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1986 ANNUAL REPORT

**Minnesota State Agricultural Society
Minnesota State Fairgrounds
Como Station, Minnesota 55108**

(612) 642-2200

INTRODUCTION

The Minnesota State Agricultural Society is charged with the conduct of an annual State Fair as well as control and management of the State Fairgrounds. As required by statute, a preliminary report on fiscal 1986 was submitted to the governor December 31. Following the society's annual meeting and the examination of its books and accounts by the legislative auditor, the following complete annual report was printed and distributed.

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MINNESOTA STATE FAIR

Honorable Rudy Perpich
Governor, State of Minnesota

Dear Governor Perpich:

In accordance with statute, I am submitting herewith a written report on the business and financial affairs of the Minnesota State Agricultural Society for the year ending October 31, 1986.

Fair business is not unlike any other enterprise, whether private or public, in that it seeks to be successful.

Success, however, is an intangible attribute, more often fixed by opinion than by hard fact. Exposition managers have a propensity to first count smiling faces and listen for laughter before they check the box office to see if receipts cover production costs.

It is indeed fortunate when an exposition manager can wear both hats comfortably and say with impunity, "last year was great; we had a successful year...we pleased our audience and we paid our bills."

And that is exactly the message we send at the end of 1986...the single most successful operating schedule in the 131-year history of the Minnesota State Fair.

Attendance, nominally considered the touchstone of exposition success, reached record levels in numerous categories...more adults, more seniors, more people overall...five new daily standards, a single-day high of 209,000 and a first-time total in excess of 1.5 million.

Attendance figures and statistics are really quite boring and say very little about the flavor and texture of any given fair. The pride we take in reviewing our 1986 edition is centered on the fact that this year more citizens participated and became involved in the fair than ever before...involved as exhibitors, competitors, entrepreneurs, employees, volunteers...

Let's pause and take a quick look at the impact of exposition employment. Over 2,300 individuals are directly employed by the fair each fall for a period of 12 to 15 days; payroll \$950,000 or \$79,000 per day. Exhibitors and concessionaires hire another 2,200 persons to work in booths. This so-called "casual" labor, when added to the summer-period and regular, salaried staff of the fair, is the equivalent of 400 full-time jobs.

The fair's short-term financial diagnosis is for stability and good health. Net proceeds from the 1986 operation were \$641,000, 7.1 percent of gross revenue. This percentage, down slightly from last year's 7.9 percent, is reasonably consistent with mid-term goals and has been effected without any substantive rise in gate fees.

Concerns regarding the prognosis for Society financial stability in the long-term are growing as the fairgrounds physical plant becomes older and replacement of major facilities becomes imminent. The fair does not have the capital resources necessary to fund facility replacement and soon must find new sources for such funding.

Over the past three years, the Society's board and management staff have been searching for an appropriate way in which to signal concern for the Minnesota farm economy and to assist in some small way the rural families impacted by bad markets and devalued real estate. A very small agency, the fair obviously is in no position to undertake major projects, moreover, its statutory mandate requires that all its funds be used for fair-related projects and that they not be expended on other programs no matter how worthwhile they might be.

Rural Minnesota families are a significant part of State Fair exhibit competition and are highly involved in our youth development programs, such as 4-H and Future Farmers. We also know that the expense of exhibiting livestock and farm products at the fair is rising as are the costs of sending young participants to the city.

It has been determined, therefore, that a major increase in the prize money offered to State Fair competitors would prove the appropriate and very best way that the exposition could demonstrate its concern for rural Minnesota. Next year's State Fair budget for cash prizes has been increased ten percent across the board which means that an additional \$50,000 will be available for competition.

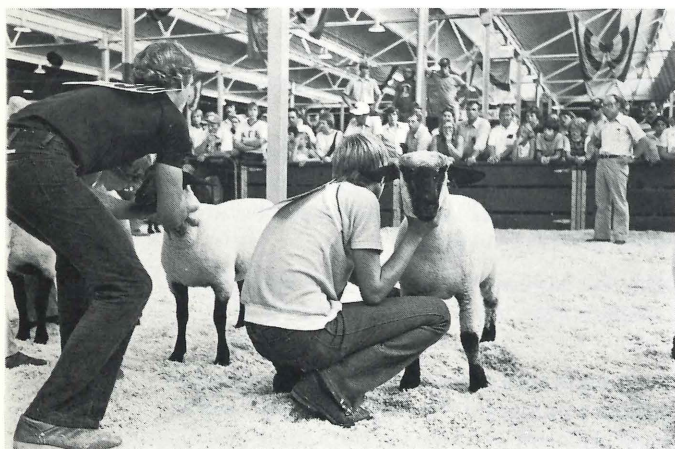
It is appropriate at this time that we acknowledge with deep gratitude the long, dedicated service of Mr. J.G. "Gib" Tiffany. Gib, who came to the board from Redwood Falls some 15 years ago, has proven a reliable and thoughtful decision-maker, always concerned for the public good and for providing the very best to our fairgoers. It is with regret that we see his term on the board end, especially his two-year presidency which was filled with success and progress. The tradition of excellence at this exposition, which Mr. Tiffany helped foster and perpetuate, will continue in his name.

Respectfully submitted,



Mike Heffron
General Manager

1986 STATE FAIR



A total of 1,565,349 people visited the 1986 Minnesota State Fair, making it the best-attended event in the 131-year history of the exposition. The '86 record crowd marked the third consecutive year in which the State Fair set a new overall attendance standard. (In '85, 1,496,014 attended the fair; '84's attendance reached 1,446,450.)

Five daily attendance records were set in '86, including the single largest day in the history of the fair. On August 30, the fair's second Saturday, 209,435 people passed through the gates, surpassing the previous largest-day mark of 201,495 set on the fair's second Sunday in 1968. Other daily attendance records set in '86 were first Thursday, 82,463 (previous record was 77,118 set in 1984); first Monday, 131,657 (119,609 set in 1968); second Thursday, 136,480 (130,184 set in 1984); and second Friday, 130,132 (126,958 set in 1985).

For the most part, weather was ideal. Rain fell on only two of the fair's 12 days and total precipitation was measured at less than one-half inch, well below the norm of 1.25 inches for late August.

