distribution system	30 years
Sewer system	20 years
Water distribution system	20 to 50 years

Personal property: 5 to 10 years

In addition to assets, Statements of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The Society has two items that qualify for reporting in this category. The first item is the deferred amount on refunding of debt, which represents the difference (gain) resulting from current refundings and advance refundings and is reported as a deferred outflow of resources in the Statement of Net Position. The second item, deferred outflows of resources related to pensions, is reported in the Statement of Net Position. This deferred outflow results from differences between expected and actual experience, changes of assumptions, the difference between projected and actual earnings on pension plan investments, and from contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension standards.

In addition to liabilities, Statements of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Society has one item which qualifies for reporting in this category. Deferred inflows of resources related to pensions is reported in the Statement of Net Position. This deferred inflow results from differences between expected and actual experience, changes of assumptions, and the difference between projected and actual earnings on pension plan investments. These amounts are deferred and amortized as required under pension standards.

Compensated absences consist of employee vacation and sick leave benefits. These benefits are determined based on a formula with a maximum number of hours accumulated and are payable upon death, termination, or retirement. All compensated absences expected to be paid on termination of employment are accrued when incurred.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Minnesota State Retirement System (MSRS) and additions to/deductions from MSRS's fiduciary net position have been determined on the same basis as they are reported by MSRS, except that MSRS's fiscal year end is June 30. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect amounts reported in the financial statements during the reporting period. Actual results could differ from those estimates.

The Society is exposed to various risks of loss related to the theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers compensation for which the Society carries insurance. Settled claims have not exceeded coverage in any of the past three fiscal years. There were no significant reductions in the Society's insurance coverage in fiscal year 2016.

Equity is classified as net position and is presented in three components:

1. Net investment in capital assets - consists of capital assets, net of accumulated depreciation and any outstanding debt that is attributable to the purchase, construction or improvement of those assets.
2. Restricted net position - consists of net position (funds) that are reported separately due to restrictions in place required by debt obligations or enabling legislation that mandate how these funds are applied by the Society.

These assets are for debt service payments and capital improvements.

3. Unrestricted net position - consists of all other assets that do not meet the criteria of restricted or net investment in capital assets.

When both restricted and unrestricted resources are available for use, it is the Society's policy to use restricted resources first, then unrestricted resources as they are needed.

The Statement of Net Position and Statement of Revenue and Expense, and Changes in Net Position include prior year partial comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United State of America. Accordingly, such information should be read in conjunction with the Society's financial statements for the year ended October 31, 2015 from which the summarized information was derived. Also, certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation.

Note 2: Cash & Cash Equivalents

The Society's cash balance is invested in deposit accounts in accordance with Minnesota Statute 37. Minnesota State Statute Section 118A.03 requires that deposits by municipalities, including public corporations, be secured by depository insurance, or a combination of depository insurance and collateral security. The statute further requires that total collateral computed at its fair market value be at least 10 percent more than the amount on deposit in excess of any uninsured portion at the close of the business day. On October 31, 2016, the Society had a balance of \$15,114,854. After adjusting the bank balance for outstanding checks, deposits in transit, and other reconciling items, the carrying value of deposits totaled \$13,565,053. At October 31, 2016, all deposits were fully covered by federal depository insurance, surety bonds, or collateral held by the Society's agent in the Society's name.

Cash and Cash Equivalents of the Minnesota State Agricultural Society for the year ended October 31, 2016 were:

Cash equivalents - restricted	
Building account	\$ 450
Debt service account	<u>2,543,174</u>
Total restricted cash equivalents	2,543,624
Cash equivalents - unrestricted	<u>11,021,429</u>
Total cash equivalents	<u>\$ 13,565,053</u>

Restricted cash equivalents represent funds restricted in application by revenue note sale covenant requirements.

Note 3: Property, Structures, Utilities & Equipment

	Beginning Balance 11/01/15	Increases	Decreases	Ending Balance 10/31/16
Capital assets, not being depreciated:				
Land	\$ 2,503,439	\$ -	\$ -	\$ 2,503,439
Capital assets, being depreciated:				
Land improvements	100,363,391	4,221,423	(74,290)	104,510,524
Utility systems	13,952,588	680,612	-	14,633,200
Personal property	<u>1,620,361</u>	<u>207,613</u>	<u>-</u>	<u>1,827,974</u>
Total capital assets, being depreciated	115,936,340	5,109,648	(74,290)	120,971,698
Less accumulated depreciation for:				
Land improvements	(45,918,229)	(2,621,274)	74,290	(48,465,213)
Utility systems	(7,472,779)	(430,231)	-	(7,903,010)
Personal property	<u>(1,470,487)</u>	<u>(120,004)</u>	<u>-</u>	<u>(1,590,491)</u>
Total accumulated depreciation	<u>(54,861,495)</u>	<u>(3,171,509)</u>	<u>74,290</u>	<u>(57,958,714)</u>

Total capital assets, being depreciated, net	<u>61,074,845</u>	<u>1,938,139</u>	<u>-</u>	<u>63,012,984</u>
Total capital assets, net	<u>\$ 63,578,284</u>	<u>\$ 1,938,139</u>	<u>\$ -</u>	<u>\$ 65,516,423</u>

Note 4: Long-Term Liabilities

	Balance 11/01/15	Additions	Deletions	Balance 10/31/16	Due Within One Year
Refunding revenue note	\$ 5,801,000	\$ -	\$ (1,104,000)	\$ 4,697,000	\$ 1,110,000
Revenue note series 2013	9,400,000	-	(100,000)	9,300,000	1,000,000
Revenue note series 2014	<u>800,000</u>	<u>-</u>	<u>(800,000)</u>	<u>-</u>	<u>-</u>
Total long-term liabilities	<u>\$ 16,001,000</u>	<u>\$ -</u>	<u>\$ (2,004,000)</u>	<u>\$13,997,000</u>	<u>\$ 2,110,000</u>

The Refunding Revenue Note was issued to finance the retirement (refunding) of prior bond issues. The note is a special, limited liability obligation of the Society and is not secured by the full faith and credit of the Society. The note is payable solely from the revenues of the State Fair. Operating revenues at October 31, 2016 were \$50,398,322 which exceeds the amount required for payment of principal and interest in 2017. The interest rate is 2.53% and matures September 15, 2022. As of October 31, 2016, \$5,060,000 of defeased revenue bond debt is outstanding.

Annual debt service requirements to maturity for the State Fair Revenue Refunding Note, Series 2012 is as follows:

	Principal	Interest
2017	\$ 1,110,000	\$ 118,834
2018	680,000	90,751
2019	699,000	73,547
2020	718,000	55,862
2021	735,000	37,697
2022	<u>755,000</u>	<u>19,102</u>
	<u>\$ 4,697,000</u>	<u>\$ 395,793</u>

The Revenue Notes, Series 2013 and 2014 were issued to assist in financing the construction of the West End Market. These notes are special, limited liability obligations of the Society and are not secured by the full faith and credit of the Society. The notes are payable solely from the revenues of the State Fair. Operating revenues at October 31, 2016 were \$50,398,322 which exceeds the amount required for payment of principal and interest in 2017. The Series 2013 revenue note principal amount is \$9,600,000 with an interest rate of 3.38% and matures September 15, 2022. The Series 2014 revenue note principal amount is \$2,400,000 with an interest rate of 1.99% and matured on September 15, 2016.

Annual debt service requirements to maturity for the State Fair Revenue Note, Series 2013 is as follows:

	Principal	Interest
2017	\$ 1,000,000	\$ 314,340
2018	1,549,000	280,540
2019	1,603,000	228,184
2020	1,658,000	174,002
2021	1,715,000	117,962
2022	<u>1,775,000</u>	<u>59,995</u>
	<u>\$ 9,300,000</u>	<u>\$ 1,175,023</u>

Compensated Absences:

	Balance 11/01/15	Additions	Retirements	Balance 10/31/16	Due within one year
Severance benefits payable	\$ 429,204	\$ 48,273	\$ (24,073)	\$ 453,404	\$ 18,540
Vacation benefits payable	<u>366,750</u>	<u>457,465</u>	<u>(435,031)</u>	<u>389,184</u>	<u>406,724</u>
	<u>\$ 795,954</u>	<u>\$ 505,738</u>	<u>\$ (459,104)</u>	<u>\$ 842,588</u>	<u>\$ 425,264</u>

Note 5: Short Term Obligations

During fiscal year 2016, the Society renewed a working capital line of credit in the amount of \$1.5 million, with a maturity date of June 30, 2017, for possible short-term financing of fair operations. The interest rate is the prime interest rate plus .25%, with a minimum interest rate of 4.5%. No short-term financing was necessary in fiscal 2016.

Note 6: Retirement Pension Plan

Plan Description

The State Employees Retirement Fund (SERF) is administered by the Minnesota State Retirement System (MSRS), and is established and administered in accordance with Minnesota Statutes, Chapters 352 and 356. SERF includes the General Employees Retirement Plan (General Plan), a multiple-employer, cost-sharing defined benefit plan, and three single-employer defined benefit plans: the Military Affairs Plan, the Transportation Pilots Plan, and the Fire Marshal's Plan. Only certain employees of the Department of Military Affairs, the Department of Transportation and the State Fire Marshal's Division are eligible to be members of those plans, but all State of Minnesota employees who are not members of another plan are covered by the General Plan. The Transportation Pilots Plan has been closed to new entrants since July 1, 2008.

MSRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at www.msrs.state.mn.us/financial-information; or by writing to MSRS at 60 Empire Drive, #300, St. Paul, Minnesota, 55103; or by calling (651) 296-2761 or 1-800-657-5757.

Benefits Provided

MSRS provides retirement, disability, and death benefits through the State Employees Retirement Fund. Benefit provisions are established by state statute and can only be modified by the state legislature. Benefits are based on a member's age, years of credit, and the highest average salary for any sixty successive months of available service at termination of service. Benefit increases are provided to benefit recipients each January, and are related to the funded ratio of the plan. Annuitants receive benefit increases of 2.0 percent each year. When the fund reaches a 90 percent funded status for two consecutive years, annuitants will receive a 2.5 percent increase.

Retirement benefits can be computed using one of two methods: the Step formula and the Level formula. Members hired before July 1, 1989, may use the Step or Level formula, whichever is greater. Members hired on or after July 1, 1989, must use the Level formula. Each formula converts years and months of service to a certain percentage. Under the Step formula, members receive 1.2 percent of the high-five average salary for each of the first 10 years of covered service, plus 1.7 percent for each year thereafter. It also includes full benefits under the Rule of 90 (age plus years of service equals 90). In contrast, the Level formula does not include the Rule of 90. Under the Level formula, members receive 1.7 percent of the high-five average salary for all years of covered service, and full benefits are available at normal retirement age.

Contributions

Minnesota Statutes Chapter 352 sets the rates for employer and employee contributions. Eligible General Plan members and participating employers were required to contribute 5.5 percent of the annual covered salary in fiscal 2016. The Society's contribution to the General Plan for the fiscal year ending October 31, 2106 was \$318,863. These contributions were equal to the contractually required contributions for each year as set by state statute.

Actuarial Assumptions

The Society's net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent per year
Active Member Payroll Growth	3.25 percent per year
Investment Rate of Return	7.50 percent

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabled persons were based on RP-2014 generational mortality tables for males or females, as appropriate, with adjustments to match fund experience. Benefit increases for retirees are assumed to be 2.0 percent per year for all future years.

Actuarial assumptions used in the June 30, 2016 valuation were based on the last experience study, dated June 30, 2015, a review of inflation and investment return assumptions dated September 11, 2014, and a recent asset liability study obtained by the SBI.

The long-term expected rate of return on pension plan investments is 7.50 percent. This is a reduction from the assumed rate of 7.90 percent in fiscal year 2015. During fiscal year 2016, the SBI hired an outside consultant to perform a thorough asset and liability study. Based on the study, the SBI staff proposed an update to the asset allocation, which yields a lower nominal expected return. As a result of this study, and keeping in mind the national trend towards lower investment rate assumptions, the MSRS Board of Directors approved the use of a 7.50 percent long-term expected rate of return assumption for the fiscal year 2016 actuarial valuations.

The SBI, which manages the investments of MSRS, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method. Best estimates of expected future real rates of return are developed for each major asset class. These asset class estimates and target allocations are combined to produce a geometric, expected long-term rate of return as summarized in the following table:

Asset class	Target allocation	SBI's long-term expected real rate of return (geometric mean)
Domestic stocks	45%	5.50%
International stocks	15%	6.00%
Bonds	18%	1.45%
Alternative assets	20%	6.40%
Cash	2%	0.50%

All MSRS defined benefit funds use a long-term expected rate of return assumption of 7.50 percent, and a municipal bond rate of 2.85 percent, as published by the Federal Reserve Board in June 2016. The projection of cash flows used to determine the single discount rates assumes that plan member and employer contributions will be made at the current statutory contribution rates. For the State Employees Fund, the fiduciary net position was projected to be insufficient to finance the projected future benefit payments of current plan members. Therefore, a single discount rate was applied, which blends the long-term expected rate of return on pension plan investments (7.50 percent) with the tax-exempt municipal bond rate, based on an index of 20 year general obligation bonds with an average AA credit rating (2.85 percent). This single discount rate was applied to all periods of projected benefit payments to determine the total pension liability. For the State Employees Retirement Fund, the long-term expected rate of return was used to project benefit payments through fiscal year 2042 and the municipal bond rate was used in all of the following years, resulting in the single blended rate of 4.17 percent. This is a change from the previous fiscal year, when the single blended rate was 7.90 percent.

Net Pension Liability

At October 31, 2016, the Society reported a liability of \$25,789,681 for its proportionate share of MSRS's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Society's proportion of the net pension liability was based on the Society's contributions received by MSRS during the measurement period July 1, 2015, through June 30, 2016, relative to the total employer contributions received from all of MSRS's participating employers. At June 30, 2016, the Society's proportion was 0.208 percent.

Two changes in assumptions affected the measurement of the total pension liability since the prior measurement date. The single discount rate changed

from 7.90 percent to 4.17 percent. The post-retirement benefit increase changed from 2.0 percent through 2015, and 2.5 percent thereafter, to 2.0 percent per year for all future years.

Pension Liability Sensitivity

The following represents the Society's proportionate share of the net pension liability calculated using the discount rate disclosed in the discount rate section above, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% decrease in discount rate (3.17%)	Discount rate (4.17%)	1% increase in discount rate (5.17%)
Society's proportionate share of the net pension liability	\$34,002,369	\$25,789,681	\$19,186,837

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the MSRS Comprehensive Annual Financial Report, available on the MSRS website (www.msrs.state.mn.us/financial-information).

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended October 31, 2016, the Society recognized pension expense of \$3,776,438. At October 31, 2016, the Society reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$35,290	\$643,082
Changes in assumptions	\$16,492,434	\$1,223,208
Net difference between projected and actual earnings on investments	\$1,132,055	-
Changes in proportion and differences between actual contributions and proportionate share of contributions	\$123,826	\$41,839
Contributions paid to MSRS subsequent to the measurement date	\$125,417	-
Total	\$17,909,022	\$1,908,129

Amounts reported as deferred outflows of resources related to pensions resulting from Society contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended October 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended October 31	Pension expense amount
2017	\$ 3,441,145
2018	\$ 3,441,145
2019	\$4,473,826
2020	\$4,519,360

Deferred Compensation

All Society full-time employees are eligible to participate in the Minnesota Deferred Compensation Plan for public employees. Deferred compensation is a voluntary plan that allows employees to place a portion of their earnings into a tax deferred investment program for long-term savings to supplement retirement and other benefits. The deferred compensation plan is administered by the Minnesota State Retirement System.

Note 7: Other Post Employment Benefit Obligations

The Society provides retirees, who meet certain defined requirements, payments for a portion of medical insurance premiums until they reach the age of 65. This type of benefit is classified as an Other Post Employment Benefit (OPEB), a single-employer defined benefit plan administered by the Society and is required to be accounted for in accordance with Government

Accounting Standards Board Statement No. 45. The plan does not issue a publicly available financial report. An actuarial valuation of the benefits was conducted in accordance with GASB 45's alternative measurement method for employers with under 100 plan members.

All retirees of the Society upon retirement have the option under state law to continue their medical insurance coverage through the Society. For certain employees, the Society pays a portion of the premium. Employee eligibility for this benefit is the earlier of age 60 and 20 years of service or the Rule of 90 (only employees hired before July 1, 1989 are eligible for the Rule of 90). Retirees not eligible for this Society paid premium benefits must pay the full Society premium rate for their coverage.

The Society is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees until the retiree reaches Medicare eligibility, whether the premiums are paid by the Society or the retiree. Consequently, participating retirees are considered to receive a secondary benefit known as the "implicit rate subsidy." This benefit related to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the Society's younger and statistically healthier active employees.

The following table shows the components of the Society's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the Society's net OPEB obligation to the plan.

Net OPEB obligation

Annual required contribution (ARC)	\$ 273,513
Interest on net OPEB obligation	64,798
Adjustment to annual required contribution	(97,347)
Annual OPEB cost	240,964
Contributions during the year	(91,107)
Increase (decrease) in net OPEB obligation	149,857
Net OPEB obligation beginning of year	1,727,959
Net OPEB obligation end of year	\$ 1,877,816

The Society's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the past three years are as follows:

Fiscal year ended	Annual OPEB cost	Employer contribution	Percentage of annual OPEB cost contribution	Net OPEB obligation
October 31, 2014	\$276,959	\$107,240	38.7%	\$1,543,305
October 31, 2015	\$240,636	\$55,982	23.3%	\$1,727,959
October 31, 2016	\$240,964	\$91,107	37.8%	\$1,877,816

As of October 31, 2015, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$2,101,466 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,101,466. The annual covered payroll was \$5,207,000, and the ratio of the UAAL to the annual covered payroll was 40.4 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan member to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Actuarial assumptions include a 3.75%

discount rate; an inflation rate of 2.75%; and an annual medical trend rate of 7.2% initially, reduced by decrements of one-half percent to an ultimate rate of 5% after 7 years. OPEB benefits were calculated under the Projected Unit Credit method and the unfunded actuarial accrued liability (\$2,101,466) is amortized as a level dollar amount on an open basis over 30 years. This plan is unfunded, the Society is currently proceeding on the pay-as-you-go basis for funding. The Schedule of Funding Progress immediately following the notes to basic financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Membership in the plan consisted of the following as of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	4
Active plan members	72
Total members	76

Note 8: Disaggregation of Receivable & Payable Balances

Receivables: Accounts receivable balances for the year ended October 31, 2016 were:

Tickets	\$ 4,495
Activities	302,356
Other	622,481
Total receivables	<u>\$ 929,332</u>

Payables: Accounts payable balances for the year ended October 31, 2016 were:

Administration	\$ 85,399
Activities	1,347,084
Plant operations	670,664
Capitalized	296,361
Other	351,569
Total payables	<u>\$ 2,751,077</u>

Note 9: Foundation

The Minnesota State Fair Foundation is a supporting organization of the Minnesota State Agricultural Society and is a not-for-profit corporation exempt from taxes under Section 501(c)(3) of the Internal Revenue Code and applicable Minnesota regulations. The Foundation was established in June 2002 following passage of enabling legislation signed into law by the governor, and governed by a board of directors. The Foundation's mission is to secure and provide funding and gifts-in-kind all of a nature acceptable to the State Fair to be used for the preservation, restoration and improvement of the Minnesota State Fairgrounds, and to support State Fair educational, agricultural, and scientific programs. The Foundation is supported primarily from public and private contributions, merchandise sales, in-kind contributions and volunteer time. Foundation financial statements can be obtained by writing to: Minnesota State Fair Foundation, 1265 Snelling Avenue North, St. Paul, Minnesota 55108.

The following are significant notes to the Minnesota State Fair Foundation financial statements:

Financial Statement Presentation

Net assets, revenues, expenses, gain and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted

Resources over which the Board of Directors has discretionary control. Designated amounts represent those net assets which the Board has set aside for a particular purpose.

Temporarily Restricted

Those resources subject to donor imposed restrictions which will be satisfied by actions of the Foundation or passage of time.

Permanently Restricted

Those resources subject to a donor imposed restriction that they be

maintained permanently by the Foundation. The donors of these resources permit the Foundation to use all or part of the income earned, including capital appreciation, or related investments for unrestricted or temporarily restricted purposes.

Contributions Receivable

Pledges to give that are expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the pledge is received. Amortization of the discount is included in the contribution revenue. An allowance for doubtful contributions receivable of \$20,000 was recorded as of October 31, 2016.