Outside gate admission for adults 16 and over was \$3.50. Advance sale adult admission tickets, available for \$3, were sold prior to the fair through Holiday Station Stores statewide and at the State Fair ticket office on the fairgrounds. Admission for youths 5-15 was \$1.50; children under 5 were admitted free. Both Thursdays of the

1986 Great Minnesota Get-Together

DATE	DESIGNATION	WEATHER (TEMP., CONDITIONS)	ATTENDANCE
Thursday, Aug. 21	Senior Citizen and Fifty Year Award Day	71-54, mostly sunny	82,463
Friday, Aug. 22	Arts and Health and Disability Awareness Day	76-52, showers	77,509
Saturday, Aug. 23	Draft Horse and FFA Day	73-58, mostly sunny	184,216
Sunday, Aug. 24	Rides and Attractions Day	67-57, showers	144,624
Monday, Aug. 25	Youth and Education Day	85-53, sunny	131,657*
Tuesday, Aug. 26	Agriculture Appreciation and English Horse Day	71-62, partly sunny	88,688
Wednesday, Aug. 27	Horse Pull and Dairy Cattle Day	63-52, partly sunny	103,381
Thursday, Aug. 28	Senior Citizens and Rodeo Day	69-44, mostly sunny	136,480*
Friday, Aug. 29	DNR Forestry and Western Horse Day	70-46, mostly sunny	130,132*
Saturday, Aug. 30	Milk Run and International Twins Day	76-47, mostly sunny	209,435**
Sunday, Aug. 31	Arm Wrestling and 4-H Day	83-57, mostly sunny	177,944
Monday, Sept. 1	Coca-Cola 300 Stock Car Race Day	83-63, mostly sunny	98,820
			1,565,349

*Daily attendance record

**Single largest day In Minnesota State Fair history

fair were Senior Citizens Days when persons 65 and over were admitted free. On Youth Day, Aug. 25, persons under 18 were given free admission.

Parking in all State Fair lots on the fairgrounds and south of Como Avenue was free. On Saturdays and Sundays, satellite parking with bus service to the fairgrounds was available at Sperry Corporation's Industrial Boulevard plant, Alexander Ramsey High School in Roseville, and at Rosedale, Har Mar Mall and Bandana Square shopping centers.

The 1986 State Fair's entertainment schedule was the most ambitious ever presented at the exposition. An extremely diverse Grandstand lineup and an overwhelming free entertainment package offered fair visitors a vast menu of attractions from which to choose.

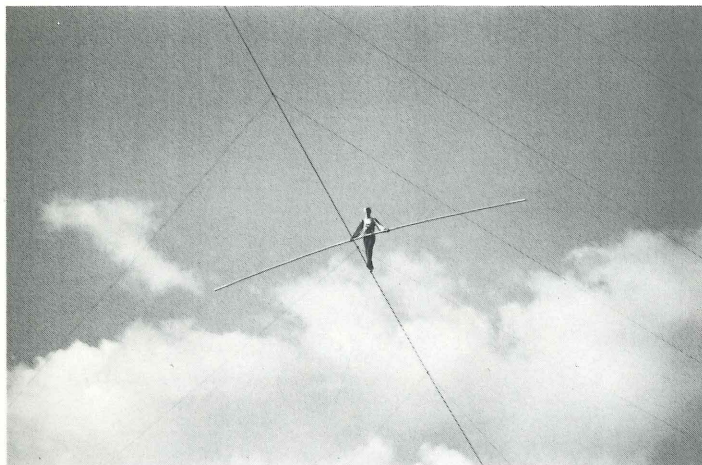
Total attendance for all Grandstand events reached 168,758, and the average crowd at each of the Grandstand's 15 concerts was 10,584. Based on total stage show attendance, the State Fair Grandstand is the top major concert facility in the state.

A highlight of the '86 Grandstand schedule was the single largest day in Grandstand concert history. On Youth Day, Aug. 25, a combined total of 37,083 concert-goers attended a matinee show featuring the Jets with Limited Warranty and an evening presentation by the Beach Boys. The new total exceeded the previous single-day mark of 34,889 set by Kenny Rogers and Dottie West at two shows in 1979.

On Labor Day, 32 of the American Speed Association's top stock car drivers raced in the Coca-Cola 300 at the Grandstand Speedway. Mike Eddy of Midland, Mich., held off Dick Trickle at the finish to win the race by less than a second. Trickle, of Wisconsin Rapids, Wisc., is the State Fair's all-time leading auto race money winner.

The complete schedule of Grandstand events and attendance totals follows.





1986 GRANDSTAND ATTENDANCE

Aug. 21	Willie Nelson & Family	5,413
Aug. 22	Willie Nelson & Family	8,024
Aug. 23	John Denver (matinee)	9,475
Aug. 23	Nu Shooz and The Fat Boys	6,570
Aug. 24	The Oak Ridge Boys	
	and The Nitty Gritty Dirt Band (matinee)	9,953
Aug. 24	Anne Murray	8,712
Aug. 25	The Jets with Limited Warranty (matinee)	16,215
Aug. 25	The Beach Boys	20,868
Aug. 26	The Manhattan Transfer	7,023
Aug. 27	Kenny Loggins with Mark McCollum	8,760
Aug. 28	Doug Henning's Magic Show	5,374
Aug. 29	Alabama with The Bellamy Brothers	16,201
Aug. 30	A Prairie Home Companion with Garrison Keillor	10,960
Aug. 30	Alabama with The Bellamy Brothers	20,900
Aug. 31	The Bangles with E*I*E*I*O*	4,313
Sept. 1	Coca-Cola 300 ASA stock car race	9,997
Total—		168,758



The '86 fair's expansive lineup of free shows was headed by daredevil aerialist Jay Cochrane, who was booked to walk a wire from the top of the 4-H Building to the top of the 340-foot Space Tower every day of the fair. Although breezy weather conditions limited Cochrane to just five of his scheduled 12 walks, his death-defying performances remain a highlight of the '86 State Fair.