Contributions receivable at October 31, 2016 represent the present value of receivable due. Present value is determined using discount rates ranging from 0.89% to 4.50%. The expected collection periods of the contributions receivable at October 31, 2016 are as follows:

<u>Year ending October 31</u>	<u>Amount</u>
2017	\$ 486,555
2018	290,250
2019	93,000
2020	43,000
Total	\$ 912,805
Less: unamortized discount	(19,480)
Less: allowance for doubtful pledges	(20,000)
Total	<u>\$ 873,325</u>

Revenue Recognition

Contributions, including unconditional promises to give, are recognized as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in the temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Unconditional contribution pledges are recognized as revenues or gains in the period received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional contributions are recognized when the conditions on which they depend are substantially met. Gifts and bequests are recognized when it has been determined that there is a legal right to the gift or bequest and the actual amount to be received has been determined. The Foundation currently does not have any conditional pledges.

Donated Services

Employees of the State Fair have made significant contributions of their time to the Foundation's activities. These uncompensated services are included in the agreement between the State Fair and the Foundation. Additionally, volunteers have donated time to the Foundation in various capacities. For the year ended October 31, 2016, volunteer hours were 2,516. No amounts have been reflected in the statement for donated services, since the services do not meet established criteria for recognition. These criteria require that the donated services create or enhance the nonfinancial assets, require specialized skills which would be purchased if not donated, and have an objective basis for measurement.

Fair Value Measurements

The Foundation has categorized its financial instruments based on the priority of the inputs of the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instrument fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value of the instrument. Financial assets recorded on the statement of financial position are categorized based on the inputs to the valuation techniques as follow:

Level 1 - Financial assets and liabilities whose values are based on unadjusted

quoted prices for identical assets or liabilities in an active market that the foundation has the ability to access (examples include active exchange-traded equity securities, listed derivatives, and most U.S. Government and agency securities).

Level 2 - Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 - Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability (examples include certain private equity investments).

Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable Minnesota regulations.

The Foundation follows the accounting standard for uncertainty in income taxes recognized in an entity's financial statements. This standard clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be recognized. The implementation of this standard had no impact on the Foundation's financial statements. The Foundation's tax returns are subject to review and examination by federal authorities.

Investments

The Foundation's investments are comprised of a mutual fund. Investments are stated at fair value. Realized and unrealized gains and losses are reflected in the statement of activities. Investment securities are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the volatility of the market with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the future statement of activities.

Merchandise Inventory

The Foundation maintains inventories of merchandise held for resale, which are recorded at the lower of cost or market, if purchased. Contributions of inventory are recorded at fair value. Inventories are expensed in the statement of activities as they are sold.

Property and Equipment

Property and equipment are recorded at cost, if purchased, and at fair value, if donated. The Foundation depreciates property and equipment over their estimated useful lives (3 to 10 years) by the straight-line method of depreciation.

Note 10: Related Party Transactions

In accordance with an agreement between the Foundation and the Society, the Society has provided the following:

- Full use and occupancy of a fairground building rent-free, including telephone and computer services.
- Payroll and limited staff support services.

At October 31, 2016, the Foundation had no outstanding payables due to the Society for payroll and other compensation-related expenses. The Society contributed payroll expenses of \$180,594 during fiscal 2016.

The employees of the Society have made significant contributions of their time to the Foundation's activities. These uncompensated services are included in the agreement between the Society and the Foundation. Additionally, volunteers have donated time to the Foundation in various capacities. No amounts have been included in the statements for donated services, since the services do not meet established criteria for recognition. These criteria require the donated services create or enhance nonfinancial assets, require specialized

skills which would be purchased if not donated, and have an objective basis for measurement.

Grants to the Minnesota State Agricultural Society

During the year ended October 31, 2016, the Foundation granted \$560,000 towards the construction costs of the West-End Market; fair-time educational enrichment and artistic experiences valued at \$272,311; environmental applications valued at \$132,489; recognition pavers and benches valued at \$90,796, and various other miscellaneous gifts valued at \$16,967, for a grant total of \$1,072,563 during fiscal 2016.

Required Supplementary Information

Actuarial Measures of Other Post Employment Benefits Funding Progress

The State Agricultural Society offers other postemployment benefits to employees and their dependents through a single-employer defined benefit health care plan.

Required Supplementary Information Schedule of Funding Progress:

Actuarial valuation date	2009	10/31/09
	2012	10/31/12
	2015	10/31/15
Actuarial value of plan assets	2009	\$ -
	2012	\$ -
	2015	\$ -
Actuarial accrued liability	2009	\$ 2,988,572
	2012	\$ 2,307,373
	2015	\$ 2,101,466
Total unfunded actuarial liability	2009	\$ 2,988,572
	2012	\$ 2,307,373
	2015	\$ 2,101,466
Funded ratio (1)	2009	0%
	2012	0%
	2015	0%
Annual covered payroll	2009	\$ 4,284, 124
	2012	\$ 4,599,335
	2015	\$ 5,207,000
Ratio of unfunded actuarial liability to annual covered payroll	2009	69.8%
	2012	50.2%
	2015	40.4%

(1) Actuarial value of assets as a percent of actuarial accrued liability.

Required Supplementary Information

DEFINED BENEFIT PENSION PLANS

Schedule of Society's Proportionate Share of Net Pension Liability
State Employees Retirement Fund

Minnesota State Retirement System:

	2016	2015
Society's proportion of the net pension liability	<u>0.2080%</u>	<u>0.2050%</u>
Society's proportionate share of the net pension liability	<u>\$ 25,789,681</u>	<u>\$ 3,155,757</u>
Society's covered-employee payroll	<u>\$ 5,636,409</u>	<u>\$ 5,455,335</u>
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>457.56%</u>	<u>57.85%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>47.51%</u>	<u>88.32%</u>

DEFINED BENEFIT PENSION PLANS
Schedule of Society Contributions
State Employees Retirement Fund

Minnesota State Retirement System:

	2016	2015
Statutorily required contribution	\$ 318,863	\$ 301,287
Contributions in relation to the statutorily required contributions	<u>318,863</u>	<u>\$ 301,287</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Society's covered-employee payroll	<u>\$ 5,797,508</u>	<u>\$ 5,477,929</u>
Contributions as a percentage of covered-employee payroll	<u>5.50%</u>	<u>5.50%</u>

Note 1: The Society implemented GASB Statement No. 68 in fiscal 2015. This information is not available for previous fiscal years. Note 2: For both of these tables, the Society fiscal year-end date is October 31, and the MSRS fiscal year-end date (measurement date) is June 30. Note 3: 2016 changes in actuarial assumptions. Benefit increases for retirees was changed from 2.0 percent every January 1st through 2015 and 2.50 percent thereafter to 2.0 percent per year for all future years. The long-term expected rate of return was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 4.17 percent.

■ MINNESOTA STATE FAIR SUPPORTING SCHEDULE – REVENUES AND EXPENSES

For the years ended October 31

2016

2015

OPERATING REVENUE

Ticket sales:

Carnival	\$ 7,408,973	\$ 6,947,691
Grandstand	4,595,307	3,840,171
Outside gate	18,827,850	17,654,050
Parking	1,341,262	1,361,996
Total ticket sales	\$ 32,173,392	\$ 29,803,908

Activities:

Campground	\$ 143,126	\$ 140,447
Carnival	140,633	157,155
Competition	319,568	314,222
Entertainment	60,506	59,763
Fine arts	52,648	57,277
Forage	150,330	138,402
4-H auction	728,352	677,625
Public safety	8,907	9,911
Sales	10,903,087	10,138,261
Ticket office	617,771	686,597
Total activities	\$ 13,124,928	\$ 12,379,660

Other:

Beef Expo	\$ 141,930	\$ 119,539
Licensee utilities	292,114	289,096
Miscellaneous	78,997	45,989
Non-fair events	3,036,886	2,893,333
Sale of bulk milk	8,670	7,931
Sale of market animals	57,389	63,076
Sponsorships	1,032,410	1,088,375
Telephone	87,978	81,827
Utility assessments	363,628	525,665
Total other	\$ 5,100,002	\$ 5,114,831

Total operating revenue

\$ 50,398,322 **\$ 47,298,399**

OPERATING EXPENSES

Administrative:

Administrative services	\$ 512,089	\$ 381,799
Annual meeting	46,737	44,874
Auditing services	54,463	47,808
Computer	427,517	357,790
Dues and subscriptions	19,912	17,437
Insurance	181,514	328,975
Legal services	97,427	108,761
Managerial services	505,681	491,524
Medical insurance	1,130,376	1,104,134
Paid leave	837,836	789,746
Postage and mailing service	100,965	101,324
Printing and supplies	75,323	87,545
Retirement fund	3,776,438	(766,708)
Social security	766,351	733,392
Support services	155,685	188,810
Telephone	248,132	215,062
Travel expense	129,884	111,053
Unemployment compensation	88,803	106,214
Workers compensation	120,863	124,029
Total administrative	\$ 9,275,996	\$ 4,573,569

	2016	2015
Activities and Support:		
Admissions	\$ 227,898	\$ 200,319
Advertising	990,242	989,014
Bee culture	16,446	15,965
Beef Expo	107,931	100,427
Campground	60,907	68,479
Carnival	5,462,358	5,177,363
Cattle	114,159	155,444
Christmas trees	6,796	7,588
Competition	607,762	595,549
Creative activities	94,185	83,352
Dairy products	1,417	1,652
Dog trials	3,146	3,044
Education programming	510,215	280,865
Farm crops	31,883	30,781
FFA	37,940	37,531
Finance	237,912	266,768
Fine arts	38,715	38,323
Flower and agriculture shows	47,130	39,131
Flowers	11,581	11,604
Forage	236,233	205,955
4-H club	245,067	274,784
Free entertainment	1,686,805	1,564,889
Fruit	14,343	12,409
Gate tickets	253,904	264,158
Goats - Boer	2,154	2,452
Goats - Dairy	6,181	6,980
Grandstand - concerts	4,901,752	4,345,068
Heritage exhibits	71,549	102,095
Horse and rodeo	228,532	215,539
K-12 competition	38,741	37,041
Llamas	3,095	4,153
Marketing	499,392	377,754
Park & Ride	2,187,782	2,166,327
Parking	194,699	164,609
Poultry	20,938	27,595
Publications	488,146	417,004
Public safety	1,606,616	1,411,488
Sales	1,395,204	1,535,642
Sanitation	1,190,604	1,130,357
Senior citizens	8,825	8,971
Sheep	7,921	8,904
Swine	18,225	18,150
Ticket audit	2,596	2,599
Ticket office	625,082	544,911
Ticket promotion	502,269	492,826
Trams	42,000	42,069
Transportation	34,012	43,297
Vegetables	9,330	8,125
Total activities and support	\$ 25,130,620	\$ 23,539,350
Premiums:		
Bee culture	\$ 3,662	\$ 3,824
Beef Expo	23,939	24,812
Cattle	114,643	123,586
Christmas trees	2,795	2,815

	2016	2015
Creative activities	18,213	16,078
Dairy products	1,385	1,425
Dog trials	900	1,110
K-12 competition	8,172	8,595
Farm crops	17,758	17,478
FFA	79,749	79,174
Fine arts	13,950	13,150
Fine arts sales	52,543	57,277
Flowers	3,206	2,948
4-H auction	723,000	674,575
4-H club	71,500	79,401
Fruit	2,270	2,517
Goats - Boer	1,149	1,446
Goats - Dairy	14,492	15,859
Horse	140,665	111,270
Llama	2,930	4,055
Poultry	7,270	2,869
Rural youth scholarships	20,000	21,000
Sale of bulk milk	8,669	7,554
Sale of market animals	56,990	63,216
Sheep	32,387	32,786
Swine	43,418	36,863
Talent contest	30,675	19,525
Vegetables	4,187	4,326
Total premiums	\$ 1,500,517	\$ 1,429,534
Plant operations:		
Architectural and engineering	\$ 230,584	\$ 42,386
Fire and police service	345,739	324,552
Fuel, oil and gasoline	83,500	90,956
Greenhouse	250,331	239,867
Operations	1,360,254	1,254,839
Salaries and contract services	745,193	591,340
Set-up and take-down	1,872,958	1,629,670
Signs	157,902	154,820
Supplies	172,665	146,300
Utilities	1,053,722	1,031,866
Water and sewer	215,620	178,702
Total plant operations	\$ 6,488,468	\$ 5,685,298
Plant maintenance:		
Electric system	\$ 500,553	\$ 227,659
Fence and fixtures	16,447	34,484
Gas system	-	19,137
Land	131,704	102,620
Personal property	325,240	275,064
Sewer system	47,919	81,739
Streets and sidewalks	139,477	138,869
Structures	752,545	168,388
Vehicles	163,212	285,015
Water system	49,834	23,198
Total plant maintenance	\$ 2,126,931	\$ 1,356,173
Other expenditures:		
Miscellaneous	\$ 38,204	\$ 1,760
Non-fair events	1,614,275	1,403,639
Veterinarian service	30,339	30,681
Total other	\$ 1,682,818	\$ 1,436,080

	2016	2015
Depreciation:		
Electric system	\$ 292,725	\$ 270,984
Fence and fixtures	84,822	94,148
Gas system	138	320
Land improvement	293,499	295,085
Personal property	120,004	142,057
Sewer system	112,853	125,941
Streets & sidewalks	87,486	46,991
Structures	2,155,467	2,174,759
Water system	24,515	24,581
Total depreciation	\$ 3,171,509	\$ 3,174,866
TOTAL OPERATING EXPENSES	\$ 49,376,859	\$ 41,194,870
Operating income (loss)	\$ 1,021,463	\$ 6,103,529
NON-OPERATING REVENUE (EXPENSES)		
Investment income	\$ 13,223	\$ 4,062
Grant revenue	1,072,563	1,462,087
Interest expense	<u>(524,693)</u>	<u>(571,615)</u>
Net non-operating revenue (expenses)	\$ 561,093	\$ 894,534
CHANGE IN NET POSITION	<u>\$ 1,582,556</u>	<u>\$ 6,998,063</u>

PRINCIPALS

Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Managers and Management
Minnesota State Agricultural Society

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the enterprise fund and the discretely presented component unit of the Minnesota State Agricultural Society (dba Minnesota State Fair) (the Society) as of and for the year ended October 31, 2016, and the related notes to the financial statements, which collectively comprise the Society's basic financial statements, and have issued our report thereon dated May 2, 2017. We did not audit the financial statements of the Minnesota State Fair Foundation (the Foundation) as of and for the year ended October 31, 2016. Our report includes a reference to other auditors who audited the financial statements of this entity, as described in our report on the Society's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Society's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. Accordingly, we do not express an opinion on the effectiveness of the Society's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Society's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

(continued)

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Society's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Society's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Society's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Malloy, Montague, Karnowski, Radosevich & Co., P. A.

Minneapolis, Minnesota
May 2, 2017

MINNESOTA STATE AGRICULTURAL SOCIETY ANNUAL MEETING

January 14-15-16-17, 2016

DoubleTree by Hilton Hotel, Bloomington

The 157th annual meeting of the Society, held in conjunction with the annual conventions of the Minnesota Federation of County Fairs and the Midwest Showmen's Association, opened Thursday, Jan. 14, at the DoubleTree Hotel in Bloomington, Minn.

MEETING OF THE SALES COMMITTEE

5 p.m. Thursday, Jan. 14, 2016

Members present: Sharon Wessel, chairman; Joe Fox; D.J. Leary; Dan Grunhovd; Paul Merkins; Ron Oleheiser; Joe Scapanski; Gordy Toenges; Wally Wichmann; Al Paulson, ex officio; Jerry Hammer, ex officio; Jim Sinclair, ex officio; Dennis Larson, ex officio; Pam Simon, ex officio.

Also present: Renee Alexander; Brian Hudalla; Mary Miller; Cheryl Huber; Brett Ward; Mary Pittelko.

Chairman Wessel called the meeting to order at 5:01 p.m.

Mr. Sinclair reviewed the report of '15 State Fair sales revenue, originally distributed at the Nov. 5, 2015, meeting of the board. The report was approved as submitted on a motion by Mr. Oleheiser, seconded by Mr. Fox and carried (Aye-8; Nay-0).

Mr. Larson, Ms. Simon and Ms. Doyle offered a presentation on the State Fair's commercial exhibit licensing process. Information only; no action taken.

Mr. Sinclair presented the following fees for percentage attractions at the 2016 State Fair as follows:

CONCESSIONAIRE	ATTRACTION	2015	2016
Big Adventures, Inc.	<u>Turbo Bungy</u>	25%	25%
D.M.C., Inc.	Skyride	30%	30%
Fun Adventures, Inc.	<u>Rock Climbing Wall</u>	25%	25%
Giant Ride, Inc.	Giant Slide	30%	30%
Grandstand Artist Merchandise Sales	Artist CDs/DVDs	10%	10%
	Other Merchandise	20%	20%
Hot Shot Thrill Rides	<u>Sling Shot</u>	25%	25%
K & M Recreation, Inc.	Haunted House	30%	30%
KMB Performance, Inc.	Go Carts	25%	25%
Krazy Maze LLC	<u>Krazy Maze</u>	25%	25%
Mighty Midway and Kidway	Kidway Rides and Shows	43%	43%
	Midway Rides and Shows	41%	41%
	Games of Skill	23%	23%
KB Concessions	Super Nova Roller Coaster	30%	35%
River Raft Ride, Inc.	Raft Ride & Pirate Tag	25%	25%
Skyfair, Inc.	SkyGlider	30%	30%
Skyscraper Two, Ltd.	<u>Skyscraper</u>	25%	25%
Spineless Wonders	Butterfly House	20%	20%
Tinsley Amusements, Inc.	Carousel	40%	40%
Ventnor Place, Inc.	Space Tower	25%	25%
Ye Old Mill Amusements, Inc.	Canal Boat Ride	25%	25%

Attractions underlined are located in Adventure Park.

The percentage fees above represent the fees payable to the Minnesota State Fair on receipts from ticket sales associated with operation of the preceding attractions. Percentages are applied as follows; state sales tax (7.125%) is deducted from gross receipts and reconciliation between the Minnesota State Fair and concessionaires is made on the net of tax balance.

After discussion, the attraction percentages were approved on a motion by Mr. Scapanski, seconded by Mr. Grunhovd and carried (Aye-8; Nay-0).

Mr. Sinclair presented the following ticket prices for the attractions:

CONCESSIONAIRE	ATTRACTION	2016 TICKET PRICE(S)
Big Adventures, Inc.	<u>Turbo Bungy</u>	\$5.00
D.M.C., Inc.	Skyride	\$4.00 one way \$6.00 round trip
Fun Adventures, Inc.	<u>Rock Climbing Wall</u>	\$5.00
Giant Ride, Inc.	Giant Slide	\$2.50
Hot Shot Thrill Rides, Inc.	<u>Sling Shot</u>	\$30 single/\$55 for 2 riders. Early Bird \$25 per rider from opening to 1 p.m.
K & M Recreation, Inc.	Haunted House	\$4.00
KMB Performance, Inc.	Go Carts	\$7.00 for Driver \$4.00 for Passenger
Krazy Maze LLC	<u>Krazy Maze</u>	\$5.00
Mighty Midway and Kidway	Rides, Shows and Games of Skill	\$1.00 single \$25.00 for 30 tickets (\$.833 per ticket) \$40.00 for 54 tickets (\$.741 per ticket) (Advance Purchase) \$15.00 for 25 tickets (\$.600 per ticket)
River Raft Ride, Inc.	Raft Ride	\$4.50
Skyfair, Inc.	SkyGlider	\$4.00 one way \$6.00 round trip
Skyscraper Two, Ltd.	<u>Skyscraper</u>	\$30 single/\$55 for 2 riders. Early Bird \$25 per rider from opening to 1 p.m.
Spineless Wonders	Butterfly House	\$3.00
Tinsley Amusements, Inc.	Carousel	\$2.50
Ventnor Place, Inc.	Space Tower	\$3.00
Ye Old Mill Amusements, Inc.	Canal Boat Ride	\$3.25 **

** = Save \$.50 from opening until noon on Thursday, Aug. 25 (Thrifty Thursday), Monday, Aug. 29 (Seniors & Kids Day), Thursday, Sept. 1 (Seniors Day) and Monday, Labor Day, Sept. 5 (Kids and Last Chance Day.)

Underlined attractions are located in Adventure Park and operate on a central ticket system.

After discussion, the ticket prices were approved as presented on a motion by Mr. Leary, seconded by Mr. Oleheiser and carried (Aye-8; Nay-0).