Nearly 700 other free performances were given at a variety of locations during the fair. At the Schmidt Bandshell, acts included Doug Kershaw, Asleep At The Wheel, the Jack D'Johns, the Challengers, Boxcar Willie, Southern Pacific, Williams & Ree, the Johnsons and Ray Komischke's State Fair Orchestra. The Miller High Life Stage lineup featured the Rockin' Hollywoods, Steve Hall & Southbound 76, Steve Millar, Mary Jane Alm, the Whitesidewalls and the Back Behind The Barn Boys. Performing at the Coors Light Stage were Pinkard & Bowden, the Memories, Frederick & Laven, the Duffy Brothers, the Vega Brothers and the Gairrett Brothers Band.

Pepsi's Heritage Square Stage featured the Nielsen-White Band, the South Coast Trio, the Elmer Scheid Band, Riders In The Sky, the

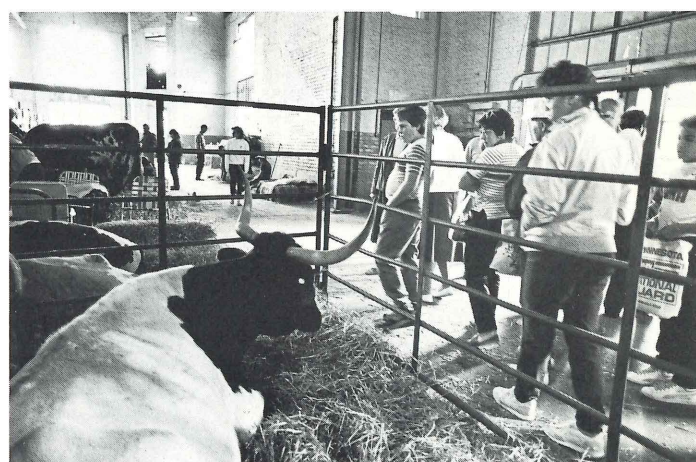
Chmielewski Fun Time Show and the American Brass Revue. At the Children's Theater, performers included Willie Wonka, Gershwyn, David Cohan and the Tony & David Phillips Magic, Comedy & Juggling Show.

Pepsi's U.S. High Diving Team gave four breathtaking performances daily from an 80-foot diving tower and the KS95 Hot Air Balloon Race provided a colorful crowd-stopper on August 28. Mall parades every day except Labor Day delighted fair visitors with marching bands, floats, animals, clowns and novelties.

Over 13,000 people participated in the '86 State Fair's competitive events, entering nearly 35,000 animals, agricultural and horticultural products, baked goods, handicrafts, art works and school projects in various State Fair contests. Winning entrants shared a record \$400,424 in cash prizes, plus ribbons and trophies. Included in the fair's 20 competitive departments were contests for open class and junior livestock, creative activities, fine arts, farm crops, fruits, vegetables, dairy products, Christmas trees, flowers, education, amateur entertainers and runners.

Special displays of Texas Longhorn cattle and Romanov sheep highlighted the '86 fair's livestock exhibitions. In creative activities competition, pie-baking was re-introduced after an absence of three decades. The education department featured a wider range of competitive areas for students in kindergarten through high school. Other competitive events included the second annual Milk Run, a five-mile foot race through the fairgrounds and neighboring areas, and the 14th annual State Fair Amateur Talent Contest.

The '86 fair's 1,200 commercial exhibitors provided a huge conglomeration of goods and services for fair visitors. Concessionaires and exhibitors offered traditional and exotic foods, clothing, home furnishings, imports, computer software, crafts and amusements. Also on hand were Twin Cities media, farm implement dealers and manufacturers, service and political organizations, educational institutions and government agencies.





Income from the rental of commercial exhibit space accounted for one-fourth of the State Fair's operating income for the year. Total space rental revenue reached a record \$2,208,799 in '86, surpassing '85's previous high total of \$1,969,911.

During the past several years, the exposition has experienced steady growth in terms of the 12-day fair. Meanwhile, the State Fair's program of off-season special events has also grown considerably. In 1986, 945,000 people participated in public off-season events at the fairgrounds. This total represents an increase of over 200,000 people from 1985 and is up nearly 350,000 from the average off-season attendance in the late '70s and early '80s.

Nearly nine percent of the exposition's 1986 gross operating revenue was generated through off-season facility rentals, underscoring the importance of special events to the fair's continued financial stability.

The flexibility of State Fair exhibit buildings, ample parking on the fairgrounds and convenient access to the exhibition site have made the State Fair one of the region's premier special events facilities. Among 150 off-season events held at the State Fairgrounds in 1986 were clothing and furniture sales, horse and livestock exhibitions, craft shows, auto displays, meetings, Fourth of July fireworks, training sessions and sporting events.

BOARD OF MANAGERS

The State Fair is a financially self-sufficient agency of the state, governed by the Minnesota State Agricultural Society. The society is charged exclusively with the operation of the exposition and maintenance of the fairgrounds, and is made up of delegates from Minnesota's county fairs and various agri-business groups.

Formal society business is conducted during an annual meeting each January and includes elections to fill alternating positions on the 10-member State Fair board of managers. The board is made up of one representative from each of the society's nine regional districts, plus a president. Policy for the administration of the State Fair is set by the board. Board members also coordinate activities of various State Fair departments with the board as a whole and serve on committees dealing with specific areas of operation.

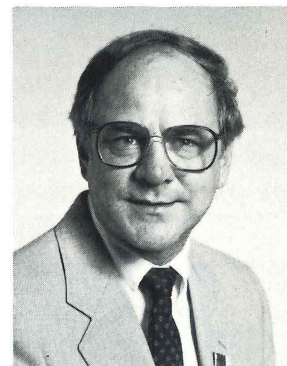
Members of the 1986 State Fair board of managers are pictured at right and below.



J.G. Tiffany, Redwood Falls
President



Bert Lund, St. Paul
4th District Vice President



Richard Keenan, Minneapolis
5th District Vice President



William Korff, Faribault
1st District Manager



Martin Annexstad, St. Peter
2nd District Manager



Eileen Roehlke, Rogers
3rd District Manager



Howard Morris, Cokato
6th District Manager



Vern Prokosch, Bird Island
7th District Manager



Sulo Ojakangas, Hibbing
8th District Manager



Willis Lilliquist, Kennedy
9th District Manager

STAFF

The chief operating officer of the State Fair is Mike Heffron, secretary and general manager of the exposition. Heffron is responsible for the day-to-day business of the State Fair, implementing board of managers policy through a full-time staff of 39 people. The year-around staff handles duties such as building, grounds and vehicle maintenance along with security services and off-season events. Administrative functions include accounting, amusements, competitive events, promotion and exhibit space rental.