Mr. Sinclair presented the following concessionaires recommended for beer and wine licenses during the '16 State Fair:

CONCESSIONAIRE	BLOCK	LOCATION
Andrus Concessions, Inc. (Robert and Joseph Andrus)	Block 42	1774 Carnes Ave., Arcade Bldg. Malt Beverages
Ballpark Café, Inc. (Daniel and David Theisen)	Block 35	1312 Underwood St., Crossroads Bldg. Malt Beverages
Blue Plate Restaurant Company Inc. dba The Blue Barn (Stephanie Shimp and David Burley)	Block 27	1839 W. Dan Patch Ave. Malt Beverages

Tres-C, Inc. dba Café Caribe (Joel and Mary Chesin)	Block 42	1770 Carnes Ave., Arcade Bldg. Malt Beverages & Minn. Wine
Chicago Dogs, Inc. (Bruce and Anne Chesin)	Block 35	1670 Dan Patch Ave., The Garden Malt Beverages
Coasters, Inc. (Paul and Diana Hohenwald)	Block 42	1804 Carnes Ave., Arcade Bldg. Malt Beverages & Minn. Wine
Dino's Gyros (Constantin, Vona and Jason Adamidas)	Block 36	1701 Carnes Ave. Malt Beverages
Werner's Frontier, Inc. (Richard C. Werner)	Block 42	1790 Carnes Ave., Arcade Bldg. Malt Beverages
Baxter's BBQ, Inc. dba Famous Dave's (Randy Jernberg)	Block 47	1801 Dan Patch Ave., Bldg. 289A Malt Beverages
French Crêperie (Marc and Tracy Vezies)	Block 36	1711 Carnes Ave. Minnesota Produced Wine
Giggles' Campfire Grill LLC (Timothy Weiss)	Block 19	1520 Cooper St. Malt Beverages & Minn. Wine
H.M.H. of St. Paul, Inc. dba Shanghaied Henri's (Henry and Ellen Hanten)	Block 47	1658 Judson Ave., International Bazaar Malt Beverages & Minn. Wine
Hildebrand Concessions, Inc. (Jan Hildebrand)	Block 28	1755 Dan Patch, Bldg. 286S Malt Beverages & Minn. Wine
CMK Investments dba Leinie Lodge (Robert J. Kirschner)	Block 34	1302 Cooper St., Bandshell Malt Beverages
Lancer Management Services, Inc. (Glenn Baron)	Block 50	1784 Judson Ave., Coliseum Malt Beverages
FireFly Group Inc. dba LuLu's Public House (Charlie Burrows and Mike Brennan)	Block 27	1839 W. Dan Patch Ave. Malt Beverages
Mancini's al Fresco (Pat and Jane Mancini)	Block 36	1715 Carnes Ave. Malt Beverages
Mintahoe, Inc. dba MN Farm Wine Assoc. (James McMerty)	Block 44	1271 Underwood St. Minnesota Produced Wine
Midway Men's Club (Michael Wright)	Block 30	1354 Underwood St. Malt Beverages
MJ Financial Group, Inc. dba Ragin Cajun (Ronald Jacob)	Block 35	1670 Dan Patch Ave., The Garden Malt Beverages
O'Gara's at The Fair (Daniel and Kris O'Gara)	Block 34	1626 Dan Patch Ave. Malt Beverages & Minn. Wine
Three Amigos, Inc. dba Tejas (Wayne Kostroski and Mark Haugen)	Block 35	1670 Dan Patch Ave., The Garden Malt Beverages
Mintahoe, Inc. dba MN Craft Brewers Guild (James McMerty)	Block 45	1263 Cooper St., Ag-Hort Bldg. Malt Beverages

After discussion, the concessionaires were approved for beer and wine licenses on a motion by Mr. Merkins, seconded by Mr. Leary and carried (Aye-8; Nay-0).

Mr. Sinclair offered the following commercial vendors recommended for multiple-site licenses at the '16 State Fair:

CONCESSION-EXHIBIT	DESCRIPTION	SITES
Batten Industries	Nellie's Laundry Products, Green Heat Packs & Cooley Towels	2
Big Dog Corn Dogs	Corn Dogs, Foot Long Hot Dogs and Beverages	2
Butcher Boys	London Broil Sandwiches/ Sausages	2
Cenaiko Enterprises, Inc.	Chamois, Shami Mops/ E-Z Can Openers	2
Delrick Enterprises	Popcorn, Caramel Corn, Caramel Apples and Beverages	2
Gary Crutchfield Concessions	Cheese on-a-stick	2
George Funk-Moon Beam Coffee	Leather Goods/Coffee	2
Giant Ride, Inc.	Giant Slide/Cheese on-a-stick	2
Groscuth Concessions	Corn Dogs & Beverages	2
Gregory J. Tetrault	Ice Cream, Sno Cones, Caramel Apples and Beverages	2
Holly's Hobby	Seasonal Handcrafts	2
James Crocker	Root Beer Barrels	2
Larry Abdo-Gopher State Ice Co.	Big Fat Bacon, Ice (Ice=wholesale permit only)	2
Mark Andrew	French Fries/S'Mores	2
Midwest Dairy Association	Ice Cream, Milk and Dairy Foods	2
Minn. Honey Producers	Honey, Honey Ice Cream & Honey Candy	2
Minne-Kabob Foods	Kabobs	2
Netterfield's Lemonade and Popcorn	Popcorn, Caramel Corn/ Sausage, Corn Dogs, Burgers	2
Orange Treet Sales	Orange Treet Drink, Smoothies/Dairy Bar	2
Produce Exchange	Fresh Fruits	2
Stafford Enterprises	Microfiber Mops, Miracle Mats/Therapy Products	2
Starr International	Magic Spin Mop/UGO Mini Speakers	2
Tina Isaac	Sandwiches and Spiral Chips/ Designer Coffees and Desserts	2
Wozniak Concessions, Inc.	Fresh Cut French Fries	2
Icee USA Corp.	Icee Frozen Beverages	3
Kathy Yahr	Cotton Candy	3
Leah H. O'Neil	Hot Dogs on-a-stick	3
Lynn Davis	Ice Cream, Sno Cones, Caramel Apples, Beverages	3
Maxine W. Davis	Ice Cream, Sno Cones, Caramel Apples, Baked Potatoes	3
Midwest Coca Cola	Coca Cola Soft Drinks	3
Crocker Enterprises	Root Beer Barrels	4
Lancer Management Services, Inc.	Food, Beverages & Beer (Coliseum)	4
Schroder Concessions, Inc.	Popcorn, Caramel Corn, Caramel Apples/Cheese Curds	4

Syndicate Sales Corp.	Vegetable Cutters/Knives/ Salsa Makers/Whisks	4
Wee Dazzle	Novelties, Souvenirs & Toys	4
Dandy Souvenirs	Novelties, Souvenirs & Toys	8

Following discussion, the multiple-site vendors were approved on a motion by Mr. Fox, seconded by Mr. Leary and carried (Aye-8; Nay-0).

Mr. Sinclair presented the following non-fair rental rate adjustments for consideration:

Catering Service Percentage Rate

Current rate	20%
Proposed rate.....	15%

History & Heritage Center

Proposed rates bundle rent, electricity, on-duty staff, tables & chairs	
Current half-day*, Mon.—Thurs.	\$500
Proposed half-day*, Mon.—Thurs.	\$400
Current all day, Mon.—Thurs.....	\$1,000
Proposed all day, Mon.—Thurs	\$800
Current Friday—Sunday.....	\$2,000
Proposed Friday—Sunday.....	\$1,000

DNR Building

Proposed rate bundles rent, electricity, on-duty staff	
Current rate.....	\$850
Proposed rate.....	\$1,250

After discussion, the rate adjustments were approved as presented on a motion by Mr. Merkins, seconded by Mr. Wichmann and carried (Aye-8; Nay-0).

The sales committee meeting adjourned at 5:59 p.m. on a motion by Mr. Merkins, seconded by Mr. Fox and carried (Aye-8; Nay-0).

MEETING OF THE BOARD OF MANAGERS

10:15 a.m. Friday, Jan. 15, 2016

Present: Al Paulson, president; Joe Fox, vice president; D. J. Leary, vice president; Dan Grunhovid; Paul Merkins; Ron Oleheiser; Joe Scapanski; Gordy Toenges; Sharon Wessel; Wally Wichmann; Jerry Hammer, secretary.

Also present: Jim Sinclair; Renee Alexander; Brian Hudalla; Marshall Jacobson; Mary Miller; Cheryl Huber; Dennis Larson; Pam Simon; Michelle Butler; Theresa Weinfurtnier; Brienna Schuette; Wally LeVesseur; Sean Casey; Matt Steffenhagen; Carol Doyle; Virginia Mold; Samantha Fischer; Kay Cady; Mark Haidet; Kent Harbison.

President Paulson called the meeting to order at 10:17 a.m.

Mr. Hammer and Mr. Jacobson offered historical background on sources of revenue and expense, cash flow and capital projects followed by detailed reports on the Society's financial activities during fiscal '15. Information only; no action taken.

Mr. Bagnoli reported on the upcoming session of the Minnesota legislature and issues that may have an impact on the State Fair. Information only; no action taken.

Mr. Hammer reviewed proposed operating budget and cash flow for '16, followed by discussion on the budget's relationship to capital and maintenance projects, and a review of the concept for a multi-use facility on the north end of the fairgrounds. Information only; no action taken.

The meeting adjourned at 11:23 a.m. on a motion by Mr. Leary, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

MEETING OF THE BOARD OF MANAGERS

2:30 p.m. Friday, Jan. 15, 2016

Members present: Al Paulson, president; Joe Fox, vice president; D.J. Leary, vice president; Dan Grunhovid; Paul Merkins; Ron Oleheiser; Joe Scapanski; Gordy Toenges; Sharon Wessel; Wally Wichmann; Jerry Hammer, secretary.

The meeting was called to order at 2:40 p.m. by President Paulson and declared in executive session.

The meeting was adjourned by President Paulson at 4 p.m.

SOCIETY DISTRICT CAUCUSES

10:45 a.m. Saturday, Jan. 16, 2016

Delegates from the second, third and eighth district met in caucus to certify nominees for election to the Society's board of managers during the Society's general business session Sunday, Jan. 17. Selected were Paul Merkins of Stewart (second district), Byron Anderson of Hugo (third district) and Ron Oleheiser of Grand Rapids (eighth district).

MEETING OF THE PLANNING COMMITTEE

1 p.m. Saturday, Jan. 16, 2016

Present: Paul Merkins, chairman; Joe Fox; D.J. Leary; Dan Grunhovid; Ron Oleheiser; Joe Scapanski; Gordy Toenges; Sharon Wessel; Wally Wichmann; Al Paulson, ex officio; Jerry Hammer, ex officio; Brian Hudalla, ex officio; Sean Casey, ex officio.

Also present: Renee Alexander; Jim Sinclair; Marshall Jacobson; Cheryl Huber; Mary Miller; Chris Leach; Brienna Schuette; Steve Grans; Theresa Weinfurtnier; Michelle Butler; Brett Ward; Matt Steffenhagen; Mary Pittelko; Kent Harbison.

Chairman Merkins called the meeting to order at 1 p.m.

Mr. Hudalla reviewed capital and maintenance expenditures from 2015. Information only; no action taken.

Mr. Hammer and Mr. Hudalla presented capital and maintenance project recommendations for 2016 totaling \$6.8 million. A summary of the project list follows, and includes projects previously approved at the Nov. 5, 2015, meeting of the board:

2016 MAINTENANCE & IMPROVEMENT BUDGET SUMMARY

A. Structure improvements:	<u>\$2,421,000</u>
B. Land improvements:	
BI. Fencing & fixtures	_____
BII. Land	_____
BIII. Sewer system	_____
BIV. Streets & sidewalks	<u>1,010,000</u>
BV. Water distribution system	_____
BVI. Gas distribution system	_____
BVII. Land purchases	_____
TOTAL land improvements	\$ 1,010,000
C. Personal property	<u>\$ 195,000</u>
D. Electric plant:	<u>\$ 916,000</u>
TOTAL improvements	\$ 4,542,000
E. Structure maintenance:	<u>\$ 934,100</u>
F. Land maintenance:	
FI. Fencing & fixtures	<u>30,000</u>
FII. Land	<u>97,000</u>
FIII. Sewer system	<u>72,500</u>
FIV. Streets & sidewalks	<u>160,000</u>
FV. Water distribution system	<u>69,000</u>
FVI. Gas distribution system	<u>2,500</u>
TOTAL Land maintenance	\$ 431,000
G. Personal property maintenance:	<u>\$ 322,300</u>
H. Vehicle maintenance:	<u>\$ 153,000</u>
I. Electric plant maintenance:	<u>\$ 453,000</u>
TOTAL maintenance	\$ 2,293,400
TOTAL maintenance & improvements	\$ 6,835,400

After review and discussion, Mr. Fox moved, Ms. Wessel seconded and motion carried that the '16 improvements and maintenance budget be approved by

the committee as presented and recommended to the full board for approval (Aye-8; Nay-0). Included in the motion was staff authority to adjust, shift, add or cancel specific line items as appropriate to accommodate changes that occur throughout the budget year.

The planning committee adjourned at 1:54 p.m. on a motion by Mr. Scapanski, seconded by Mr. Oleheiser and carried (Aye-8; Nay-0).

GENERAL BUSINESS SESSION OF THE SOCIETY

8:30 a.m. Sunday, Jan. 17, 2016

Delegates, staff and friends of the Minnesota State Agricultural Society met for breakfast and convened in general session at 8:30 a.m. President Paulson opened the meeting and asked State Fair CEO Jerry Hammer for his report. Mr. Hammer's report was accepted by the membership.

President Paulson called for a report of the credentials committee by Brad Brejcka of Douglas County. The committee report was presented as follows and adopted as read:

MN Farmers Union, MN Pork Producers Association & State Fair Exhibitor Association – did not file with the secretary of state by Dec. 20, 2015 deadline.

American Dairy Association did not list their president as a delegate; therefore they are entitled to only two votes.

MN State Horticulture Society did not list their president as a delegate; therefore they are entitled to only two votes.

President Paulson called for a report of the resolutions committee. Committee member Brad Brejcka of Douglas County presented the following resolutions for consideration by the Society:

2016 Annual Meeting Approved and Adopted Resolutions

1. Resolved, that the Minnesota State Agricultural Society expresses its utmost gratitude to the 1.8 million guests who joined us for the 2015 Minnesota State Fair and to the additional 1 million people who attended events at the State Fairgrounds throughout the year.

2. Resolved, that the Society pledges its best efforts to advance the State Fair's mission of educating and engaging people by presenting an exposition of the highest quality, bringing together all of Minnesota and showcasing our finest agriculture, art and industry, while providing exceptional customer service in a safe, clean environment that is accessible to all.

3. Resolved, that the Society acknowledges with profound appreciation the invaluable contributions of the State Fair staff, board of managers, volunteers, exhibitors, concessionaires, entertainers, sponsors, media, contractors, advertisers, youth and school groups, and members of 4-H and FFA, and thousands of dedicated individuals who make the Great Minnesota Get-Together a success.

4. Resolved, that the Society recognizes the Minnesota State Fair Foundation's significant role in preserving, improving and protecting the historic State Fairgrounds while supporting its educational programs, and thanks the Foundation's board, staff, donors and volunteers for their commitment and generosity.

5. Resolved, that the Society appreciates the value of strong relationships with the International Association of Fairs and Expositions, Minnesota Federation of County Fairs, Outdoor Amusement Business Association, National Independent Concessionaires Association, Midwest Showmen's Association, and other organizations dedicated to improving the fair industry.

6. Resolved, that the Society acknowledges with sadness the loss of Society members and State Fair friends who passed away this past year. We extend our condolences to the families and friends of: Terry Anderson, longtime game concessionaire with former carnival contractor Royal American Shows Inc.; Phyllis Annestad, wife of Martin Annestad, State Fair board member from 1983 to 1996 and president in 1997; Lisa Baker, daughter-in-law of Denny Baker, former State Fair board member and president; John A. Beulke, attraction ticket taker from 1961 to 2011 and a 50-Year Award recipient; LaVerne Carney, former Grandstand ticket office and sales division employee and State Fairgrounds neighbor; Bruce Christie, Winona County

Agricultural & Industrial Fair Association board member; Jim Crocker, longtime Spaghetti Village and Root Beer Barrels concessionaire; Bert Enestvedt, 50-year proprietor of Enestvedt Brothers Seed Corn Company, a longtime Machinery Hill exhibitor; Tim Heffernan, former IAFE Zone 4 director and great friend of the State Fair; Darlene Magel, Mighty Midway game concessionaire; Leo McGough, longtime construction contractor and State Fair friend; Judi Ohlhauser, sales division employee from 1989 to 1991; James Peters, owner of the Peters Hot Dogs concession and a 50-Year Award recipient; Eileen Roehlke, representative of the third district on the State Fair board of managers from 1979 to 1992, board president from 1993 to 1994 and honorary life member of the Society; Walter "Speedy" Spidahl, Foot-Long Hot Dogs concessionaire and 50-Year Award recipient; Jean Steltz, wife of Lyle Steltz, representative of the third district on the State Fair board of managers from 1993 to 2005, board president from 2006 to 2007 and honorary life member of the Society; Lorraine Gonyea Stewart, prolific Creative Activities knitting award winner; and Greg Ustruck, Christmas tree superintendent for 39 years.

7. Whereas, the Minnesota State Fair, with its 162 years of history, has become an indispensable institution famous throughout the world for presenting an unparalleled forum for knowledge, ideas and unique experiences for Minnesotans of all ages to learn about our state's agriculture, industry, culture, art, history and scientific innovation, and

Whereas, the State Fair's exhibitions and programs provide significant life and educational experiences for thousands of young 4-H and FFA participants, who play a key role in the future of our state's agriculture industry, and for any and all Minnesota youth who have the opportunity to take advantage of the fair's more than 358 hours of educational programming, and

Whereas, a successful State Fair provides thousands of exhibitors, concessionaires, entertainers and employees (including school-age workers) with valuable employment and income each year, and

Whereas, the State Fair is an important economic engine, generating thousands of jobs and more than \$250 million in economic benefit annually for the Twin Cities alone, plus additional unmeasured economic impact throughout the state, and

Whereas, a recent University of Minnesota study definitively shows that schools opening prior to Labor Day has a negative effect on Minnesota's tourism, hospitality and resort industries, related businesses and their employees, resulting in economic harm, reduced state tax revenue and, as a result, funding available for schools, and

Whereas, the Minnesota State Fair is completely self-supporting, has not received any public money or government appropriations since 1949 and relies on the economics related to thriving attendance in order to continue producing a treasured and unmatched end-of-summer tradition, thereby contributing to the state's quality of life, and

Whereas, Minnesota schools continue to seek exemption from the State Law mandating post-Labor-Day starts and to lobby for early school starts, which would have a detrimental economic impact on the state while driving down State Fair participation and attendance,

Now therefore be it resolved, that the thousands of members of the Minnesota State Agricultural Society, representing every county in the state, strongly urge lawmakers to support the State Law requiring Minnesota schools to open no earlier than Labor Day, the traditional end of summer, so that children, families and workers from throughout the state can fully participate in and benefit from the State Fair, Minnesota's flagship cultural, social and educational asset.

8. Be it further resolved, the Society extends its sincere appreciation to those who contributed time and effort to the success of its 157th annual meeting.

President Paulson conducted the election of Minnesota State Agricultural Society president for a term of one year. Sharon Wessel of Hamel was elected and assumed the chair.

Society Life Member Clarice Schmidt of Sabin nominated former President

Paulson for Honorary Life Membership in the Society; Mr. Paulson was elected by acclamation.

President Wessel proceeded to conduct elections as follows: D. J. Leary of Minneapolis was re-elected to a two-year term as fifth district vice president; Paul Merkins of Stewart was re-elected to a three-year term as second district representative; Gail Johnson of Anoka was elected to fill the final year of President Wessel's unexpired three-year term as third district representative; and Ron Oleheiser of Grand Rapids was re-elected to a three-year term as eighth district representative.

With no further business to be brought before the Society, President Wessel declared the meeting adjourned at 10:26 a.m.

MEETING OF THE BOARD OF MANAGERS

10:30 a.m. Sunday, Jan. 17, 2016

Present: Sharon Wessel, president; Joe Fox, vice president; D. J. Leary, vice president; Dan Grunhove; Gail Johnson; Paul Merkins; Ron Oleheiser; Joe Scapanski; Gordy Toenges; Wally Wichmann; Jerry Hammer, secretary.

Also present: Renee Alexander; Jim Sinclair; Brian Hudalla; Marshall Jacobson; Cheryl Huber; Mary Miller; Chris Leach; Dennis Larson; Pam Simon; Gail Anderson; Sean Casey; Marie LeFebvre; Michelle Butler; Wally LeVesseur; Matt Steffenhagen; Steve Grans; Brienna Schuette; Chris Noonan; Pam Mix; Theresa Weinfurter; Brett Ward; Shannon Buchda; Heather Brady; Danielle Dullinger; Debbie Edman; Josie Belde; Julie Samec; Mary Pittelko; Kay Cady; Mark Haidet; Jesse Poppe; Clare Eisenberg; Leah Janus.

President Wessel called the meeting to order at 10:48 a.m.

Ms. Huber administered oaths of office to newly elected board members as follows:

Sharon Wessel of Hamel, president (one-year term); D. J. Leary of Minneapolis, fifth district vice president (two-year term); Paul Merkins of Stewart, second district representative (three-year term); Gail Johnson of Anoka, third district representative (final year of President Wessel's unexpired three-year term); and Ron Oleheiser of Grand Rapids, eighth district representative (three-year term).

On a motion by Mr. Fox, seconded by Mr. Merkins and carried, Jerry Hammer of St. Paul was re-appointed to a one-year term as executive vice president of the Society (Aye-9; Nay-0). Ms. Huber administered the oath of office to Mr. Hammer.

Minutes of the board meeting conducted Nov. 5, 2015, were reviewed and approved on a motion by Mr. Leary, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period Nov. 5, 2015, through Jan. 14, 2016, were approved on a motion by Mr. Fox, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

Mr. Jacobson presented the financial statement for Dec. 31, 2015, as follows:

MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY

Month Ending December 31, 2015

OPERATING ACCOUNT ACTIVITY:

Cash balance-Nov. 30, 2015		\$8,032,186
Add: cash deposits	\$1,092,944	
Less: payroll ending Dec. 4	(221,821)	
payroll ending Dec. 18	(218,965)	
payroll ending Dec. 31	(210,745)	
cash disbursements	(841,577)	(400,164)
Balance-Dec. 31, 2015		\$7,632,022

BUILDING FUND ACTIVITY:

Balance-Nov. 30, 2015		\$450
Add: interest earned		
securities purchased		
Less: securities redeemed		
Balance-Dec. 31, 2015		\$450

CONSTRUCTION ACCOUNT:

Balance-Nov. 30, 2015

Add: note proceeds
interest

Balance-Dec. 31, 2015

\$-

CASH BALANCES FOR MONTH ENDING DECEMBER 31:

	2014	2015
Operating account	\$1,784,264	\$7,632,022
Petty cash	6,100	6,100
Building fund	450	450
Total cash balances	\$1,790,814	\$7,638,572

After review, the statement was approved as submitted on a motion by Mr. Merkins, seconded by Mr. Grunhove and carried (Aye-9; Nay-0).

The following recommendations for the Society's designated depository, signature authorization and security funds transfer were presented by Mr. Jacobson:

Bremer Bank as the depository for the Society's operating account, payroll account and premium fund account with the following signatory authority: Operating account - Gerald Hammer and Marshall Jacobson with "Hammer/Jacobson" signature imprint authorized for operating account; Regular and fair-period payroll account - Gerald Hammer with "Hammer" signature imprint authorized for payroll funds; Premium account - Gerald Hammer with "Hammer" signature imprint authorized for premium account; Security fund transfer resolution - Gerald Hammer or Marshall Jacobson. After discussion, the preceding was approved on a motion by Mr. Scapanski, seconded by Mr. Toenges and carried (Aye-9; Nay-0).

The following standing committee appointments for 2016 were presented by President Wessel:

Finance Committee - Leary, chairman; Grunhove; Johnson; Merkins; Toenges; Wichmann; Wessel, ex officio; Hammer, ex officio; Jacobson, ex officio.

Governmental Affairs Committee - Fox, chairman; Grunhove; Leary; Merkins; Oleheiser; Scapanski; Wessel, ex officio; Alexander, ex officio; Hudalla, ex officio; Sinclair, ex officio.

Honors Committee - Oleheiser, chairman; Alexander; Goodrich; Sinclair; Wessel, ex officio; Hammer, ex officio.

Operations Committee - Scapanski, chairman; Fox; Leary; Johnson; Grunhove; Oleheiser; Wessel, ex officio; Hudalla, ex officio; Leach, ex officio.

Planning Committee - Grunhove, chairman; Fox; Leary; Johnson; Merkins; Oleheiser; Scapanski; Toenges; Wichmann; Wessel, ex officio; Hammer, ex officio; Goodrich, ex officio; Hudalla, ex officio; Leach, ex officio.

Public Affairs Committee - Wichmann, chairman; Fox; Leary; Merkins; Scapanski; Toenges; Wessel, ex officio; Alexander, ex officio; Schuette, ex officio.

Rules & Premium Lists Committee - Toenges, chairman; Fox; Merkins; Oleheiser; Scapanski; Wichmann; Wessel, ex officio; Hammer, ex officio; Goodrich, ex officio; LeFebvre, ex officio.

Sales Committee - Merkins, chairman; Fox; Leary; Grunhove; Johnson; Oleheiser; Scapanski; Toenges; Wichmann; Wessel, ex officio; Hammer, ex officio; Sinclair, ex officio; Larson, ex officio; Simon, ex officio.

The committee appointments were approved on a motion by Mr. Toenges, seconded by Mr. Leary and carried (Aye-9; Nay-0).

President Wessel presented the following board liaison and department superintendent appointments for 2016:

Administration - Grunhove

Employment Office - Scapanski (Debbie Edman, superintendent)

Seniors - Toenges (Marge Krueger, superintendent)

Competition - Grunhove

Bee Culture - Wichmann (David Schaaf, superintendent)

Beef Cattle - Scapanski (Chuck Schwartau, superintendent)

Christmas Trees - Wichmann
 Creative Activities - Toenges (Curt Pederson, superintendent)
 Dairy Cattle - Merkins (Deb Kraus, superintendent)
 Dairy & Boer Goats - Grunhovd (Mark Boorsma & Gretchen Sankovitz, superintendents)
 Dairy Products - Merkins (Lisa Radamacher, superintendent)
 Dog Trials - Wichmann (JoAnna Yund, superintendent)
 K-12 Competition - Fox (Florence Newton, superintendent)
 Farm Crops - Wichmann (Ron Kelsey, superintendent)
 Fine Arts - Scapanski (Jim Clark, superintendent)
 Flowers - Wichmann (Phyllis Andrews, superintendent)
 4-H - Merkins (Brad Rugg, superintendent)
 Fruits - Wichmann (Louis Quast, superintendent)
 FFA - Oleheiser (Duane Hutton, superintendent)
 Horses - Fox (John Gintner, superintendent)
 Llamas - Johnson (Jen Rouillard, superintendent)
 Milking Parlor - Oleheiser (Doris Mold, superintendent)
 Miracle of Birth - Leary
 Poultry - Toenges (Paul Bengtson, superintendent)
 Sheep - Oleheiser (Jo Bernard, superintendent)
 Swine - Leary (Jerry Hawton, superintendent)
 Vegetables - Wichmann (Phil Klint, superintendent)

Entertainment - Leary
 Grandstand Production - Merkins (Gary Perkins, superintendent)
 Heritage Exhibits - Johnson (Jan Bankey, superintendent)

Finance - Toenges
 Fair-time Payroll - Oleheiser
 Ticket Sales - Fox (JoAnne Ferry, superintendent)

Marketing - Wichmann

Operations - Scapanski
 Admissions - Wichmann (Dave Woodis, superintendent)
 Park & Ride - Fox
 Parking - Johnson (Jim Benz, superintendent)
 Public Safety - Grunhovd (Art Blakey, superintendent)
 Sanitation - Leary

Sales - Merkins
 Attraction Ticket Takers - Johnson (Chris Sycks, superintendent)

The appointments were approved on a motion by Mr. Oleheiser, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

President Wessel declared the meeting in recess for committee meetings.

OPERATIONS COMMITTEE MEETING

The meeting was called to order at 10:55 a.m.

Mr. Hammer presented the following gate admission policy for the '16 State Fair for consideration:

"Entry into the Minnesota State Fair shall be contingent solely upon the presentation and/or surrender of a valid ticket of admission in accordance with the most current schedule of gate prices as established by the board of managers."

The gate admission policy was adopted as presented on a motion by Mr. Fox, seconded by Mr. Grunhovd and carried (Aye-5; Nay-0).

The operations committee meeting was adjourned on a motion by Mr. Oleheiser, seconded by Mr. Fox and carried (Aye-5; Nay-0).

PUBLIC AFFAIRS COMMITTEE MEETING

The meeting was called to order at 10:58 a.m.

Ms. Schuette presented advertising, marketing and publications budgets for 2016. After discussion, the budgets were approved on a motion by Mr. Toenges, seconded by Mr. Merkins and carried (Aye-5; Nay-0).

The meeting adjourned on a motion by Mr. Toenges, seconded by Mr. Merkins and carried (Aye-5; Nay-0).

RULES & PREMIUM LIST COMMITTEE MEETING

The meeting was called to order at 11:03 a.m.

Authority was granted to Mr. Hammer's delegate to make adjustments in rules, release dates and premium allocations for competitive departments in accordance with guidelines established by the Society's 2016 operating budget was approved on a motion by Mr. Fox, seconded by Mr. Scapanski and carried (Aye-5; Nay-0).

The meeting adjourned on a motion by Mr. Fox, seconded by Mr. Oleheiser and carried (Aye-5; Nay-0).

FINANCE COMMITTEE MEETING

The meeting was called to order at 11:05 a.m.

The 2016 operating budget, which was reviewed in detail by the board Jan. 15, and the 2016 improvements and maintenance budgets, which were approved Jan. 16 by the board's planning committee, were approved on a motion by Mr. Grunhovd, seconded by Mr. Merkins and carried (Aye-5; Nay-0).

Mr. Hammer was granted authority to implement flexible pricing schedules and seating configurations for Grandstand events, taking into account the costs of production, potential revenue from other sources and weather insurance premiums on a motion by Mr. Merkins, seconded by Mr. Toenges and carried (Aye-5; Nay-0).

The finance committee meeting adjourned on a motion by Mr. Grunhovd, seconded by Mr. Merkins and carried (Aye-5; Nay-0).

President Wessel reconvened the meeting of the board at 11:09 a.m.

Action taken earlier by the sales, planning, operations, public affairs, rules & premium list and finance committees was approved on a motion by Mr. Merkins, seconded by Mr. Toenges and carried (Aye-9; Nay-0).

After discussion, the following admission fee schedule was approved for the 2016 State Fair on a motion by Mr. Fox, seconded by Mr. Scapanski and carried (Aye-9; Nay-0):

Adults (13-64)	\$13
Seniors (65 and over)	\$11
Children (5-12)	\$11
Kids under 5	Free
Seniors & Kids Days promotions	\$8
Thrifty Thursday Adults & Seniors	\$11
Thrifty Thursday Children	\$8
Military Appreciation Day*	\$8
Read & Ride Day adults**	\$11
Read & Ride Day kids**	\$8
Motorcycle parking	\$7
All-ages pre-fair discount	\$10

* Discount applies to active military, spouses and kids; retired military and spouses; and military veterans and spouses. All must present valid documentation of military service.

** Discount applies to persons who present a valid library card at the gate.

Mr. Hudalla reviewed the status of agreements with building trades contractors providing architectural and engineering, carpentry, electric and plumbing and heating services. Mr. Hudalla's report was accepted on a motion by Mr. Oleheiser, seconded by Mr. Fox and carried (Aye-9; Nay-0).

Mr. Hammer was authorized to set staff salaries according to job classifications and pay ranges established by the board of managers Nov. 5, 2015, on a motion by Mr. Fox, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

The Society's legal representation by Fredrickson Byron P.A., and McGrann Shea Carnival Straughn & Lamb Chartered was approved on a motion by Mr. Leary, seconded by Mr. Toenges and carried (Aye-9; Nay-0).

Malloy, Montague, Karnowski, Radosevich & Co., P.A., was approved to

provide audit services for the Society on a motion by Mr. Fox, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

Ms. Alexander provided an outlook on entertainment bookings for the '16 State Fair. Ms. Alexander's report was accepted on a motion by Mr. Merkins, seconded by Mr. Fox and carried (Aye-9; Nay-0).

The next meeting of the board was set for Thursday, April 14, at the State Fairgrounds.

The meeting was adjourned at 11:26 a.m. on a motion by Mr. Leary, seconded by Mr. Toenges and carried (Aye-9; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

Jan. 16 through April 13, 2016

January

16 - Prime Promotions presented their Winter Antique Show at the Warner Coliseum.

19 - Senior staff met with Cuningham Group for continuing discussions on the North End project.

26 - The first of four CPR/first aid training sessions was held for full-time staff.

27 - Sinclair, Larson and Simon met with Martha and Gary Olson and Brenda and Neil O'Leary regarding Sweet Martha's Cookies operations. Sinclair and Hines met with Don McClure of DMC, Inc., to discuss Skyride operations.

28 - Hammer, Alexander and Goodrich participated in a presentation to the State Fair Foundation's Grand Champions donor group at the Libby Conference Center.

28-Feb. 7 - St. Paul Winter Carnival Snow Sculpting competition was held at the Kidway.

29 - Sinclair, Alexander, Hudalla and Leach met with representatives of the State Council on Disability and State Department of Human Rights to discuss the State Fair's accessibility program. Hudalla attended the annual legislative outlook session presented by Fredrikson & Byron, P.A.

30 - North Star Roller Girls held a bout at the Warner Coliseum.

February

3 - Senior staff met with Cuningham Group for continued development of the North End project.

6 - The St. Paul Winter Carnival Beer Dabbler event was held at the Midway lot and Warner Coliseum.

8-11 - Sinclair and Ward attended meetings of the Outdoor Amusement Business Association and National Independent Concessionaires Association, along with visits to the International Independent Showmen's Association trade show and Florida State Fair in Tampa.

9 - The Lunch & Learn series for State Fair staff featured a presentation by Eric King, a producer of the annual Color Run 5K race.

10 - The first of two defensive driving classes was presented for full-time staff. Mix attended a meeting of the St. Paul Human Resources Association.

11 - Nineteen State Fair team members volunteered at Second Harvest Heartland on behalf of the State Fair staff's MSF Gives Back community volunteer initiative.

12 - The documentary film "Farmland" was shown to full-time staff at the Libby Conference Center.

13-14 - The Gina Morri Memorial Gymnastics Invitational was held at the Warner Coliseum.

17 - Senior staff met with Cuningham Group for continued discussions on the North End project.

18 - Sinclair, Hudalla and Casey met with Cuningham Group regarding the new Adventure Park walkway.

20 - The North Star Roller Girls bout was held at the Warner Coliseum.

22 - Sinclair and Simon met with Crossroads Chapel representatives to discuss operations at the upcoming fair.

25-27 - Hammer and Sinclair attended the annual meeting of the Mid-West Fairs Association in Fort Myers, Fla., and visited the Southwest Florida and Lee County Fair.

26-28 - The Outdoor News Deer & Turkey Show was presented at the Warner Coliseum.

March

2 - Sinclair, Simon and Doyle met with DNR representatives to review plans for the '16 State Fair.

4-6 - The St. Paul Woodworking Show was held at the Warner Coliseum.

7 - Sinclair and Larson met with Dianne Pojar of J&D's Eating Establishment to discuss her concession facility and operations for the upcoming fair. Twenty State Fair team members volunteered for Gardening Matters on behalf of the staff's MSF Gives Back community volunteer initiative.

9 - The State Fair staff employee safety committee met. Cuningham Group met with senior staff for ongoing North End project development. Mix and Edman attended a meeting of the St. Paul Human Resources Association.

10 - Hammer participated in a meeting of the State Fair Foundation's development committee.

11 - Senior staff met with representatives of Context Network and Cuningham Group design team to begin planning exhibit content for the North End future of agriculture exhibit.

12 - The North Star Roller Girls held a bout at the Warner Coliseum.

13 - The Riders & Ribbons Horse Show was conducted at the AgStar Arena.

16 - Hammer and Goodrich accepted the Minnesota Turkey Research & Promotion Council's "Promoter of the Year" award at the MTRPC annual meeting in St. Paul. Edman, Miller and Mix attended a seminar on workplace communications.

18 - Huber and representatives of the federation of county fairs and the Midwest Showmen met with the DoubleTree Hotel staff for a post-convention meeting.

19-20 - The Minnesota Saddlebred Horse Association Horsemanship Clinic was presented at the AgStar Arena. The Minnesota Weapons Collectors Show & Sale was held at the Warner Coliseum.

19-23 - Hudalla, Goodrich, Casey, Franzmeier, Barnett and Koenen attended and offered presentations at the IAFE Tools of the Trade seminar in Buffalo, N.Y.

23 - Hines attended ServSafe program training presented by the Minnesota Restaurant Association.

24 - The MSF Gives Back employee committee met to discuss volunteer projects for State Fair staff.

25 - Senior staff met with Cuningham Group for ongoing North End project development.

29 - Operations staff met with Cuningham Group and Mike McGough of McGough Construction to continue developing the North End project.

31 - Sinclair, Alexander, Simon and Noonan met with Joe Johnston and Monica Doyle of KSTP-TV to discuss programming during the '16 State Fair. Diedrick and Noonan accepted the "Best Event" award at Minnesota Meetings & Events 2015 Best Of Awards.

31-April 3 - The St. Paul Osman Temple Shrine Circus was presented at the Warner Coliseum.

April

4 - Sinclair, Alexander and Hudalla along with staff and board of the International Institute met with St. Paul City Council member Russ Stark and staff at the International Institute to discuss real estate matters.

4-6 - A delegation of State Fair staff and several members of the board attended the IAFE Zone 4 spring meeting in Green Bay, Wis.

5 - Sinclair, Alexander, Leach, Ward and Franzmeier met with representatives of Rose Presents to discuss plans for the May 29 Soundset Festival.

6 - Sinclair, Alexander, Leach and Blakey met with representatives of Falcon Heights, Roseville, Lauderdale and St. Paul to review public safety plans for the Soundset Festival.

7 - Hudalla, Leach and Grans met with Metro Transit representatives to discuss fair-time bus operations.

8 - Sinclair met with Iowa State Fair staff in Des Moines to discuss carnival midway operations.

9 - The University of Minnesota's College of Veterinary Medicine presented Dog Olympics at the AgStar Arena.

9-10 - The Gopher State Timing Association Rod & Custom Spectacular was presented at the Warner Coliseum.

11 - Sinclair, Ward and Hines met with representatives of Rose Presents to discuss concessions at the Soundset Festival.

12 - Senior staff met with Cunningham Group staff to continue development of the North End project. The Tuesday Night Worlds Bicycle Races were held on Machinery Hill. Blood-borne pathogen training for staff was presented at Libby Conference Center.

13 - The Minnesota Royal Run was held at the Midway lot. State Fair staff volunteered at Habitat for Humanity as part of the staff's MSF Gives Back community volunteer initiative. Mix and Edman attended a meeting of the St. Paul Human Resources Association.

MINNESOTA STATE AGRICULTURAL SOCIETY MEETING OF THE GOVERNING BOARD

10 a.m. Thursday, April 14, 2016

Libby Conference Center, State Fairgrounds

Members present: Sharon Wessel, president; Joe Fox, vice president; D.J. Leary, vice president; Danny Grunhovd; Gail Johnson; Paul Merkins; Ron Oleheiser; Joe Scapanski; Gordy Toenges; Wally Wichmann; Jerry Hammer, secretary.

Also present: Jim Sinclair; Renee Alexander; Brian Hudalla; Mark Goodrich; Marshall Jacobson; Mary Miller; Cheryl Huber; Chris Leach; Dennis Larson; Pam Simon; Gail Anderson; Sean Casey; Brienna Schuette; Steve Grans; Theresa Weinfurter; Greg Harder; Michelle Butler; Brett Ward; Christine Noonan; Shannon Buchda; Emily Diedrick; Danielle Dullinger; Pam Mix; Debbie Edman; Lara Hughes; Virginia Mold; Nikki Hines; Josie Belde; Kay Cady; Jesse Poppe; Mark Haidet; Sarah Psick; Joe Bagnoli; Kent Harbison; Leah Janus; Andrew Tisue.