By fair-time, the fair staff grows to over 2,300 people. State Fair superintendents provide direction for a variety of fair-time functions handled largely by part-time staff. These functions include parking, admissions, information services, sanitation and public safety services. Superintendents also direct the activities of each of the exposition's competitive departments.

Full-time staff members as of Oct. 31, 1986, are pictured at right.

1986 Fair-time Department Superintendents

Admissions	<i>Lyle Anderson, Roseville</i>
Bee Culture	<i>Dan Hollerbach, White Bear Lake</i>
Care & Assistance	<i>Wallace Wolff, Duluth</i>
Cattle	<i>Ray Arthaud, White Bear Lake</i>
Christmas Trees	<i>Greg Ustruck, Vadnais Heights</i>
Creative Activities	<i>Evelyn Hagen, Minneapolis</i>
Dairy Products	<i>Cliff Markuson, Hillman</i>
Education	<i>Bob Anderson, Fridley</i>
Farm Crops	<i>Duane Smith, Minneapolis</i>
Fine Arts	<i>Bob Lesch, Minneapolis</i>
Fire Marshall	<i>Frank Junghans, St. Paul</i>
Flowers	<i>Martha Carnes, West St. Paul</i>
Forage	<i>Dan Elmer, Minneapolis</i>
4-H	<i>Juanita Reed, St. Paul</i>
Fruits	<i>Louis Quast, St. Louis Park</i>
FFA	<i>Paul Day, Northfield</i>
Goats	<i>Jim Sheldon, Marine on St. Croix</i>
Grandstand Production	<i>Neil Larson, Blue Earth</i>
Horses	<i>Harold Arneman, St. Paul</i>
Machinery Exhibits	<i>M.C. Hardy, Apple Valley</i>
Meats	<i>Ed Butler, Hollandale</i>
Midway Ticket Takers	<i>Marty Rossini, Stillwater</i>
Parking	<i>Ron Vannelli, St. Paul</i>
Poultry	<i>Harold Thomforde, Crookston</i>
Public Safety	<i>Art Blakey, St. Paul</i>
Sanitation	<i>Scot Ribar, Eagan</i>
Senior Citizens	<i>Marge Krueger, St. Paul</i>
Sheep	<i>Robert Jordan, Stillwater</i>
Swine	<i>Jerry Hawton, New Brighton</i>
Ticket Audit	<i>Dick Reinhardt, Owatonna</i>
Vegetables	<i>Orrin Turnquist, Farmington</i>
Youth Camp	<i>Darrell Vanyo, West Fargo, N.D.</i>



(Left to right) Dave Steinhoff, Myron Clasemann, John Hayne, Jim Andert, Art Johnson and Dave Juettner, plant services assistants.



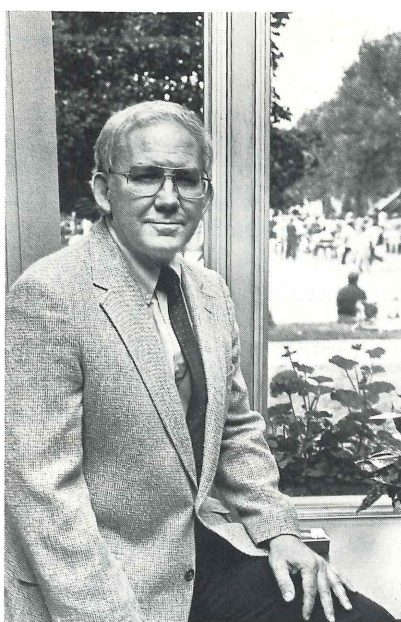
(Left to right) Ken Giannini, customer services superintendent; Jim Frost, assistant manager/public affairs; Karen Leach, free entertainment superintendent; Jerry Hammer, communications supervisor; and Steve Pooch, competitive exhibits supervisor.



(Left to right) Bill Perl, Mary Glaus, Jerry Hedlund, Marty Weber, George Trussell and Greg Glaus, plant services assistants.



(Left to right) Mark Lindahl, Ken Shoop and Bernie Young, plant services assistants.



Mike Heffron, secretary-general manager.



(Left to right) Bruce Gravelle, finance assistant; Mary Pittelko, receipts management superintendent; and Mike Kirch, finance assistant.

Not pictured: Ron Jeske, plant services assistant; and Gene Nardini, Coliseum superintendent.



(Left to right) Kim Anderson and Jane Young, reception; Mary Goiffon, staff services superintendent; and Ken Wenzel, assistant manager/operations.



(Left to right) Bill Hermes, greenhouse superintendent; Rick Wimmer and Carrol Nienhaus, greenhouse assistants.



(Left to right) Joe Fischler, plant management supervisor; Barb Wentz, special events superintendent; Gloria Kensler, rental services assistant; Bob Armstrong, purchasing superintendent; Jim Sinclair, rental services supervisor; and Phil Fisher, plant services superintendent.



STATE OF MINNESOTA

OFFICE OF THE LEGISLATIVE AUDITOR

VETERANS SERVICE BUILDING, ST. PAUL, MN 55155 • 612/296-4708

JAMES R. NOBLES, LEGISLATIVE AUDITOR

Mr. J.G. Tiffany, President
Board of Managers
State Agricultural Society

and

Mr. Michael D. Heffron
Secretary-General Manager
State Agricultural Society

We have examined the balance sheets of the State Agricultural Society as of October 31, 1986 and 1985, and the related statements of revenues, expenses, and changes in retained earnings, and changes in financial position for the years then ended as presented on pages 11 to 14. Our examinations were made in accordance with generally accepted auditing standards, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of the State Agricultural Society as of October 31, 1986 and 1985, and the results of its operation and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Our examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental financial information included on pages 15 to 18 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "James R. Nobles".

James R. Nobles
Legislative Auditor

A handwritten signature in black ink, appearing to read "John Asmussen".