President Wessel called the meeting to order at 10 a.m.

Minutes of the Society's board meetings, committee meetings, caucuses and general business session conducted Jan. 14-17 were approved on a motion by Mr. Oleheiser, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period Jan. 17 through April 13, 2016, were reviewed and approved on a motion by Mr. Fox, seconded by Mr. Leary and carried (Aye-9; Nay-0).

Mr. Jacobson presented the financial statement for March 31, 2016, as follows:

MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY MONTH ENDING MARCH 31, 2016

OPERATING ACCOUNT ACTIVITY:

Balance-Feb. 29, 2016		\$6,204,588
Add: cash deposits	\$759,883	
Less: payroll ending Mar. 13	(219,421)	
payroll ending Mar. 27	(225,419)	
cash disbursements	(830,513)	
	(515,470)	
Balance-Mar. 31, 2016		\$5,689,118

BUILDING FUND ACTIVITY:

Balance-Feb. 29, 2016	\$450
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Add: interest earned
securities purchased
Less: securities redeemed
Balance-Mar. 31, 2016

\$450

CONSTRUCTION ACCOUNT:

Balance-Feb. 29, 2016 \$-
Add: note proceeds
interest
Less: disbursements
Balance-Mar. 31, 2016 \$-

CASH BALANCES FOR MONTH ENDING:

	2015	2016
Operating account	\$655,395	\$5,689,118
Petty cash	6,100	6,100
Building fund	450	450
Total cash balances	\$661,945	\$5,695,668

After discussion, the statement was approved as presented on a motion by Mr. Leary, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

Mr. Hammer, Ms. Alexander and Andrew Tisue of the Cunningham Group design team reviewed concept development for a new agriculture, arts and education facilities on the north end of the fairgrounds. Information only; no action taken.

Ms. Psick and Mr. Bagnoli reviewed the current session of the Minnesota legislature, and issues that could affect the State Fair. Information only; no action taken.

Ms. Miller, Ms. Mix and Ms. Edman reported on State Fair Employment Center operations, staff training and employment law associated with hiring and referring thousands of staff for the annual fair. Information only; no action taken.

On a motion by Mr. Merkins, seconded by Mr. Fox and carried acclamation, the Board of Managers offered their thanks and congratulations to Human Resources Director Mary Miller, who retires in June after 37 years of service to the Great Minnesota Get-Together.

Ms. Alexander reviewed the status of entertainment bookings, outside gate and Grandstand ticketing procedures and educational outreach programs for the upcoming fair. Information only; no action taken.

A report on the fairgrounds' busy schedule of non-fair events was presented by Brett Ward and Emily Diedrick. Information only; no action taken.

A license authorizing public beer sales and limited liquor sales for the upcoming Soundset music festival on May 29 was approved on a motion by Mr. Scapanski, seconded by Mr. Toenges and carried (Aye-9; Nay-0).

A license authorizing public beer service at the upcoming Beer Fest micro-brew sampling event was approved on a motion by Mr. Fox, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

Mr. Goodrich provided an update on activities within the fair's numerous agricultural, creative arts and educational contests. Information only; no action taken.

An update on activities of the State Fair Foundation was provided by Ms. Cady. Information only; no action taken.

President Wessel declared the meeting in executive session at 12:05 p.m.

The meeting was reopened at 12:45 p.m. on a motion by Mr. Merkins, seconded by Mr. Leary and carried (Aye-9; Nay-0), and adjourned at 12:46 p.m. on a motion by Mr. Fox, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

April 14 through June 9, 2016

April

16 - The Minnesota Half Arabian Horse Association Spring Horse Show was presented at the AgStar Arena.

16-17 - The Antique Spectacular Show & Flea Market, presented by Prime Promotions, was held at the Grandstand and Infield. The Minneapolis-St. Paul Spring Military Relics Show was held at the Progress Center. The Minnesota Weapons Collectors Show was presented at the Education Building.

17-23 - K. Huber presented The Storied History of the Minnesota State Fair to fifteen libraries in the Arrowhead Region, as part of the Arrowhead Library System's Legacy Events.

18 - Hammer, Cady and State Fair Foundation Chairman Mitch Davis met to discuss upcoming meetings related to the North End project. Sinclair, Hudalla and Simon met with students from the the University of Minnesota's School of Architecture and Brian Tempas of Cuningham Group to review plans for a new Driven to Discover building on the fairgrounds.

19 - Goodrich met with representatives of the World Dairy Expo to discuss unification of show ring ethics procedures. Tuesday Night Worlds bicycle races were held on Machinery Hill. Lunch & Learn program for State Fair staff featured a presentation by management and on-air staff from iHeartMedia, representing seven Twin Cities radio stations.

20 - Noonan and Dullinger studied Snapchat social media at the space150 advertising agency in Minneapolis. Schuette met with representatives of the Star Tribune to discuss 2016 advertising.

21 - Dullinger and Schuette met with representatives of Cable Channel 6's Around Town TV to discuss advertising and production for the upcoming fair. Edman, Sertich and Mix led two training sessions on employee hiring and payroll procedures for department superintendents at the Libby Conference Center.

22 - Hammer and Cady participated in a meeting of several former and current State Fair Foundation board members to discuss agriculture education and program development.

22-24 - The Minnesota Horse Expo was held at the Warner Coliseum and livestock complex.

23-24 - Munchkin Market's Spring & Summer Sale was held at the Education Building. Shuttle parking for Como Park was provided at the south Como parking lots.

24 - The University of Minnesota conducted the Gopher Criterium bike race on Machinery Hill.

25 - The Minnesota FFA Livestock, Horse & Dairy Judging Contest was held at the Warner Coliseum and AgStar Arena, and the FFA's CDE competition was presented at the Merchandise Mart.

25-28 - Hammer, Miller, Huber, Sinclair, Hudalla and Leach attended the IAFE Spring Management Conference in Tulsa, Oklahoma, and toured the Tulsa State Fair Exposition Center.

26 - Noonan and Dullinger met with marketing students at Minnetonka High School. Schuette participated in a conference call of the IAFE convention program committee. KMSP-TV interviewed Jenny Cunningham regarding the 100th anniversary of the State Fair's greenhouses. Tuesday Night Worlds bicycle races were held on Machinery Hill.

28 - Edman, Sertich and Mix led a training session on employee hiring and payroll procedures for department superintendents at the Libby Conference Center.

29 - The 2017 commemorative artist met with staff regarding concepts for 2017 State Fair art.

29-30 - Stamp & Scrapbook Expo was presented at the Education Building and Annex.

29-April 1 - The Sahara Sands Spring Classic Horse Show was held at the Warner Coliseum and livestock complex.

30 - Comcast & Arc Volunteer event was held at the Grandstand.

May

1 - The Spring Extravaganza Car Show & Swap Meet was held on Machinery

Hill. The Northland Antique Toy, Doll & Advertising Show was presented at the Progress Center.

2 - Hammer and Jacobson met with Jim Eichten and Jackie Huegel of Malloy, Montague, Karnowski, Radosevich & Co., P.A. to review their audit of Society financial activities for fiscal 2015.

3 - Hammer participated in a meeting of the State Fair Foundation's development committee. Hammer met with MEDA President Gary Cunningham to discuss an initiative with Junior Achievement of the Upper Midwest, Inc., as well as youth employment opportunities. Noonan participated in a Saint Paul Hello event. Alexander and Schuette met with the State Fair Marketing Coalition to review TV ads for the upcoming fair. Tuesday Night Worlds bicycle races were held on Machinery Hill.

4 - A meeting of full-time staff was conducted at the Libby Conference Center.

5 - The steering committee of the MSF Gives Back employee volunteer group met at the Libby Conference Center to discuss community volunteer projects. A Soundset Festival pre-event public safety meeting involving fair staff, show promoters and local law enforcement agencies was held at Libby Conference Center.

5-8 - The Friends of the American Saddlebred Horse Show was held at the Warner Coliseum and livestock complex.

6 - Sinclair and Hines met with Skyride owner Don McClure to discuss operations for the upcoming fair.

6-8 - The Friends School of Minnesota Plant Sale was held at the Grandstand.

7 - The Spring Model Railroad & Hobby Sale was conducted at the Education Building & Annex. St. Paul Craftstravaganza was held at the Progress Center.

7-8 - South Como parking lots were used for Como Park shuttle parking.

10 - Tuesday Night Worlds bicycle races were held on Machinery Hill.

11 - The State Fair, Minnesota FFA and local commodity groups presented Urban Ag Day for Twin Cities third grade students at the Warner Coliseum. The State Fair employee safety committee met at the Administration Building. Edman and Mix attended a meeting of the St. Paul Human Resources Association.

11-14 - The St. Paul YMCA Garage Sale was held at the Merchandise Mart.

12 - Hammer participated in a meeting of the State Fair Foundation's finance and investment committee.

13 - K. Huber presented The Storied History of the Minnesota State Fair to the Young at Heart group at the First United Church of the St. Cloud Region in Sartell.

13-14 - The Artists Market, presented by Northstar Watermedia Society, was held at the Fine Arts Center. The Minneapolis-St. Paul Mini Maker Faire was held at the International Bazaar and Dairy Building. The Minnesota Barbecue Society presented Minnesota in May Barbecue Competition on Machinery Hill.

14 - A wedding reception was held at the Progress Center.

14-15 - Minnesota Comic Book Association's MSP Comicon was held at the Grandstand. Shuttle parking for Como Park was provided at the south Como parking lots.

15 - The First Fifty Auto Parts Sale & Swap Meet was held at the north parking lots. The Riders & Ribbons Horse Show was held at the AgStar Arena.

17 - Leaders in agriculture from around the country participated in the first of three workshops conducted by the Context Network at the Progress Center; results from the workshops will be incorporated into State Fair programming. Tuesday Night Worlds bicycle races were held at Machinery Hill.

18 - Hammer met with Jane Graupman of the International Institute to discuss mutual issues. Artist Michael Sweere, creator of the State Fair's 2016 commemorative art, gave a presentation as part of the Lunch & Learn series for fair staff.

19 - Hammer and Sinclair participated in a meeting of the State Fair Foundation board at the Libby Conference Center.

20 - June 5 - ApplianceSmart's Major Appliance Liquidation Sale was held at the Education Building.

21 - Ye Old Mill and the Keenan family were featured in the State Fair Foundation's ongoing Grand Champion State Fair Stories series, presented at the History & Heritage Center. Edman, Sertich and Mix led two training sessions on employee hiring and payroll procedures for department superintendents at the Libby Conference Center.

21-22 - Shuttle parking for Como Park was provided at the south Como lots.

22-25 - Simon and Butler attended the Alltech Conference in Lexington, Ky.

23-24 - Edman and Mix attended the Upper Midwest Employment Law Institute conference in St. Paul.

23-27 - Goodrich, LeFebvre and Harder attended the annual meeting of the North American Livestock Shows Rodeo Managers in Springfield, Mass.

24 - Alexander and Schuette met with representatives of Strong Suit Media regarding 2016 State Fair advertising.

25 - Schuette and Noonan gave a presentation on State Fair marketing to students at New Heights School in Stillwater. Schuette, Cady and Haidet met with representatives of Twin Cities Public Television to discuss production of a State Fair documentary.

27 - A graduation party was held at Giggles' Campfire Grill.

28 - Shuttle parking for Como Park was provided at the south Como lots.

29 - The Soundset music festival was presented at the Midway lot and West End Market.

June

3 - A retirement party was held at Giggles' Campfire Grill.

3-5 - The International Gem & Mineral Show was presented at the Progress Center. The North Central Reining Extravaganza Horse Show was held at the Warner Coliseum and livestock complex.

4 - The Baby Steps 3K run was conducted at the Grandstand and nearby roadways. The St. Paul Summer Beer Fest was held at the International Bazaar. A reunion was held at Giggles' Campfire Grill.

4-5 - The Minnesota Antique Dealers Association Antiques & Decorative Arts Show was held at the Fine Arts Center.

4-10 - Shuttle parking for Como Park was provided at the south Como lots.

5 - The General Motors Car Clubs of America Car Show & Swap Meet was held on Machinery Hill.

6 - The State Fair Employment Office opened for the summer.

7 - The State Fair Affair Shops & Hops Bike Race was conducted on various roadways. MacQueen Equipment held a training session at the Progress Center.

8-11 - 4-H hosted a YELLO (Youth Exploring Leadership and Learning Outload) event at the 4-H Building.

9 - The 2016 State Fair's commemorative art, created by Minneapolis mosaic artist Michael Sweere, was unveiled during a celebration at Giggles' Campfire Grill.

9-12 - The Region 10 Arabian Horse Association Championship Horse Show was held at the Warner Coliseum and livestock complex.

MINNESOTA STATE AGRICULTURAL SOCIETY MEETING OF THE SALES COMMITTEE & THE GOVERNING BOARD

9 a.m. Friday, June 10, 2016

Libby Conference Center, State Fairgrounds

MEETING OF THE SALES COMMITTEE

Members present: Paul Merkins, chairman; Joe Fox; Dan Grunhovd; D.J. Leary; Ron Oleheiser; Joe Scapanski; Gordy Toenges; Wally Wichmann; Sharon Wessel, ex officio; Jerry Hammer, ex officio; Jim Sinclair, ex officio; Pam Simon, ex officio. **Absent:** Gail Johnson; Dennis Larson, ex officio.

Also present: Renee Alexander; Mark Goodrich; Brian Hudalla; Marshall Jacobson; Cheryl Huber; Gail Anderson; Brienna Schuette; Michelle Butler; Carol Doyle; Shannon Buchda; Brett Ward; Debbie Edman; Emily Diedrick; Chris Noonan; Lara Hughes; Virginia Mold; Jennifer Bower; Mary Pittelko; Kay Cady; Mark Haidet; Kent Harbison; Don McClure.

Chairman Merkins called the meeting to order at 9:03 a.m.

Ms. Simon reported on several of the new commercial exhibits, institutional and educational displays, touring exhibits and sponsors scheduled to participate at the upcoming fair. Information only; no action taken.

Mr. Sinclair presented a request from Skyfair, Inc. to adjust their 2016 SkyGlider ticket prices from \$4 to \$4.50 for one way, and \$6 to \$7 for round trip. After discussion, the 50-cent price adjustment for one-way tickets was approved, but the \$1 increase in round trip tickets was denied on a motion by Mr. Leary, seconded by Mr. Wichmann and carried (Aye-7; Nay-0).

A request by River Raft Ride, Inc. to adjust their 2016 ticket price from \$4.50 to \$5 was presented by Mr. Sinclair. Following discussion, it was moved by Mr. Leary, seconded by Mr. Toenges and carried that the 50-cent ticket price increase be approved for the 2016 fair (Aye-7; Nay-0).

Mr. Sinclair presented a request from Skyride operator D.M.C., Inc. to reduce the Skyride's percentage fee from 30 percent to 25 percent. Mr. Don McClure, owner and operator of the Skyride, appeared before the committee in support of his request. Staff recommended that instead of a percentage fee reduction, the committee approve a 50-cent adjustment in one-way ticket price from \$4 to \$4.50. After discussion, the request for a percentage fee reduction was denied, and the ticket price adjustment was approved on a motion by Mr. Fox, seconded by Mr. Grunhovd and carried (Aye-7; Nay-0).

State Fair counsellor Kent Harbison reported on Society policy relating to personal property transfers. Following Mr. Harbison's report, Mr. Sinclair brought forward a request by John H. Keenan, owner and operator of Ye Old Mill, to have his son James W. Keenan named as principal representative of Ye Old Mill Amusements Inc. After discussion, the request was approved on a motion by Mr. Oleheiser, seconded by Mr. Scapanski and carried (Aye-7; Nay-0).

The sales committee meeting was adjourned at 9:44 a.m. on a motion by Mr. Scapanski, seconded by Mr. Fox and carried (Aye-7; Nay-0).

MEETING OF THE GOVERNING BOARD

Members present: Sharon Wessel, president; Joe Fox, vice president; D. J. Leary, vice president; Dan Grunhovd; Paul Merkins; Ron Oleheiser; Joe Scapanski; Gordy Toenges; Wally Wichmann; Jerry Hammer, secretary. **Absent:** Gail Johnson.

Also present: Renee Alexander; Mark Goodrich; Brian Hudalla; Marshall Jacobson; Cheryl Huber; Gail Anderson; Brienna Schuette; Michelle Butler; Carol Doyle; Shannon Buchda; Brett Ward; Debbie Edman; Emily Diedrick; Chris Noonan; Lara Hughes; Virginia Mold; Jennifer Bower; Mary Pittelko; Kay Cady; Mark Haidet; Lynn Varco; Jesse Poppe; Kent Harbison; Sarah Psick; Joe Bagnoli.

President Wessel called the meeting to order at 9:56 a.m.

Minutes of the Society board's general business meeting conducted April 14, 2016, were reviewed and approved on a motion by Mr. Leary, seconded by Mr. Oleheiser and carried (Aye-8; Nay-0).

Minutes covering interim activities April 14 through June 9, 2016, were reviewed and approved on a motion by Mr. Fox, seconded by Mr. Merkins and carried (Aye-8; Nay-0).

Action taken earlier in the morning by the sales committee was reviewed by committee chairman Mr. Merkins and approved on a motion by Mr. Leary, seconded by Mr. Oleheiser and carried (Aye-8; Nay-0).

Jim Eichten of Malloy, Montague, Karnowski, Rodosevich & Co., P.A., and Mr. Jacobson reviewed the audit of the Society's books and accounts for fiscal 2015. After discussion, the audit report was accepted on a motion by Mr. Merkins, seconded by Mr. Fox and carried (Aye-8; Nay-0).

Financial statement for May 2016 was presented by Mr. Jacobson as follows:

**MINNESOTA STATE FAIR
CASH TRANSACTION SUMMARY
Month Ending May 31, 2016**

OPERATING ACCOUNT ACTIVITY:

Balance-April 30, 2016		\$5,559,178
Add: cash deposits	\$1,241,514	
Less: payroll ending May 6	(257,807)	
payroll ending May 20	(286,786)	
cash disbursements	(1,227,652)	
		(530,731)
Balance-May 31, 2016		\$5,028,447

BUILDING FUND ACTIVITY:

Balance-April 30, 2016		\$450
Add: interest earned		
securities purchased		
Less: securities redeemed		
Balance-May 31, 2016		\$450

CONSTRUCTION ACCOUNT:

Balance-April 30, 2016		
Add: note proceeds		\$-
interest		
Less: disbursements		
Balance-May 31, 2016		\$-

CASH BALANCES FOR MONTH ENDING MAY 31:

	2014	2015
Operating account	\$1,166,292	\$5,028,447
Petty cash	6,100	6,100
Building fund	<u>450</u>	<u>450</u>
Total cash balances	\$1,172,842	\$5,034,997

After review, the statement was approved as presented on a motion by Mr. Oleheiser, seconded by Mr. Wichmann and carried (Aye-8; Nay-0).

Mr. Hammer and Mr. Jacobson presented a resolution authorizing the amendment of the State Fair 2009 Subordinated Indebtedness Note to extend the maturity thereof and authorizing certain other actions. The complete resolution is on file at the Society offices on the State Fairgrounds. The resolution was approved on a motion by Mr. Leary, seconded by Mr. Merkins and carried (Aye-8; Nay-0).

Ms. Psick and Mr. Bagnoli reported on the recently concluded regular session of the Minnesota legislature, and its potential impacts on the Society. Information only; no action taken.

Ms. Alexander presented the following entertainment contracts for consideration:

CONTRACTOR	DATES	TERMS	VENUE
Freestyle Productions, Inc.	8/25-9/5	\$85,829 flat	Grandstand Production
Eat Your Heart Out Catering (Grandstand Catering)	8/25-9/5	\$20,000 flat plus final payment due upon receipt of invoice	Grandstand Production
Perk Global Productions, Inc. (Grandstand Stage Manager)	8/25-9/5	\$20,000 flat	Grandstand Production
P.E.S.O., Inc. (Concert Ushers)	8/25-9/5	Payable upon receipt of invoice \$17.90 /hour per person	Grandstand Production

A.S.I.A., Inc. (Concert Security)	8/25-9/5	Payable upon receipt of invoice \$19.26 /hour per person	Grandstand Production
RES Specialty Fireworks	8/25-9/5	\$35,000 flat	Grandstand Production
Road Touring Two, Inc. f/s/o Don Henley	8/25	\$350,000 plus 90% over \$450,000	Grandstand Artist
Tunashoe Tours, LLC f/s/o The Dixie Chicks	8/27	\$500,000 flat plus 85% over \$610,500	Grandstand Artist
Flower Power Concerts, Inc. f/s/o Happy Together Tour 2016	8/29	\$67,500 plus 85% over \$167,500	Grandstand Artist
Lady Killers Touring LLC f/s/o G-Eazy	8/30	\$225,000 plus 80% over \$320,000	Grandstand Artist
DLG Touring LLC f/s/o Demi Lovato	8/31	\$262,500 plus 85% over \$450,000	Grandstand Artist
NJJ Touring f/s/o Nick Jonas	8/31	\$75,000 flat	Grandstand Artist
Monster Mountain Tours, LLC f/s/o Mike Posner	8/31	\$12,500 flat	Grandstand Artist
TGA Enterprises LLC f/s/o Alabama	9/1	\$300,000 plus 80% over \$450,000	Grandstand Artist
Minnesota Public Radio f/s/o A Prairie Home Companion	9/2	60% of box office receipts	Grandstand Artist
Beeswing, Inc. f/s/o Richard Thompson Trio	9/5	\$10,000 flat	Grandstand Artist
Chicken Good Touring f/s/o G. Love & Special Sauce	8/25-26	\$50,000 flat	Bandshell Tonight!
Marty Stuart Tours, Inc. f/s/o Marty Stuart	8/27-28	\$40,000 flat	Bandshell Tonight!
Far Out Productions, Inc. f/s/o War	9/4-5	\$50,000 flat	Bandshell Tonight!
OO-DE-LALLY LLC f/s/o Ashley Campbell	8/27-28	\$12,500 flat	Bandshell Day
Enda Scahill f/s/o We Banjo 3	8/29-30	\$6,000 flat	Bandshell Day
Bar None Music, Inc. f/s/o Chris Hillman & Herb Pedersen	8/29-30	\$12,000 flat	Bandshell Day
QSB Entertainment LLC f/s/o The Quebec Sisters	8/31-9/1	\$10,000 flat	Bandshell Day
Tonic Sol-fa, LLC	8/25-26	\$8,000 flat	Bandshell Day
Tin Cup Gypsy Entertainment Co. f/s/o The Railers	9/2-3	\$10,000 flat	Bandshell Day
The Last Bandoleros, LLC	9/4-5	\$9,000 flat	Bandshell Day
Tim Cavanagh	9/4-5	\$4,000 flat	Bandshell Day
Peterson Brothers Music LLC	9/4-5	\$7,500 flat	Bandshell Day

Ballet Folklorico Mexico Azteca	8/25-26	\$2,000 flat	Bazaar Day
Miles D. Warren f/s/o Universal Artist Movement	8/27-28	\$2,500 flat	Bazaar Day
Alejandro Rubio Sanchez f/s/o Alex y su Conjunto Branteño	8/27-28	\$2,500 flat	Bazaar Day
Craig J. Ebel f/s/o Craig Ebel & DyVersaC0	8/29-30	\$1,500 flat	Bazaar Day
Native Pride Inc. f/s/o Native Pride Dancers	8/31-9/1	\$4,000 flat	Bazaar Day
Mike Wallace f/s/o Irish Brigade	8/31-9/1	\$2,750 flat	Bazaar Day
Daniel A. Newton f/s/o Café Accordion Orchestra	8/29-30	\$3,500 flat	Bazaar Day
Dominic Gaudious	9/2-3	\$3,500 flat	Bazaar Day
Concord Singers	9/2-3	\$2,500 flat	Bazaar Day
Jack Brass Band	9/4-5	\$3,000 flat	Bazaar Day
Mazouk Productions f/s/o Marimba Afrika	9/4-5	\$2,500 flat	Bazaar Day
Layne B. Bellamy f/s/o The Not Guilty Band	9/27-28	\$3,000 flat	Bazaar After Dark
Shai Hayo f/s/o Salsa del Soul	8/31-9/1	\$3,000 flat	Bazaar After Dark
Sallycat Music, LLC f/s/o GB Leighton	9/4-5	\$4,000 flat	Bazaar After Dark
Kenneth Richard Ahem Jr f/s/o Kenny Ahern	8/25-26	\$1,800 flat	Family Fair at Baldwin Park
Sherlock Studios LLC f/s/o Jared Sherlock	8/29-30	\$1,700 flat	Family Fair at Baldwin Park
Linsey Lindberg f/s/o Mama Lou	8/31-9/1	\$2,400 flat	Family Fair at Baldwin Park
BC Characters, Inc. f/s/o Break-Shop Bump'n	8/25-9/5	\$30,360 flat	Family Fair at Baldwin Park
Sean Emery	8/25-9/5	\$15,000 flat	Family Fair at Baldwin Park
Richard Erickson f/s/o Teddy Bear Band	8/27-28	\$2,100 flat	Family Fair at Baldwin Park
Total Entertainment f/s/o Kidsdance	9/4-5	\$2,300 flat	Family Fair at Baldwin Park
The Zinghoppers Group LLC f/s/o Jack & Kitty	9/2-3	\$2,100 flat	Family Fair at Baldwin Park
Dan Sparkman	8/28	\$70 flat	Milk Run
Rick Recker	8/28	\$350 flat	Milk Run
Laser Shows Inc. f/s/o Lasertainment Laser Hitz Show	8/25-9/5	\$19,000 flat	Misc Attractions
Jack Brass Band	8/27-30, 9/1 & 9/3	\$7,500 flat	Misc Attractions
Flippenout Productions LLC f/s/o Flippenout	8/31-9/5	\$21,375 flat	Misc Attractions
Allied Audio (Free Stage Sound & Lights)	8/25-9/5	\$224,181 flat plus final payment due upon receipt of invoices	Misc Ent.
DL Weatherhead Timberworks Lumberjack Show LLC	8/25-9/5	\$35,500 flat	North Woods

Chris Perondi dba Canines Stunt Dog Show	8/25-9/5	\$15,000 flat	North Woods
Derold V. McDonough	8/25-9/5	\$2,100 flat	Old Iron Show
Steve L McDonough	8/25-9/5	\$2,100 flat	Old Iron Show
Robert A. McDonough	8/25-9/5	\$2,100 flat	Old Iron Show
Kenneth Scott	8/25-9/5	\$360 flat	Old Iron Show
Delores Nelson	8/25-9/5	\$360 flat	Old Iron Show
Ken Anderson	8/25-9/5	\$1,680 flat	Old Iron Show
Duane H. Rolstad	8/25-28	\$480 flat	Old Iron Show
William A. Griesbach	8/25-9/1	\$720 flat	Old Iron Show
Joseph Schimml	8/25-9/2	\$1,080 flat	Old Iron Show
David M. Lewerer	8/25-9/4	\$1,320 flat	Old Iron Show
Robert D. Wilson	8/25-9/5	\$1,440 flat	Old Iron Show
Christopher J. Chadwick	8/25-9/5	\$1,440 flat	Old Iron Show
James Birk	8/25-9/5	\$1,260 flat	Old Iron Show
Jack's PC Consulting LLC f/s/o C. John Deschene	8/25-9/5	\$1,440 flat	Old Iron Show
James M. Quirk	8/25-9/5	\$480 flat	Old Iron Show
Lee Jason Sackett	8/25-9/5	\$1,680 flat	Old Iron Show
Glen William Westphal	8/25-9/5	\$720 flat	Old Iron Show
Lorraine Quirk	8/25-9/5	\$480 flat	Old Iron Show
Shannon M. Sackett	8/25-9/5	\$1,680 flat	Old Iron Show
Joseph Stevermer	8/25-9/5	\$1,680 flat	Old Iron Show
Leslie Suchy	8/25-9/5	\$480 flat	Old Iron Show
Rickie D. Grufman	9/2-9/5	\$840 flat	Old Iron Show
Cecil L. Bechel f/s/o Cecil Bechel	9/2-9/5	\$1,320 flat	Old Iron Show
Paul Husby f/s/o St. Anthony Park Community Band	8/26	\$100 flat	Parade
Twin Cities Unicycle Club	8/26	\$450 flat	Parade
Minnesota "Over-60" Band	9/1	\$400 flat	Parade
Lane Powel f/s/o Tri-State Judging Association	8/25-9/5	\$2,400 flat	Parade

Lane Powell	8/25-9/4	\$2,640 flat	Parade
Jeff Goldsmith	8/25-9/5	\$2,310 flat	Parade
Jason Stock f/s/o Jason Stock Trolley Service	8/25-9/5	\$1,800 flat	Parade
Joseph Stevermer	8/25-9/5	\$420 flat	Parade
Lee Jason Sackett	8/25-9/5	\$420 flat	Parade
St. Paul Police Band	8/27	\$250 flat	Parade
Jack Brass Band	9/1, 4 & 5	\$4,500 flat	Parade
Regents of the University of Minnesota	9/4	\$1,500 flat	Parade
Crow River Drumline Association f/s/o Phoenix Drumline	9/4	\$750 flat	Parade
Mellow Fellows	8/25-26	\$1,000 flat	Ramberg Senior Center
Richard Lewis	8/25-26	\$1,500 flat	Ramberg Senior Center
Richard A. Hollister f/s/o Jack Knife & The Sharps	8/27-28	\$1,000 flat	Ramberg Senior Center
Richard H. Anderson f/s/o Switched At Birth	8/29-30	\$1,500 flat	Ramberg Senior Center
Rodney S. Cerar f/s/o Rod Cerar Orchestra	8/29-30	\$1,500 flat	Ramberg Senior Center
Robert E. Scoggin Jr f/s/o Big Bob Scoggin	8/31-9/1	\$800 flat	Ramberg Senior Center
James P Berner f/s/o Jim Berner's Music Legends	8/31-9/1	\$1,000 flat	Ramberg Senior Center
Pushing Chain	9/2-3	\$1,000 flat	Ramberg Senior Center
Timothy Patrick McGraw f/s/o Tim Patrick & his Blue Eyes Band	9/2-3	\$1,000 flat	Ramberg Senior Center
Joel Partrick Johnson f/s/o The Joey Johnson Band	9/4-5	\$1,300 flat	Ramberg Senior Center
Taylor Bongard	9/4	\$450 flat	Talent Contest
Emma Taggart	9/4	\$50 flat	Talent Contest
Sheryl Baker	9/4	\$50 flat	Talent Contest
In Capable Hands	8/25-26	\$2,000 flat	West End Market
Everett Smithson f/s/o Everett Smithson Band	8/25-26	\$2,000 flat	West End Market
Jillian Rae LLC f/s/o Jillian Rae	8/27-28	\$2,000 flat	West End Market
Mary Kleingarn f/s/o Lizzy – The Dream Girl	8/27-28	\$2,000 flat	West End Market
Raymond Berg's Music f/s/o Sisters of Swing	8/29-30	\$3,500 flat	West End Market
The Looney Lutherans	8/29-30	\$2,500 flat	West End Market
Knock Wood LLC f/s/o James Wedgwood	8/31-9/1	\$2,000 flat	West End Market

Becky L. Livermore f/s/o Barefoot Becky & The Ivanhoe Dutchmen	8/31-9/1	\$3,600 flat	West End Market
Sawtooth Brothers LLC f/s/o Sawtooth Brothers	8/25-26	\$2,500 flat	West End Market
MNHS presents History-on-a-Schtick	8/25-9/5 No payment required		West End Market
Richard Crowder f/s/o Sourdough Slim	8/31-9/1	\$2,500 flat	West End Market
Mary Rowles	9/2-3	\$1,800 flat	West End Market
Minnesota State Fiddlers Assoc. f/s/o Minnesota State Fiddle Contest	9/2-3	\$5,000 flat	West End Market
Okee Dokee Music LLC f/s/o The Okee Dokee Brothers	9/2-3	\$4,000 flat	West End Market
Jerome Frasier f/s/o Jerry Frasier, Comic Magician	9/4-5	\$1,700 flat	West End Market
Sarah Morris f/s/o Sarah Morris & The Sometimes Guys	9/4-5	\$2,000 flat	West End Market
Reina del Cid	8/25-26	\$3,000 flat	West End at Sunset
Davine Sowers f/s/o Davina & The Vagabonds	8/29-30	\$6,000 flat	West End at Sunset
Pert Near Sandstone	9/2-3	\$10,000 flat	West End at Sunset
Secret Stash Records LLC f/s/o Sonny Knight & The Lakers	9/4-5	\$5,000 flat	West End at Sunset
Action Sports of Minnesota dba 3rd Lair Skatepark	8/25-9/5	\$45,475 flat	X-Zone

After review and discussion, the contracts were approved on a motion by Mr. Fox, seconded by Mr. Merkins and carried (Aye-8; Nay-0).

Mr. Goodrich reported on the State Fair's competitions in agriculture, education and the arts, along with a review of the fair's role in food and agriculture education in a changing society. Information only; no action taken.

Mr. Hammer reviewed the following recommendations to update State Fair travel policy as outlined in the Society's Employee Information Handbook:

2. Travel by privately owned or State Fair owned vehicles - In state: If possible, State Fair owned vehicles should be used by employees when traveling within the state on official business. In such cases, the employee shall be reimbursed for the actual expenses incurred in the operation or maintenance of the State Fair vehicle. The compensation for use of personal automobiles by employees traveling on official State Fair business shall be set by the Federal IRS reimbursement rate for mileage reimbursement. A notice will go out as mileage rates change. If you have any questions, please check with the human resources or payables department. No additional reimbursement will be made for any expense incident to the operation or maintenance of such personal car except toll charges and parking fees. ~~Mileage shall be paid for the shortest direct route according to highway department records. Mileage for deviations from the shortest direct route, such as vicinity driving or point of departure, shall be shown as a separate item on the expense report, along with an explanation of each day before reimbursement will be allowed.~~ If an employee is attending a conference or training session, mileage will be paid from the shortest route (departure from home or permanent work location). Employees shall not receive mileage reimbursement for commuting between work and their home.

3. Air Travel - Air transportation may be authorized for an employee who is traveling in state or out of state. Personnel must book tourist or coach space, unless not available. ~~Air charter service may be used for either in state or out of state travel when charter service is more practical than commercial transportation.~~ When an employee has a reservation for a flight that is not going to be used, such employee shall be accountable for cancellation of such reservation.

4. Meals - ~~Employees shall not claim reimbursement for more than the amount actually paid for meals including a reasonable gratuity and that amount must be reasonable, taking into consideration the location in which the meal is secured.~~ Reimbursement, including sales tax, for meals shall be \$10 for breakfast, \$15 for lunch and \$27 for dinner. Reimbursement in connection with an official breakfast, lunch, dinner or banquet shall be the actual cost of the official meal function. When a bona fide and necessary business purpose exists, the actual expense of employee and second party (non-employee) meals incurred during a business meeting may be claimed by responsible employee(s) on behalf of the State Fair if approved in advance by the executive vice president. ~~Reimbursement limits, as shown in the paragraph above, will be waived for second parties, but not for responsible employee(s).~~ The amount claimed, which may include a reasonable gratuity, must be reasonable taking into consideration the location in which these meals are secured. There will be no reimbursement for purchase of alcoholic beverages.

6. Miscellaneous Business Expenses - ~~Telephone Calls - In cases where it is necessary to place a long-distance business telephone call, the employee shall request that the operator bill the call to the main State Fair telephone number. If an employee must pay for the long-distance call, reimbursement may be obtained by submitting an employee expense report. Whenever possible, charges from calls to the fairgrounds should be reversed.~~ Parking Fees - Employees shall be reimbursed for parking and toll charges on an actual expense basis, but in all cases, such expense must be reasonable in light of the circumstances and consistent with the facilities available. When receipts, parking stubs or other evidence of payment are issued to the employee for parking fees paid, they shall be submitted with the expense claim.

7. Personal Expenses - Employees in travel status in excess of one week who do not return home during that period of time may claim reimbursement not to exceed \$16 per week for laundry and/or dry cleaning services for each week after the first week. When available, receipts must accompany the claim for reimbursement. ~~Reimbursement for documented personal telephone calls will be reimbursed up to \$3 per day while on travel status.~~ Reasonable costs for baggage handling and gratuities will be reimbursed.

9. Receipts - Personnel who claim expenses incurred in travel must file with their expense claim, properly executed receipts when available for taxi fares, air or bus transportation, hotel or motel accommodations, and other items of expense except for meals and baggage handling, ~~and other items costing less than \$1.~~ When available, all receipts must be issued on regular receipt form or letterhead of the person or firm furnishing the services to the employee.

10. Payment of Expense Claims - Expense claims may only be submitted on official State Fair forms and should be submitted monthly at the conclusion of business travel. These forms must be signed by your supervisor who will forward them to accounts payable department.

After discussion, the updates were approved as presented on a motion by Mr. Leary, seconded by Mr. Toenges and carried (Aye-8; Nay-0).

Mr. Hammer presented the following list of board-hosted functions for the '16 State Fair: Minnesota Federation of County Fairs lunch Friday Aug. 26; State Fair Hall of Fame and Life Member lunch Sunday Aug. 28; and Minnesota Livestock Breeders Association breakfast Thursday Sept. 1. The functions were approved on a motion by Mr. Scapanski, seconded by Mr. Fox and carried (Aye-8; Nay-0).

Ms. Cady and Mr. Hammer reviewed contributions and activities of the State Fair Foundation and continued activities related to the North End agriculture and arts facilities development. Information only; no action taken.

Mr. Fox moved, Mr. Toenges seconded and motion carried to move the meeting into executive session at 10:46 a.m.

The meeting was reopened at 11:22 a.m. on a motion by Mr. Oleheiser, seconded by Mr. Fox and carried (Aye-8; Nay-0).

The meeting was adjourned at 11:22 a.m. on a motion by Mr. Fox, seconded by Mr. Oleheiser and carried (Aye-8; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

June 10 through Aug. 25, 2016

June

10-11 - The Viking Chapter of the Antique Motorcycle Club of America hosted the AMCA's National Meet at the Progress Center and Campgrounds. Shuttle parking for the Minnesota State High School League's track and field championships was provided at the south Como lots.

11-16 - Como Park shuttle parking was provided at the south Como lots.

17-18 - The 30th Annual Twin Cities Classic Car Auction was presented in the Cattle Barn.

17-19 - The Minnesota Street Rod Association utilized the entire fairgrounds for their Back To The '50s Weekend.

18 - Hammer attended the Hennepin County Fair in Corcoran.

20 - Hammer and Cady attended the Metropolitan Economic Development Association's annual meeting at the Guthrie Theater.

20-24 - Como Park shuttle parking was provided at the south Como lots.

21 - The State Fair Affair Shops and Hops Bike Race was conducted on various streets.

22-25 - The Minnesota Tanbark Cavalcade of Roses Horse Show was held at the Warner Coliseum and livestock complex.

24-25 - The Star of the North Antique Show was held at the Education Building. The Twin Cities Antiquarian & Rare Book Fair was presented at the Progress Center.

25 - CBS Radio's Pet-A-Palooza was held on Machinery Hill.

25-July 1 - Shuttle parking for Como Zoo was provided at the south Como lots.

28 - Hammer, Sinclair and Simon met with Gary Cunningham and Joanna Barrett of the Metropolitan Economic Development Association and Gina Blayney of Junior Achievement to discuss a program for minority student entrepreneurs.

28 - The State Fair Affair Shops and Hops Bike Race was held on various streets.

30 - Hammer, Sinclair, Leach, Paulos, Ward and Hines met with promoters of the Soundset music festival and a group of community and law enforcement officials for a post-event review.

July

2-3 - Shuttle parking for the Hmong Festival at Como Park was provided at the south Como lots.

2-7 - The National Junior Shorthorn Show was held at the Warner Coliseum and livestock complex.

4-8 - The south Como lots were used for Como Park shuttle parking.

6 - The Midsummer Mile foot race was held on various streets.

8 - K. Huber presented The Storied History of the Minnesota State Fair at the Pine City Public Library in Pine City.

9-10 - The American Saddlebred Association's Capitol Classic Horse Show was presented at AgStar Arena.

10 - The Color Run was held at the Grandstand and various streets throughout the fairgrounds.

12 - The State Fair Affair bicycle race was held on various roadways.

14-17 - The Minnesota Amateur Quarter Horse Association's Corporate Challenge horse show was held at the Warner Coliseum and livestock complex.

15-17 - The Street Machine Nationals & Muscle Car Show utilized most of the fairgrounds.

17 - Hammer visited the Ramsey County Fair in Maplewood.

19 - The State Fair Affair Bike Race was held on Machinery Hill streets. Hammer, Cady and Foundation board members Mitch Davis and Julie Craven met with representatives of Cargill to discuss ag education exhibits at the North End. Hammer, Sinclair, Alexander and Harbison met with state commissioners Matt Massman and Shawntera Hardy to discuss the upcoming fair.