John Asmussen, CPA
Deputy Legislative Auditor

January 7, 1987

BALANCE SHEET

For the years ended October 31

1986

1985

ASSETS

Current assets:

Cash and securities (see cash report)	\$ 2,159,309	\$ 1,981,880
Accounts receivable (Note 2)	111,022	153,905
Pre-paid postage	3,694	2,552
Accrued interest receivable	2,435	5,813
Pre-paid insurance	60,470	39,772
Pre-paid expenses	4,318	3,517
Total current assets	\$ 2,341,248	\$ 2,187,439

Fixed assets:

Land, structures, utilities & equipment (Note 3)	10,268,471	9,803,491
Total assets	<u>\$12,609,719</u>	<u>\$11,990,930</u>

LIABILITIES & EQUITY

Current liabilities:

Accounts payable	\$ 154,083	\$ 151,950
Accrued salaries	26,441	19,860
Accrued interest payable	9,629	10,848
Compensated absences (Note 4)	132,962	112,239
Deferred income (Note 6)	148,787	127,829
Current portion of long-term liabilities (Note 7)	108,827	98,112
Refunds payable	-0-	18,114
Total current liabilities	\$ 580,729	\$ 538,952

Long-term liabilities:

Note, contract and lease payable (less current portion) (Note 7)	1,016,478	1,080,855
Total liabilities	\$ 1,597,207	\$ 1,619,807
State Agricultural Society retained earnings	11,012,512	10,371,123
Total liabilities & equity	<u>\$12,609,719</u>	<u>\$11,990,930</u>

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

INCOME AND EXPENSES

For the years ended October 31	1986	1985
Income:		
Ticket sales	\$5,276,953	\$4,810,327
Departmental	2,378,984	2,175,779
Other	1,321,083	1,094,813
Total income	<u>\$8,977,020</u>	<u>\$8,080,919</u>
Expenses:		
Administrative	1,101,668	986,143
Departmental	4,229,346	3,787,994
Premiums	400,424	378,664
Other	717,034	619,264
Maintenance	1,335,738	1,147,850
Depreciation	551,421	523,402
Total expenses	<u>8,335,631</u>	<u>7,443,317</u>
Net income	<u>\$ 641,389</u>	<u>\$ 637,602</u>

RETAINED EARNINGS

For the years ended October 31	1986	1985
Retained earnings at beginning of year	\$10,371,123	\$ 9,726,574
Add:		
Net income	641,389	637,602
Donated equity	<u>-0-</u>	<u>6,947</u>
Retained earnings at end of year	<u>\$11,012,512</u>	<u>\$10,371,123</u>

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

CHANGES IN FINANCIAL POSITION

For the years ended October 31

	1986	1985
Financial resources were provided by:		
Net income for the year	\$ 641,389	\$ 637,602
Add: Depreciation expense not affecting working capital	551,421	523,402
Donated equity	-0-	6,947
Proceeds of notes payable	51,300	74,700
Copier lease obligation	-0-	38,210
Total financial resources provided	<u>\$1,244,110</u>	<u>\$1,280,861</u>
Financial resources were applied to:		
Additions to fixed assets:		
Land acquisition	\$ 182,581	\$ 83,000
Electrical system	28,418	10,467
Fence and guard rail	31,893	7,834
Land improvements	102,656	27,085
Personal property (net of disposals)	87,565	93,672
Sewer system	7,548	-0-
Structures (net of disposals)	551,208	431,450
Gas distribution system	5,449	9,216
Water distribution system	19,083	443
Total additions to fixed assets	<u>\$1,016,401</u>	<u>\$ 663,167</u>
Decrease in long-term liabilities	<u>115,677</u>	<u>99,498</u>
Total financial resources applied	<u>\$1,132,078</u>	<u>\$ 762,665</u>
Increase in working capital	<u>\$ 112,032</u>	<u>\$ 518,196</u>
Changes in elements of working capital:		
Current assets-increase (decrease):		
Cash and securities	\$ 177,429	\$ 522,258
Accounts receivable	(42,883)	20,648
Accrued interest receivable	(3,378)	5,433
Pre-paid postage	1,142	(10,026)
Pre-paid insurance	20,698	29,787
Pre-paid expenses	801	1,092
Total current asset changes	<u>\$ 153,809</u>	<u>\$ 569,192</u>
Current liabilities-(increase) decrease:		
Accounts payable	\$ (2,133)	\$ (7,937)
Compensated absences (Note 4)	(20,723)	(9,445)
Accrued salaries	(6,581)	(5,001)
Accrued interest	1,218	1,292
Deferred income (Note 6)	(20,958)	(10,078)
Current portion long-term debt (Note 7)	(10,715)	(1,713)
Refunds payable	18,115	(18,114)
Total current liabilities changes	<u>\$(41,777)</u>	<u>\$(50,996)</u>
Increase in working capital	<u>\$ 112,032</u>	<u>\$ 518,196</u>

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

FOOTNOTES

NOTE 1: SUMMARY OF ACCOUNTING POLICIES

Assets and liabilities and income and expenses are recognized on the accrual basis of accounting. Fixed assets are stated at cost less accumulated depreciation. Donated materials and services are valued at their estimated fair value at the date they are donated. Expenditures for maintenance and repairs are charged to expense as incurred. Costs of newly acquired items, including renewals and replacements which add to the original value or materially extend the useful lives of the related assets, are capitalized and written off as depreciation charges over their estimated useful lives. Costs of assets and the related accumulated depreciation are eliminated from the accounts in the year of sale or retirement. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. The provision for depreciation is calculated based on the following lives:

Personal property	Five to 10 years
Structures and improvements	20 to 50 years
Electrical system	30 years
Fence and guard rails	20 years
Gas distribution system	30 years
Sewer system	20 years
Sidewalks	20 years
Land improvements	20 to 30 years
Water distribution system	50 years

NOTE 2: ACCOUNTS RECEIVABLE

	1986	1985
Gross accounts receivable	\$150,969	\$ 190,307
Less allowance for doubtful accounts	39,947	36,402
Net Accounts Receivable	<u>\$ 111,022</u>	<u>\$ 153,905</u>

In accordance with Minnesota Statutes 10.12 to 10.15, accounts receivable in excess of \$100 which are considered uncollectible must be reported to the Executive Council of the State of Minnesota for cancellation.

NOTE 3: FIXED ASSETS—LAND, STRUCTURES, UTILITIES, AND EQUIPMENT

	1986	1985
Land (Note 9)	\$ 2,013,778	\$ 1,831,197
Land improvements	932,483	829,827
Structures and improvements	15,699,363	15,172,184
Electrical plant	1,675,179	1,646,761
Fence and guard rails	206,741	174,848
Gas distribution system	87,040	81,591
Sewer system	398,346	390,798
Water distribution system	442,126	423,043
Personal property	530,402	538,661
	<u>\$21,985,458</u>	<u>\$21,088,910</u>
Less accumulated depreciation	11,716,987	11,285,419
Net Book Value	<u>\$10,268,471</u>	<u>\$ 9,803,491</u>

NOTE 4: COMPENSATED ABSENCES

	1986	1985
Accrued vacation	\$ 63,493	\$55,641
Vested sick leave	69,469	56,598
Total Compensated Absences	<u>\$ 132,962</u>	<u>\$ 112,239</u>

NOTE 5: MINNESOTA STATE RETIREMENT SYSTEM

All Society full-time employees must participate in the State Employees Retirement Fund which is administered by the Minnesota State Retirement System (MSRS). Contributions are made to the fund by employees and the Society based on a percentage of gross salary. The Society matches employee contributions and also pays an additional amount to retire prior years' unfunded liabilities. Full funding is required by the year 2009. Current rates are 3.73 percent for employees and 3.9 percent for the Society for a total of 7.63 percent. Total Society contributions were \$39,592 for 1985 and \$40,588 in 1986.

NOTE 6: DEFERRED INCOME

	1986	1985
Unearned winter storage income	\$ 137,683	\$ 124,244
Advance Coliseum ice rental	11,104	3,585
Total Deferred Income	<u>\$ 148,787</u>	<u>\$ 127,829</u>

NOTE 7: CURRENT AND LONG-TERM LIABILITY ALLOCATIONS

	1986		1985	
	Current	Long-term	Current	Long-term
Contract for deed (Note 8)	\$ 25,317	\$ 149,776	\$22,140	\$ 175,093
Note payable (Note 9)	73,378	843,842	62,249	871,484
Lease payable (Note 10)	10,132	22,860	13,723	34,278
	<u>\$108,827</u>	<u>\$1,016,478</u>	<u>\$98,112</u>	<u>\$1,080,855</u>
Net increase (decrease)	\$ 10,715	\$ (64,377)		

NOTE 8: CONTRACT FOR DEED PAYABLE

The contract is dated November 30, 1979, and the rate of interest is 6 percent. The contract is to be paid in not more than 18 annual installments, each of which shall be equal to or exceed the greater of the following amounts: the interest due on the unpaid balance, or 33 1/3 percent of the gross annual receipts generated by University of Minnesota parking on Fairgrounds lots per existing agreement.

NOTE 9: NOTE PAYABLE

The note is dated June 22, 1984, and is payable to the First Bank St. Paul. The note represents financing for the purchase of 7.14 acres of improved land adjacent to the Fairgrounds. In July 1986, an additional amount of \$51,300 was incorporated in the original amount, for financing a portion of the purchase of an additional 7.73 acres of land adjacent to the Fairgrounds. The rate of interest is 73 percent of the prime lending rate and is payable monthly. Two principal payments totaling \$73,378 are required annually based on a 15-year amortization; payments must be made in a priority manner to any annual capital expenditures. The balance of the note, \$733,766, is due on September 1, 1989. The 1985 fixed asset accounts have been restated to reflect 1986 component values assigned to the purchase of improved land.

NOTE 10: LEASE PAYABLE

Leases meet the criteria of a capital lease as defined by *Statement of Financial Accounting Standards #13, "Accounting for Leases,"* which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The first lease, dated March 1984, and payable to the Crestwood Capital Corp., represents financing for the acquisition of computer equipment. The second is a five year capital lease dated September 1985 and payable to Xerox Corp. and represents financing for the acquisition of duplicating equipment. The equipment was capitalized and the lease payable obligation was computed using the present values of the total lease payments. Interest is charged to operations over the term of the lease.

The following is an analysis of the property under capital leases.

	Asset Balances at December 31	
Class of Property	1986	1985
Office Equipment	\$ 63,196	\$ 63,196
Less: Accumulated amortization	(22,644)	(13,815)
	<u>\$ 40,552</u>	<u>\$ 49,381</u>

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of October 31, 1986:

Description	Computer Equipment	Copy Machine
Year ending October 31, 1986:		
1987	\$ 3,865	\$ 8,502
1988	—	9,275
1989	—	9,275
1990	—	6,956
1991	—	—
Total minimum lease payments	\$ 3,865	\$34,008
Less: Amount representing interest *	(316)	(4,565)
Present value of net minimum lease payments	<u>\$ 3,549</u>	<u>\$ 29,443</u>

* Amount necessary to reduce net minimum lease payment to present value calculated at the Company's incremental borrowing rate at the inception of the leases.

NOTE 11: MISCELLANEOUS INCOME

Miscellaneous income, for fiscal 1986, includes \$125,000 paid by the City of St. Paul. This amount is for easement rights to build a water tower and for reimbursement for shower facilities that existed on this property.