21-24 - The Minnesota Challenge Horse Show was held at the Warner Coliseum and livestock complex.

23-26 - Shuttle parking for Como Park was provided at the south Como lots.

26 - Tracey Gardner and Jamie Laird of the Mississippi State Fair in Jackson toured the fairgrounds and visited with various staff members. The State Fair Affair bike race was held on fairgrounds streets.

30 - Alexander and State Fair Hall of Famer Karen Leach visited the Scott County Fair in Jordan.

August

3 - A meeting of full-time staff was held at the Libby Conference Center and included presentation of State Fair Length of Service Awards. Hammer hosted a meeting of the Minneapolis City of Lakes Rotary Club at the History & Heritage Center.

4-7 - The North Central Reining Futurity and Derby Show was held at the Warner Coliseum and livestock complex.

8 - K. Huber presented The Storied History of the Minnesota State Fair to Keystone/Merriam Park Senior Program in St. Paul.

9 - Hammer gave a presentation to residents of Lyngblomsten senior center.

12-13 - Hudalla, Leach and Paulos visited the Wisconsin State Fair in West Allis.

18 - More than 1,200 people attended the Foundation's Taste of the Fair fundraiser at the International Bazaar.

20 - The State Fair Around the Fair Committee hosted staff to a pancake breakfast at the 4-H Building.

24 - The Midwest Dairy Association's Princess Kay of the Milky Way 2016 was crowned during ceremonies at the Bandshell.

25 - The 2016 Great Minnesota Get-Together opened at 6 a.m.

MINNESOTA STATE FAIR MEETING OF THE GOVERNING BOARD

10 a.m. Friday Aug. 26, 2016

Officers Quarters, State Fairgrounds

Members present: Sharon Wessel, president; Joe Fox, vice president; D. J. Leary, vice president; Paul Merkins; Gail Johnson; Ron Oleheiser; Joe Scapanski; Wally Wichmann; Gordy Toenges; Danny Grunhovi; Jerry Hammer, secretary.

Also present: Sarah Psick; Joe Bagnoli.

President Wessel called the meeting to order at 10:09 a.m.

Minutes from the board meeting of June 10, 2016, were reviewed and approved on a motion by Mr. Leary, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period from June 10 through Aug. 24 were reviewed and accepted on a motion by Mr. Fox, seconded by Mr. Grunhovi and carried (Aye-9; Nay-0).

The July financial statement was presented as follows by Mr. Hammer:

MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY Month Ending July 31, 2016

OPERATING ACCOUNT ACTIVITY:

Cash balance-June 30, 2016		\$5,025,747
Add: cash deposits	\$2,871,108	
Less: payroll ending July 1	(407,880)	
payroll ending July 15	(377,193)	
payroll ending July 29	(369,941)	
Cash disbursements	(1,058,912)	
		657,182
Balance-July 31, 2016		\$5,682,929

BUILDING FUND ACTIVITY:

Balance-June 30, 2016	\$450
Add: interest earned	
securities purchased	
Less: securities redeemed	
Balance-July 31, 2016	\$450

CONSTRUCTION ACCOUNT:

Balance-June 30, 2016	\$-
Add: note proceeds	
interest	
Less: disbursements	
Balance-July 31, 2016	\$-

CASH BALANCES FOR MONTH ENDING JULY 31:

	2015	2016
Operating account	\$ 2,776,424	\$ 5,682,929
Petty cash	23,348	24,298
Building fund	450	450
Total cash balances	\$2,800,222	\$5,707,677

After review, the summary was approved on a motion by Mr. Toenges, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

The following list of entertainment contracts were presented for review:

CONTRACTOR	DATES	TERMS	VENUE
Latitude 45 Catering (Dixie Chicks Catering)	8/27-28	\$25,000 flat	Grandstand Production
RES Specialty Fireworks	8/25-9/5	\$32,500 flat	Grandstand Production
Premier Global Production Company, Inc. (Lighting)	8/25-9/5	\$36,750 flat	Grandstand Production
Clair Brothers Audio, Inc. (GS Sound)	8/25-9/5	\$73,000 flat	Grandstand Production
Brian Bourn (Grandstand Follow Spots)	8/25-9/5	\$3,500 flat	Grandstand Production
Premier Global Production Company, Inc. (staging)	8/25-9/5	\$105,675 flat	Grandstand Production
P Music Group Inc. f/s/o Charlie Wilson	8/26	\$225,000 plus 80% over \$325,000	Grandstand Artist
Bobo Entertainment, Inc. f/s/o Fantasia	8/26	\$75,000 flat	Grandstand Artist
Vintage Trouble Touring, Inc.	8/27	\$10,000 flat	Grandstand Artist
Smooth Hound Smith LLC	8/27	\$500 flat	Grandstand Artist

Vintage Trouble Touring, Inc.	8/28	\$10,000 flat	Grandstand Artist
Smooth Hound Smith LLC	8/28	\$500 flat	Grandstand Artist
Marty Grimes	8/30	\$500	Grandstand Artist
Levon LLC	9/1	\$2,000 flat	Grandstand Artist
Weezer Touring Inc. f/s/o Weezer	9/3	\$225,000 flat plus 85% over \$350,000	Grandstand Artist
The Struts LLC	9/3	\$25,000 flat	Grandstand Artist
Get Right, Inc. f/s/o Bonnie Raitt	9/5	\$180,000 flat plus 80% over \$305,000	Grandstand Artist
Get Right, Inc. f/s/o Bonnie Raitt (Production Expenses)	9/5	\$15,000	Grandstand Artist
Robots Etc LLC f/s/o A Great Big World	8/29-30	\$65,000 flat	Bandshell Tonight!
Private Road Tours LLC d/b/a Billy Bob Thornton and The Boxmasters	8/31-9/1	\$52,500 flat	Bandshell Tonight!
Spinners Performing Arts, LLC f/s/o The Spinners	9/2-3	\$50,000 flat	Bandshell Tonight!
High Valley Touring LLC f/s/o High Valley	8/25-26	\$12,000 flat	Bandshell Day
Paul W. Martin f/s/o The Martin Family Circus	8/25-26	\$5,000 flat	Bandshell Day
The Bros. Landreth Inc.	8/27-28	\$10,000 flat	Bandshell Day
Dave Barnes Rocks Inc. f/s/o Dave Barnes	8/27-28	\$9,000 flat	Bandshell Day
Southside Music Co-Op, LLC f/s/o Pokey LaFarge	8/31-9/1	\$15,000 flat	Bandshell Day
Sound Exchange LLC f/s/o The Sound Exchange	8/31-9/1	\$4,000 flat	Bandshell Day
Michael L. Doucet f/s/o BeauSoleil avec Michael Doucet	9/2-3	\$8,000 flat	Bandshell Day
Max Danny Baca f/s/o Max Baca and Los TexManiacs	9/2-3	\$12,000 flat	Bandshell Day
Dirty Dozen Brass Band, LLC	9/4-5	\$13,000 flat	Bandshell Day
Annie Mack Music f/s/o Annie Mack	8/25-26	\$2,000 flat	Bazaar Day
JD Music Experience LLC f/s/o Maiden Dixie	8/25-26	\$4,000 flat	Bazaar After Dark
Viva Kneivel Productions LLC f/s/o Viva Kneivel	8/29-30	\$4,000 flat	Bazaar After Dark
James F. Walsh f/s/o Gypsy	9/2-3	\$7,000 flat	Bazaar After Dark
GenerationNOW Entertainment, LLC	8/26	\$3,675 flat	Misc Attractions

Jon A. Getting	8/25-8/28	\$120 flat	Old Iron Show
Steven G. Bauer	8/25-9/5	\$2,700 flat	Old Iron Show
Rodney Mondor	9/2-5	\$480 flat	Old Iron Show
Victor Baller	9/2-5	\$120 flat	Old Iron Show
Roger Geist	9/2-5	\$560 flat	Old Iron Show
Susan M. Hirschmugl f/s/o Upstanding Stilts	8/25 - 9/5	\$3,900 flat	Parade
Jolly Giants Entertainment, f/s/o Wacky Wheeler	8/25-9/5	\$6,600 flat	Parade
Women's Drum Center f/s/o Drumheart	8/28 & 9/3	\$600 flat	Parade
Russel Wilson f/s/o Pathfinders Drill Team	8/28 & 9/4	\$800 flat	Parade
Thomas W. Logan f/s/o Tom's Carousel Music	8/31 & 9/1	\$400 flat	Parade
Barebones Productions	9/1-2	\$500 flat	Parade
Minnesota Pipes and Drums	9/3	\$1,250 flat	Parade
River City Rhythm, Inc.	9/4-5	\$600 flat	Parade
Ernest James Torok f/s/o Pig's Eye Jass Band	9/5	\$560 flat	Parade
William F. Koncar d/b/a Bill Koncar	8/27-28	\$1,200 flat	Ramberg Senior Center
Frederick Brent Eggert d/b/a Vic Volare	9/4-5	\$1,600 flat	Ramberg Senior Center
Sherwin Linton Entertainment Enterprises f/s/o Sherwin Linton and the Cotton Kings	8/29-30	\$4,000 flat	West End Market
Minnesota Bluegrass and Old-Time Music Association f/s/o MN Americana-Roots Music Contests	9/2-3	\$5,000 flat	West End Market
Becky Schlegel Music f/s/o Becky Schlegel Trio	9/4-5	\$3,000 flat	West End Market
Mark J. Olson f/s/o Mark Olson (of the Jayhawks)	8/27-28	\$6,000 flat	West End at Sunset
The Twilight Hours	8/31-9/1	\$6,000 flat	West End at Sunset

After review, the contracts were approved on a motion by Mr. Scapanski, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

A second commercial exhibit site was approved for Ocean Sales on a motion by Mr. Leary, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

Mr. Hammer was authorized to make miscellaneous ticket refunds and payment of minor claims as he deems appropriate on a motion by Mr. Fox, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

Mr. Hammer presented the following list of State Fair Scholarship winners: Nick Aarsvold, Altura; Carson Bryan, Red Wing; Mallory Carlson, Murdock; Riley Donkers, Faribault; Ryan Donkers, Faribault; Andrew Gathje, Stewartville; Kristin Harrington, Grandin; Jakob Hicks, Tracy; Abigail Hopp, Chatfield; Laura Irvine, Woodbury; Kayla Leiding, Fountain; Molly Maudal, Carlo; Juliana Pederson, Westbrook; Abby Penzenstadler, Chisago City; Paige Pitlick, Jordan; Robert Rohloff, Morris; Austin Schmitt, Rice; Megan Slater,

Chisago City; Mikaela Smith, Jeffers; Shianna Teas, Aitkin. The scholarship winners were approved on a motion by Mr. Scapanski, seconded by Mr. Fox and carried (Aye-9; Nay-0).

Mr. Hammer provided updates on activities of the fair's first day. Information only; no action taken.

A proclamation honoring the Newcombe Family with the Family Legacy Award was approved on a motion by Mr. Scapanski, seconded by Mr. Merkins and carried (Aye-9; Nay-0). The proclamation celebrates 80 years of participation as commercial exhibitor at the State Fair and is issued jointly by the State Agricultural Society and the State Fair Foundation.

A summary of the 2016 legislative session was provided by Sarah Psick and Joe Bagnoli of the McGrann Shea law firm. No action taken.

The meeting adjourned at 11:17 a.m. on a motion by Mr. Oleheiser, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MEETING OF THE GOVERNING BOARD

10 a.m. Sunday, Sept. 4, 2016

Officers Quarters, State Fairgrounds

Members present: Sharon Wessel, president; Joe Fox, vice president; D.J. Leary, vice president; Danny Grunhovid; Gail Johnson; Paul Merkins; Ron Oleheiser; Joe Scapanski; Gordy Toenges; Wally Wichmann; Jerry Hammer, secretary.

Also present: Kent Harbison

President Wessel called the meeting to order at 10:01 a.m.

Minutes of the board meeting conducted Aug. 26, 2016, were reviewed and approved on a motion by Mr. Fox, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

Mr. Hammer offered a report on action taken at the Aug. 28 meeting of the Honorary Life Member committee. Information only; no action taken.

Mr. Hammer provided an update on activities of the 2016 State Fair. Information only; no action taken.

The board authorized an annual contribution of \$3,000 to the State Fair employees club to provide partial funding for employee club functions and beverages used by employees and visitors on a motion by Mr. Leary, seconded by Mr. Toenges and carried (Aye-9; Nay-0).

It was moved by Mr. Fox, seconded by Mr. Merkins and carried that members of the board and certain staff members designated by the secretary be authorized to attend the International Association of Fairs & Expositions 2016 international convention in Las Vegas, Nev. (Aye-9; Nay-0).

The dates of the 2017 Minnesota State Fair were set for Thursday, Aug. 24 through Labor Day, Sept. 4, on a motion by Mr. Merkins, seconded by Mr. Toenges and carried (Aye-9; Nay-0).

The next meeting of the Society's board of managers was set for Thursday, Nov. 10.

Friday Dec. 23, 2016, was approved as a paid holiday for State Fair full-time staff on a motion by Mr. Merkins, seconded by Mr. Leary and carried (Aye-9; Nay-0).

The board extended their gratitude to staff for going above and beyond in providing great service for the 2016 Great Minnesota Get-Together.

The meeting adjourned at 10:48 a.m. on a motion by Mr. Fox, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

Aug. 25 through Nov. 10, 2016

August

25 - The 2016 Great Minnesota Get-Together opened at 6 a.m. Later that morning, Society President Sharon Wessel presided over opening ceremonies at the Bandshell.

29 - The State Fair hosted a meeting of the Roseville Rotary Club at Heffron Park.

30 - Military Appreciation Day featured discounted admission for active, retired and veteran military members along with a variety of special activities. Included was a special ceremony at the State Fair Veterans Garden honoring World War II veterans Ted and Clarence Homdrom, Roger Larson and Ruth Huber, Korean War veteran Larry Stroschein and Vietnam veterans including American Legion Post 542 and the Como Park Military Veterans Association. The ceremony was followed by programs at the Bandshell and Carousel Park, and additional activities throughout the fairgrounds.

September

1 - Inez Johnson of Marshall City and Gary Hawkins of Isanti City were named Minnesota's Outstanding Senior Citizens during ceremonies conducted on Seniors Day at the Bandshell.

4 - At a special Grandstand ceremony, 17 State Fair staff members were recognized for outstanding performance, and five from that group received State Fair All Star MVP Awards - Jill Anderson-Brindamour, Moo Booth; Tami Fisher, Marketing; Matt Frenchick, Coliseum; Mary Murphy, Attraction Ticket Takers; and Brianna Wieland, Agriculture-Horticulture Building.

5 - The 2016 Minnesota State Fair closed with record attendance of 1,943,709. Three daily records were set, including the largest day in State Fair history on Saturday, Sept. 3, when 260,374 people attended. Visitors included Jennifer Gieseke and staff from the Washington Town & Country Fair in Washington, Mo.; a 27-fair delegation from the Florida Federation of Fairs; Greg Chiecko and Gillian Palmer from the Eastern States Exposition in Springfield, Mass.; Kathleen O'Leary and Shari Black from the Wisconsin State Fair in West Allis; Gary Slater and staff from the Iowa State Fair in Des Moines; James Romer from the North Carolina State Fair in Raleigh; Virginie Perreard and Tim Browne from the Royal Easter Show in Sydney, Australia; Kate Turner from the International Association of Fairs & Expositions in Springfield, Mo; Outdoor Amusement Business Association Chairman Tom Gaylin of Rosedale Attractions & Shows in Baltimore, Md; and Tom Powell of the Outdoor Amusement Business Association, Nashville, Tenn.

9 - The first of several fall household hazardous waste drop-offs for Ramsey County residents was conducted at the south Como parking lot.

10 - The University of Minnesota used the Grandstand parking lot for a Gophers football home game.

14 - The State Fair employee safety committee met in the lower Administration Building conference room. Edman, Mix and Woodis attended a meeting of the St. Paul Human Resources Association.

15 - Sinclair met with Monty Krizan of Monty's Traveling Reptile Show to discuss disposition of his permanent structure on the fairgrounds. Noonan attended a Roseville Visitors Association marketing committee meeting. Edman and Huber attended an employee benefits training session presented by the State Employee Group Insurance Program.

16 - Hammer, Goodrich, Cady and State Fair Foundation board members Mitch Davis and Al Levine met with the deans of the University of Minnesota's College of Food, Agriculture and Natural Resource Sciences, College of Veterinary Medicine and Agricultural Extension Service.

16-19 - The Minnesota State 4-H Horse Show was held at the Warner Coliseum and livestock complex.

17 - The TC Model Railroad Club's model railroad and hobby sale was held at the Education Building and Annex.

18 - The Antique Motorcycle Club Swap Meet was held at the north parking lot.

19 - Hammer met with Minneapolis NAACP President Nekima Levy-Pounds to discuss business development partnerships.

20 - Sinclair, Simon, Larson and Doyle met with the State Fair Vendor Committee to discuss the '16 fair. Alexander and Butler met with staff from Spark-Y Youth Action Labs to discuss potential educational partnerships.

21 - Hammer attended a meeting of the Midway Chamber of Commerce where he accepted their award as non-profit of the month.

22 - Edman and Mix met with representatives of the Washington County School District to discuss their student work program.

22-26 - The Western Saddle Club Horse Show was held at the Warner Coliseum and livestock complex.

28 - Full-time staff met at Libby Conference Center, where Simon and Weinfurter reported on their experiences at the Calgary Stampede and Wadsworth reported on her trip to the San Diego County Fair and the LA Live entertainment complex. The State Fair Foundation hosted more than 100 volunteers to an appreciation dinner at the Progress Center, and Hammer addressed the group. The Metro Area Children's Water Festival was held at the 4-H Building and Baldwin Park. Noonan attended a meeting of the Roseville Visitors Association board.

29 - Staff Lunch & Learn series featured a presentation by State Fair video provider Dale Kivimaki of Freestyle Productions. Sinclair met with Dave Rustad to review ATM operations during the '16 fair.

29-Oct. 1 - The YMCA Garage Sale was conducted at the Merchandise Mart.

30-Oct. 2 - The Fall Festival Arabian Horse Show was held at the Warner Coliseum and livestock complex. The Beer Dabbler's Rummage event was presented at the West End Market.

October

1-2 - The Antique Spectacular Show & Flea Market was held at the Grandstand and infield. The Fall Military Relic Show, presented by Minneapolis St. Paul Military Relic Collectors, was conducted at the Progress Center. The Minnesota Weapons Collectors Fall Show & Sale was held at the Education Building.

2 - The Midwest Fall Swap Meet & Antique Auto Show was held at the north parking lots.

3 - K. Huber presented The Storied History of the Minnesota State Fair to Superior Senior Living in St. Paul.

4-9 - The Minnesota Harvest Horse Show was held at the Warner Coliseum and livestock complex.

5 - Sinclair, Simon and Casey met with Minnesota Department of Natural Resources representatives to review their operations at the '16 fair and discuss plans for the '17 fair. Anderson, Wadsworth and Schadeck met with Meet Minneapolis Visitors Information staff to discuss a ticket selling partnership for 2017. Noonan gave a presentation on State Fair marketing and social media to classes at Stillwater High School. Schuette spoke to students at Augsburg College about the State Fair's marketing program.

5-10 - Buchda and Franzmeier attended the Tulsa State Fair in Oklahoma and the State Fair of Texas in Dallas.

7-8 - Twin Cities Oktoberfest was presented by HMM of St. Paul at the Progress Center.

7-9 - The Half Price Books Clearance Event was held at the Grandstand.

8 - The City of St. Paul held a community cleanup event at the north parking lots. Minnesota Comic Book Association's Falcon was presented at the Education Building. The University of Minnesota used the Grandstand lot for Gophers football parking.

9-11 - Alexander and Dungan attended the annual meeting of the International Entertainment Buyers Association in Nashville, Tenn., where the State Fair was awarded 2016 Fair of the Year and Alexander was elected to the IEBA board of directors. Huber and Edman attended the Minnesota Society for Human Resource Management annual conference.

10-31 - Pumpkin Nights was presented at DNR Park and neighboring roadways.

12 - Schuette and Butler attended the Minnesota Ag Communicators meeting at the Minnesota Zoo. Mix attended a meeting of the St. Paul Human Resources Association.

13 - Interfaith Action of Greater St. Paul held the Cardboard Box City event at Baldwin Park and surrounding areas.