SUPPORTING SCHEDULE—INCOME AND EXPENSES

For the years ended October 31

INCOME

Tickets:

Outside gate	\$ 3,965,273	\$ 3,650,293
Grandstand	1,193,161	1,005,566
Coliseum	93,207	130,218
Trackless train	25,312	24,250
Total tickets	<u>\$ 5,276,953</u>	<u>\$ 4,810,327</u>

Departmental:

Agriculture-Horticulture	1,137	\$ 1,237
Amusements	11,980	11,909
Cattle	10,650	9,699
Forage	29,206	31,571
FFA	2,547	2,629
Gas and electric	26,397	29,313
Goats	948	1,012
Horse show	75,145	70,270
Poultry	2,140	1,887
Public Safety	6,144	3,884
Sheep	3,115	3,360
Space Rental	2,208,799	1,969,911
Swine	776	697
Total departmental	<u>\$ 2,378,984</u>	<u>\$ 2,137,379</u>

Other:

Campgrounds	\$ 40,680	\$ 38,400
Display ad sales	9,150	-0-
Interest	102,761	91,668
Miscellaneous (Note 11)	164,719	14,026
Off-season rentals	778,138	763,388
Sale of bulk milk	11,857	11,155
Sale of market animals	78,746	67,006
Sale of materials	10,487	8,178
Sponsorships	124,545	139,392
Total other	<u>\$ 1,321,083</u>	<u>\$ 1,133,213</u>
Total Income	<u>\$ 8,977,020</u>	<u>\$ 8,080,919</u>

EXPENSES

Administrative:

Salaries	\$ 311,846	\$ 301,120
Employee benefits:		
Medical insurance	68,425	67,776
Retirement fund	40,588	39,592
Social security	98,964	89,720
Unemployment compensation	1,280	3,335
Workers' compensation	20,297	5,006
Annual meeting	4,164	7,534
Bad debts	3,545	1,037
Bonds and insurance	135,195	127,888
Computer services	11,479	15,013
Dues and subscriptions	5,444	4,690
Expense accounts	26,445	18,753
Legal services	21,790	11,310
Legislative audit	22,142	21,287
Mailing services	24,563	11,350
Officers' salaries	67,381	62,668
Other	9,507	4,252
Postage	78,998	54,897
Printing and office supplies	34,070	35,452
Telephone	49,587	39,735
Competitive exhibits	65,421	60,891
Staff training	537	2,837
Total administrative	<u>\$ 1,101,668</u>	<u>\$ 986,143</u>

EXPENSES (CONTINUED)

For the years ended October 31

	1986	1985
Departmental:		
Admissions	\$ 104,650	\$ 105,571
Advertising	467,044	414,039
Agriculture-Horticulture:		
Bee culture	4,793	4,052
Christmas trees	1,847	1,973
Farm crops	7,604	6,458
Flowers	5,330	5,104
Flower show	21,150	19,750
Fruits	5,361	5,838
Vegetables-potatoes	4,204	4,054
Miscellaneous custodial	5,476	5,435
Amusements—Grandstand	1,220,383	1,025,843
Amusements—other	514,583	467,168
Care and Assistance	1,978	1,666
Cattle	29,476	30,475
Campgrounds	11,347	11,995
Coliseum custodial	4,555	3,374
Communications	118,885	99,278
Creative activities	33,622	32,777
Customer services	91,062	73,944
Dairy	1,009	936
Education	18,630	18,427
Fine arts	17,531	15,260
Forage	28,220	29,712
4-H Club	64,663	60,274
FFA	20,340	20,768
Gas and electric	102,018	99,273
Goats	3,388	3,481
Horse show and rodeo	108,421	148,779
Meats	3,427	3,295
Natural resources	1,117	1,625
Parking	87,925	78,320
Plants and flowers	104,617	93,210
Poultry	9,079	7,639
Public safety	246,685	231,320
Sanitation	330,442	289,646
Senior citizens	12,304	10,942
Sheep	4,921	5,134
Space rental	242,811	221,401
Swine	6,471	7,087
Territorial Pioneers	-0-	1,614
Tickets	140,656	100,021
Ticket audit	3,883	3,877
Youth Camp	17,438	17,159
Total departmental	\$ 4,229,346	\$ 3,787,994
Premiums:		
Agriculture-Horticulture		
Bee culture	\$ 2,037	\$ 1,310
Christmas trees	1,195	1,195
Farm crops	10,967	12,964
Flowers	1,819	1,750
Fruits	810	896
Vegetables-potatoes	2,632	2,659
Amusements—talent contest	5,850	4,825
Cattle	64,752	58,522
Creative activities	4,148	4,057
Dairy	450	450
Education	11,974	13,130
Fine arts	4,500	4,500
4-H Club	57,018	54,877
FFA	27,055	23,974
Goats	5,793	5,001
Horses	63,669	62,995
Poultry	9,310	9,324
Sale of bulk milk	11,855	11,153
Sale of market animals	78,244	66,974
Sheep	18,547	20,392
Swine	17,799	17,716
Total premiums	\$ 400,424	\$ 378,664

EXPENSES (CONTINUED)

For the years ended October 31

	1986	1985
Other:		
Fire and police services	\$ 52,634	\$ 73,184
Institutional tickets	35,559	16,011
Interest	73,495	84,345
Laundry service	2,132	2,209
Miscellaneous	29,988	24,028
Off-season rentals	417,941	341,819
Property and casualty losses	3,984	70
Property taxes	5,603	5,109
Signs	13,120	9,100
Veterinary services	23,627	23,506
Water and sewer	58,951	39,883
Total other	<u>\$ 717,034</u>	<u>\$ 619,264</u>
Maintenance:		
Electrical plant	\$ 52,798	\$ 34,295
Fuel, oil, and gas	19,525	27,333
Labor:		
Fair set-up/tear down	243,461	217,952
General	443,134	372,984
Watchmen	38,508	37,645
Land:		
Fence and guard rail	12,646	12,952
Gas distribution system	1,359	1,265
Grading, sod, and trees	7,372	16,877
Sewer system	23,091	16,944
Streets, sidewalks, and parking lots	45,051	12,961
Water distribution system	7,445	10,550
Storm damage	538	-0-
Structure repairs	241,684	240,087
Supplies	28,184	16,250
Vehicle and personal property	170,942	129,755
Total maintenance	<u>\$ 1,335,738</u>	<u>\$ 1,147,850</u>
Depreciation:		
Electric plant	\$ 46,616	\$ 46,155
Fence and guard rail	7,895	6,407
Gas distribution system	626	444
Land improvements	25,141	20,533
Personal property	66,481	62,293
Sewer system	7,527	7,354
Structures	389,104	373,139
Water distribution system	8,031	7,077
Total depreciation	<u>\$ 551,421</u>	<u>\$ 523,402</u>
TOTAL EXPENSES	<u>\$ 8,335,631</u>	<u>\$ 7,443,317</u>
NET INCOME	<u>\$ 641,389</u>	<u>\$637,602</u>

SUPPORTING SCHEDULE—CASH REPORT

Herewith find the report of cash balance of the State Agricultural Society for the fiscal year ending October 31, 1986.