14-15 - The Twin Cities Book Festival was held at the Progress Center and Fine Arts Center.

16 - The Twin Cities Roadsters Swap Meet was held at the north parking lots.

17 - Hughes, Schuette and Duda met with the 2017 State Fair commemorative artist.

19 - Hammer participated in a meeting of the State Fair Foundation's finance and investment committees.

20 - Alexander, Butler, Goodrich and Harder met with representatives of the Minnesota Veterinary Medical Association, Minnesota Department of Health and FFA to discuss the Miracle of Birth.

20-23 - The Minnesota Beef Expo, presented by the Minnesota State Fair, was held at the Warner Coliseum and livestock complex.

21 - Hammer participated in a meeting of the State Fair Foundation's audit committee.

22 - The University of Minnesota used the Grandstand lot for Gophers football parking.

22-23 - South Como lots were used for shuttle parking for Como Zoo's Zoo Boo.

24 - Sinclair, Larson, Simon, Leach, LeFebvre, Bower and Hines met with representatives of the Minnesota Departments of Health and Agriculture to review '16 State Fair operations. Sinclair and Simon met with Laura Day and Nancy O'Brien of the Minnesota Twins to discuss their State Fair exhibit.

25 - Buchda, Butler, Cunningham, Denison, Eisenberg, Harper, Schultdt, Simon, Ward and Woodis attended a management seminar at Century College.

26 - Senior staff participated in the first in a series of planning meetings for the '17 State Fair. Huber, Edman and Mix attended an employment and labor law seminar conducted by Fredrikson & Byron law firm.

27 - Wessel and Hammer participated in a meeting of the State Fair Foundation board at the Libby Conference Center. Alexander, Buchda, Dungan and Weinfurter met with staff from Allied Audio to recap the 2016 State Fair and begin planning for '17.

28-30 - South Como lots were used for shuttle parking for Como Zoo's Zoo Boo.

29-30 - The Minnesota Weapons Collectors Show & Sale was presented at the Warner Coliseum.

30 - The Riders & Ribbons Horse Show and Minnesota Academy Equestrian Finals were held at the AgStar Arena.

November

2 - Full-time staff met at the Libby Conference Center where Schadeck reported on his experiences at the 2016 Lollapalooza Festival in Chicago, and Buchda and Franzmeier reviewed their visits to the Tulsa State Fair and the State Fair of Texas. Anderson, Schadeck and Wadsworth met with representatives from Cub to recap the 2016 advance sales ticket program and begin planning for '17.

5 - The University of Minnesota used the Grandstand lot for Gophers football parking.

5-6 - The Hmong American New Year Celebration was held at the Warner Coliseum.

7 - Noonan gave a presentation on State Fair social media at the DECA regional leadership conference.

9 - Schuette participated in a marketing professionals panel discussion at the University of Wisconsin River Falls. Edman, Mix and Woodis attended a meeting of the St. Paul Human Resources Association.

10 - Noonan attended a board retreat for the Roseville Visitors Association.

MINNESOTA STATE AGRICULTURAL SOCIETY MEETING OF THE GOVERNING BOARD AND SALES & PLANNING COMMITTEES

9 a.m. Thursday, Nov. 10, 2016

Libby Conference Center, State Fairgrounds

MEETING OF THE SALES COMMITTEE

Members present: Paul Merkins, chairman; Joe Fox; D.J. Leary; Danny Grunhovi; Gail Johnson; Ron Oleheiser; Joe Scapanski; Gordy Toenges; Wally Wichmann; Sharon Wessel, ex officio; Jerry Hammer, ex officio; Jim Sinclair, ex officio; Dennis Larson, ex officio; Simon, ex officio.

Also present: Renee Alexander; Brian Hudalla; Mark Goodrich; Marshall Jacobson; Cheryl Huber; Debbie Edman; Theresa Weinfurter; Gail Anderson; Sean Casey; Brienna Schuette; Michelle Butler; Wally LeVesseur; Steve Grans; Lara Hughes; Pam Mix; Grace Woodis; Carol Doyle; Virginia Mold; Matt Steffenhagen; Shannon Buchda; Heather Brady; Emily Diedrick; Jordan Harper; Danielle Dullinger; Josie Belde; Samantha Gilbertson; Nikki Hines; Kay Cady; Kent Harbison.

Chairman Merkins called the meeting to order at 9 a.m.

Mr. Larson, Mr. Ward, Ms. Bower and Ms. Vavreck provided detailed review of the 2016 State Fair's sales division income of \$14.1 million from commercial exhibits, food and beverage concessions, Midway, Kidway, ticketed attractions, sponsorships and touring promotional exhibits. The report will be reviewed by committee members and considered for approval at the next meeting of the sales committee in January 2017.

The sales committee adjourned at 9:34 a.m. on a motion by Mr. Fox, seconded by Mr. Oleheiser and carried (Aye-8; Nay-0).

MEETING OF THE PLANNING COMMITTEE

Members present: Ron Oleheiser, chairman; Joe Fox; D.J. Leary; Danny Grunhovi; Gail Johnson; Paul Merkins; Joe Scapanski; Gordy Toenges; Wally Wichmann; Sharon Wessel, ex officio; Jerry Hammer, ex officio; Brian Hudalla, ex officio; Mark Goodrich, ex officio; Sean Casey, ex officio.

Also present: Renee Alexander; Brian Hudalla; Mark Goodrich; Marshall Jacobson; Cheryl Huber; Debbie Edman; Theresa Weinfurter; Gail Anderson; Sean Casey; Brienna Schuette; Michelle Butler; Wally LeVesseur; Steve Grans; Lara Hughes; Pam Mix; Grace Woodis; Carol Doyle; Virginia Mold; Matt Steffenhagen; Shannon Buchda; Heather Brady; Emily Diedrick; Jordan Harper; Danielle Dullinger; Josie Belde; Samantha Gilbertson; Nikki Hines; Kay Cady; Kent Harbison.

Chairman Oleheiser called the meeting to order at 9:34 a.m.

Mr. Hudalla presented a proposed standard maintenance projects totaling \$1.4 million, along with capital items totaling \$74,000 for fiscal 2017. The projects were approved on a motion by Mr. Leary, seconded by Mr. Merkins and carried (Aye-8; Nay-0); the projects will be included in the comprehensive 2017 capital and maintenance budgets to be considered at the Society's January meetings.

The meeting adjourned at 9:45 a.m. on a motion by Mr. Toenges, seconded by Mr. Fox and carried (Aye-8; Nay-0).

MEETING OF THE GOVERNING BOARD

Members present: Sharon Wessel, president; Joe Fox, vice president; D.J. Leary, vice president; Danny Grunhovi; Gail Johnson; Paul Merkins; Ron Oleheiser; Joe Scapanski; Gordy Toenges; Wally Wichmann; Jerry Hammer, secretary.

Also present: Renee Alexander; Brian Hudalla; Mark Goodrich; Marshall Jacobson; Cheryl Huber; Dennis Larson; Theresa Weinfurter; Pam Simon; Gail Anderson; Sean Casey; Brienna Schuette; Michelle Butler; Wally LeVesseur; Debbie Edman; Steve Grans; Lara Hughes; Pam Mix; Grace Woodis; Carol Doyle; Virginia Mold; Matt Steffenhagen; Shannon Buchda; Heather Brady; Emily Diedrick; Jordan Harper; Danielle Dullinger; Josie Belde; Samantha Gilbertson; Nikki Hines; Kay Cady; Lynn Varco; Jennine Duda; Kent Harbison.

President Wessel called the meeting to order at 9:45 a.m.

Minutes of the board meeting conducted Sept. 4, 2016, were approved on a motion by Mr. Oleheiser, seconded by Mr. Fox and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period Aug. 25 through Nov. 10, 2016, were approved on a motion by Ms. Johnson, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

Action taken earlier by the Planning Committee was approved on a motion by Mr. Oleheiser, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

Mr. Jacobson presented the October financial statement as follows:

MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY

Month Ending October 31, 2016

OPERATING ACCOUNT ACTIVITY:

Cash balance-Sept. 30, 2016		\$10,937,053
Add: cash deposits	\$5,702,562	
Less: payroll ending Oct. 7	(278,401)	
payroll ending Oct. 21	(277,903)	
cash disbursements	(5,068,072)	
		78,186
Cash balance-Oct. 31, 2016		\$11,015,239

BUILDING FUND ACTIVITY:

Balance-Sept. 30, 2016		\$450
Add: interest earned		
securities purchased		
Less: securities redeemed		
Balance-Oct. 31, 2016		\$450

CONSTRUCTION ACCOUNT:

Balance-Sept. 30, 2016		\$-
Add: note proceeds		
interest		
Less: disbursements		
Balance-Oct. 31, 2016		\$-

CASH BALANCES FOR MONTH ENDING OCTOBER 31:

	2015	2016
Operating account	\$ 8,980,162	\$ 11,015,239
Petty cash	6,100	6,100
Building fund	450	450
Total cash balances	\$8,986,712	\$11,021,789

After review, the statement was approved on a motion by Mr. Scapanski, seconded by Mr. Leary and carried (Aye-9; Nay-0).

Mr. Jacobson presented for a review a report of fair-period payroll for 80 departments totaling \$2.6 million. After discussion, the report was approved on a motion by Mr. Fox, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

Mr. Goodrich reported on the 2016 State Fair's competitive events for agriculture, horticulture, education and creative arts, and public participation of more than 16,000 exhibitors who displayed nearly 36,000 animals, creative and fine artworks and education projects. Information only; no action taken.

Ms. Alexander reviewed the 2016 programs for Grandstand and free entertainment, marketing, promotions and guest services. Information only; no action taken.

Ms. Butler reported on the 2016 fair's educational programs in agriculture, arts, sciences and early learning. Information only; no action taken.

Ms. Diedrick and Mr. Ward reported on the schedule of 150 non-fair events hosted at the State Fairgrounds in 2016, and presented a detailed account of revenue earned from the public activities. Information only; no action taken.

A license for the sale of beer during the Beer Dabbler event Feb. 4, 2017, was approved on a motion by Mr. Leary, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

Mr. Hammer reported on a recommendation of the Honors Committee to induct Giant Slide creator, owner and operator Fred Pittroff into the State Fair Hall of Fame at the Society's upcoming annual meeting. The recommendation

was approved on a motion by Mr. Leary, seconded by Mr. Grunhoyd and carried (Aye-9; Nay-0).

A review of State Fair Foundation grants to the State Fair during the past decade totaling nearly \$10 million was provided by Ms. Cady, Ms. Wessel and Mr. Hammer. Information only; no action taken.

Ms. Cady, President Wessel and Mr. Hammer reviewed State Fair Foundation activities during the past decade, including nearly \$10 million in grants for fairgrounds improvements and educational program support in agriculture and the arts. Information only; no action taken.

Ms. Huber provided an update on the upcoming joint conventions of the Society, the Minnesota Federation of County Fairs and the Midwest Showmen's Association.

The meeting moved into executive session at 11:03 a.m. on a motion by Mr. Fox, seconded by Mr. Toenges and carried (Aye-9; Nay-0). The meeting was reopened at 11:46 a.m. and adjourned on a motion by Mr. Fox, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

NOV. 10, 2016 through Jan. 12, 2017

November

10 - Hammer and board members Wessel, Merkins and Oleheiser participated in a meeting of the State Fair Foundation's nominating committee.

14 - State Fair staff attended a Brunch & Learn program featuring Nick Meinema of Nashville's United Talent Agency.

16 - Mitch Davis, the general manager of Davis Family Holdings and Davis Family Dairy and chairman of the State Fair Foundation, offered a Lunch & Learn presentation to State Fair staff. The State Fair's staff Safety Committee met in Admin's lower conference room.

18 - Noonan attended a meeting of Visit Saint Paul. Butler and Schuldt met with representatives of the University of Minnesota regarding fall field trips to Little Farm Hands.

27-30 - A delegation of staff and board members attended the International Association of Fairs & Expositions annual convention in Las Vegas, Nev.

28 - Noonan gave presentations on State Fair marketing to Mounds View High School marketing classes.

29 - Bower, Diedrick, Dullinger, Franzmeier and Noonan attended a Visit Saint Paul networking event.

December

3-4 - Horse Crazy Holiday Market was presented in the Warner Coliseum.

6 - Hammer participated in a meeting of the State Fair Foundation's development committee at the Libby Conference Center. Cady and Schuette met with representatives of Twin Cities PBS (TPT) about production of a State Fair documentary. Several staff members attended the Principles of Supervision program at Century College.

7 - Sinclair met with Joe Chesin to discuss Café Caribe concession operations.

8 - Diedrick, Dullinger, Noonan and Ward attended the St. Paul Area Chamber of Commerce Holiday Open House. The State Fair Artisan Extravaganza was held at the History & Heritage Center.

9 - Sinclair, Alexander, Hudalla and Leach met with representatives of the St. Anthony Park Community Solar and Cooperative Energy Futures to discuss a potential solar energy partnership.

9-11 - The Legacy State Gymnastics Meet was held at the Warner Coliseum.

12 - Schuette gave a presentation on State Fair marketing to Prior Lake High School students.

13 - The State Fair staff Christmas party was held at the History & Heritage Center. Koenen, Schuette, Butler and Goodrich attended a meeting on emerging zoonotic health issues presented by the Minnesota Department of Health.

14 - Noonan attended a meeting of the Roseville Visitors Association board of directors. Edman, Mix and Woodis attended a meeting of the St. Paul Human Resources Association.

15 - Anderson, Schadeck and Wadsworth met with Minnesota Horse Expo representatives to discuss ticket sales at their '17 event.

17-18 - The GameDay Crossfit Competition was held at the Warner Coliseum.

19 - Sinclair and Simon met with representatives of the Minnesota Vikings to discuss their participation at the fair. Schuette met with representatives of Minnesota Public Radio regarding advertising for the '17 fair.

21 - Hammer, Alexander, Sinclair, Larson and Simon met with Gary Cunningham and Joanna Barrett of the Metropolitan Development Association to discuss joint ventures.

22 - Sinclair, Alexander, Simon and Schuette met with representatives of Evine cable, satellite and broadcasting television network to discuss a home shopping broadcast from the fair.

January

3 - Larson attended a board meeting of the Minnesota Restaurant Association. Cady and Schuette met with representatives of TPT for continued discussion on production of a State Fair documentary.

6 - Huber, Edman and Belde met with staff of the DoubleTree Bloomington hotel to discuss the Society's upcoming annual meeting.

7 - The North Star Roller Girls held a bout at the Warner Coliseum.

9 - Hammer participated in a meeting of State Fair Foundation audit committee.

10 - Alexander, Sinclair, Simon and Noonan met with representatives of KSTP-TV to discuss their broadcast activities at the State Fair.

11 - Alexander and Schuette met with representatives of the MSF Marketing Coalition to plan 2017's marketing campaign. Edman, Mix and Woodis attended a meeting of the St. Paul Human Resources Association.

GENERAL BUSINESS SESSION OF THE SOCIETY

8:30 a.m. Sunday, Jan. 15, 2017

Delegates, staff and friends of the Minnesota State Agricultural Society met for breakfast and convened in general session at 8:30 a.m. President Wessel opened the meeting and asked State Fair CEO Jerry Hammer for his report. Mr. Hammer's report was accepted by the membership.

Fred Pittroff, the creator, owner and operator of the Giant Slide, was inducted into the State Fair Hall of Fame.

President Wessel called for a report of the credentials committee by Chuck Schwartau of Goodhue. The committee report was presented as follows and adopted as read:

MN Milking Shorthorn & MN Horse Breeders – Did not file with the secretary of state by Dec. 20, 2016 deadline.

Chippewa, Renville, Rice and Wabasha Counties did not fill out the credential form as stated on the form and therefore they are not entitled to vote.

Members of the Credential Committee passed a resolution that all credential forms must be completed as stated on the form to be entitled to vote.

President Wessel called for a report of the resolutions committee. Committee member Debra Durheim of Todd presented the following resolutions for consideration by the Society:

1. Resolved, that the Minnesota State Agricultural Society extends its sincere thanks to the 1,943,719 people who made the 2016 State Fair a record-breaking success through their attendance and participation, and to the additional 1 million people who attended events at the State Fairgrounds throughout the year.

2. Resolved, that the Society pledges its best efforts to advance the State Fair's mission of educating and engaging people by presenting a world-class showcase of agriculture, entertainment and the innovative exchange of knowledge and ideas; providing outstanding customer service in a safe, clean,

carefully maintained environment that is accessible to all; and providing exceptional value while remaining financially independent through fiscally sound management.

3. Resolved, that the Society expresses its gratitude to all those whose dedicated work was key to the success of the fair, including State Fair staff, board of managers, volunteers, exhibitors, concessionaires, entertainers, sponsors, media, contractors, advertisers, youth, school groups, and members of 4-H and FFA. We also gratefully acknowledge the support of our neighbors in the communities surrounding the fairgrounds.

4. Resolved, that the Society thanks the board, staff, donors and volunteers of the Minnesota State Fair Foundation, who generously support, through their giving of time and financial contributions, essential efforts to preserve and improve State Fair buildings, grounds and educational programs.

5. Resolved, that the Society acknowledges that the ongoing success of the State Fair is achieved through affiliations with the International Association of Fairs and Expositions, Minnesota Federation of County Fairs, Outdoor Amusement Business Association, National Independent Concessionaires Association, Midwest Showmen's Association, and other organizations dedicated to improving the fair and events industries.

6. Resolved, that the Society recognizes with great regret the loss of Society members and State Fair friends who passed away this past year: Odell Barduson, FFA superintendent from 1969 to 1985; Jerry Benson, former head electrician for many years with Kehne Electric at the Minnesota State Fair; Bruce Chesin, owner of the Chicago Dogs concession since 1999; Calvin Coleman Sr., longtime operations employee; Bob Faust, State Fair admissions employee and Gate 7 captain for 14 years; Evelyn Hagen, former Creative Activities superintendent and an honorary life member in the Minnesota State Agricultural Society; Phil Hurst, former manager of the Clay County Fair in Iowa and friend of the Minnesota State Fair; Bill Jents, longtime construction and maintenance superintendent who retired in 1981; Glenn Johnson, former head electrician with Kehne Electric at the Minnesota State Fair; Dayle Maloney, longtime concessionaire with Morinda-Dayle K. Maloney & Associates; Dorothy Morris, wife of the late Howard Morris, representative of the sixth district on the State Fair board of managers from 1981 to 1994, board president from 1995 to 1996, and honorary life member in the Minnesota State Agricultural Society; Arlen Restad, fair-time employee in Creative Activities for many years; Harvey Rosen, a longtime concessionaire with International Culinary Consultants; Jag Sodhi, longtime concessionaire with India Imports; William H. "Doc" Sweeney, DVM, who became the official State Fair veterinarian in 1968 and continued until his retirement in 2005; Steve Tuman, longtime dairy cattle exhibitor from Watkins, Minnesota; and Bob Williams, 35-year employee of the Wisconsin Department of Agriculture, Trade and Consumer Protection and friend of the Minnesota State Fair.

7. Whereas, the Great Minnesota Get-Together is a world-renowned event of massive social and economic impact, providing millions of Minnesotans with a unique forum for education, recreation and employment, and

Whereas, Minnesota's economic health relies significantly on the ongoing success of the State Fair and all facets of Minnesota's tourism industry,

Now therefore be it resolved, that the thousands of members of the Minnesota State Agricultural Society strongly urge continued support for current state law requiring Minnesota's schools to open no earlier than Labor Day, allowing children, families and workers from throughout Minnesota to fully participate in and benefit from the Minnesota State Fair.

8. Be it further resolved, the Society extends its gratitude to those who contributed to the success of its 158th annual meeting.

Society Life Member Al Paulson of Shevlin presented the Life Member Committee's nomination of long-time FFA Children's Barnyard and Miracle of Birth Superintendent Jim Ertl for Honorary Life Membership in the Society; Mr. Ertl was elected by acclamation.

President Wessel turned the chair over to Vice President Fox to conduct the election of Society president for a term of one year. President Wessel of Corcoran was reelected and reassumed the chair.

President Wessel then proceeded to conduct elections as follows: Joe Fox of Maplewood was re-elected to a two-year term as fourth district vice president; Gordy Toenges of Alden was re-elected to a three-year term as first district representative; Gail Johnson of Anoka was re-elected to a three-year term as third district representative; and Joe Scapanski of Sauk Rapids was re-elected to a three-year term as sixth district representative.

With no further business to be brought before the Society, President Wessel declared the meeting adjourned at 10:05 a.m.

MINNESOTA STATE FAIR

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