Beginning cash balance November 1, 1985:

Imprest fund—cash on hand	\$ 400	
Checking accounts	(76,956)	
Bank Securities	2,058,000	
Funds held in trust	<u>436</u>	
Total		\$ 1,981,880

Add cash receipts	\$11,877,177	
Less cash disbursements	<u>(11,699,748)</u>	
Excess of receipts over disbursements		<u>177,429</u>

Ending Cash Balance October 31, 1986		<u>\$ 2,159,309</u>
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Detail of Year-End Cash Balance:

Imprest fund—cash on hand	\$ 350	
Checking accounts	237,359	
Bank Securities	1,921,129	
Funds held in trust	<u>471</u>	
		<u>\$ 2,159,309</u>

Respectfully submitted,
Mike Heffron, General Manager

St. Paul, Minnesota
October 31, 1986



STATE OF MINNESOTA

OFFICE OF THE LEGISLATIVE AUDITOR

VETERANS SERVICE BUILDING, ST. PAUL, MN 55155 • 612/296-4708

JAMES R. NOBLES, LEGISLATIVE AUDITOR

Senator Randolph W. Peterson, Chairman
Legislative Audit Commission

Members of the Legislative Audit Commission

Mr. J.G. Tiffany, President

Board of Managers

State Agricultural Society

Mr. Michael D. Heffron

Secretary-General Manager

State Agricultural Society

and

Members of the State Agricultural Society

Audit Scope

We have completed a financial and compliance audit of the State Agricultural Society for the year ended October 31, 1986. Our audit was conducted in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in the U.S. General Accounting Office Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, and accordingly, included such audit procedures as we considered necessary in the circumstances. Field work was completed on January 7, 1987.

The objectives of the audit were to:

- express an opinion on the financial statements of the State Agricultural Society (SAS) for the year ended October 31, 1986;
- study and evaluate major SAS internal control systems, including a review of receipts including ticket and space rental revenue, and administrative disbursements;
- verify that financial transactions were made in accordance with applicable laws, regulations, and policies, including Minnesota Statute Chapter 37; and
- determine the status of prior audit recommendations.

Management Responsibilities

The management of SAS is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate.

Senator Randolph W. Peterson, Chairman
Legislative Audit Commission
Members of the Legislative Audit Commission
Mr. J.G. Tiffany, President
Mr. Michael D. Heffron
and
Members of the State Agricultural Society
Page 2

The management of the SAS is also responsible for the Society's compliance with laws and regulations. In connection with our audit, we selected and tested transactions and records from the activities administered by the SAS. The purpose of our testing of transactions was to obtain reasonable assurance that the SAS had, in all material respects, administered their programs in compliance with applicable laws and regulations.

Conclusions

We have issued an unqualified opinion on the SAS financial statements for the year ended October 31, 1986. Our audit opinion, dated January 7, 1986, is included within the 1986 SAS Annual Report.

In our opinion, the SAS system of internal accounting control in effect on October 31, 1986, taken as a whole, was sufficient to provide management with reasonable, but not absolute assurance that assets are safeguarded against loss from unauthorized use of disposition, and that transactions are executed in accordance with management's authorizations.

In our opinion, for the year ended October 31, 1986, SAS administered its programs in compliance, in all material respects, with applicable finance-related laws and regulations.

Our audit disclosed no weaknesses in accounting procedures or controls. A summary of the progress made on all audit recommendations discussed in our last audit reports covering the year ended October 31, 1985, is shown in the section entitled "Status of Prior Audit Recommendations and Progress Toward Implementation."

We would like to thank the State Agricultural Society staff for the cooperation extended to us during this audit.



James R. Nobles
Legislative Auditor



John Asmussen, CPA
Deputy Legislative Auditor

STATE AGRICULTURAL SOCIETY

I. STATUS OF PRIOR AUDIT RECOMMENDATIONS AND PROGRESS TOWARD IMPLEMENTATION

Internal control over advance sale tickets needs improvement.

1. A perpetual inventory of tickets should be maintained for each selling unit.

RECOMMENDATION IMPLEMENTED. When advance gate admission tickets became available for the 1986 Fair, the tickets were consigned by the Finance Director to individuals by ticket number. Each individual was responsible for the tickets assigned to him. He was required to return cash, the remaining tickets, or documentation for complimentary tickets to match the original value of admission tickets consigned.

2. Tickets sold prior to the start of the state fair should be reconciled periodically to the cash received.

RECOMMENDATION IMPLEMENTED. When advance tickets went on sale at the box office on July 4, 1986, procedures were in place to provide a daily reconciliation per window between cash collected and tickets sold. Mail order tickets are reconciled to cash several times each day by comparing the cash received to transmittal forms which show the number and total value of tickets issued for every 24 orders.

Security over blank checks needs improvement.

3. To improve security over blank checks, the SAS should maintain an inventory of all checks, including a log of all checks used or assigned.

RECOMMENDATION IMPLEMENTED. A check inventory was taken in December 1985, and a logging system was established to account for check numbers used or voided. Check numbers are allotted by fund and a specific individual must account for the checks drawn on that fund.

MEETING MINUTES

Space Rental Committee Meeting

Radisson St. Paul Hotel
Sunday, January 12, 1986—11 A.M.

Members present: Korff, chairman; Ramberg; Lund; Annexstad; Ojakangas; Roehlke; Tiffany, ex officio; Heffron, ex officio; Wenzel, ex officio; Sinclair, ex officio.

Also present: John Galus.

Meeting was called to order by Chairman Korff at 11 A.M.

The following list of percentage and malt beverage concession agreements for 1986 and the percentage or amount payable to the State Fair under each was presented to the committee for review and approved on a motion by Mr. Lund, seconded by Mr. Annexstad and carried (Aye-5; Nay-0):

Percentage Agreements

Antique Auto Club of America—Mn. Region = Car Museum	30%
Aqua Management, Inc. = Whitewater Raft Ride	5%
Arrow Enterprises, Inc. = Skyride	25%
Brede Carrousel, Inc. = Giant Carrousel	33 1/2%
Desplenter Novelties = Novelty Concessions—Guarantee of \$16,000 on sales to \$62,000; 25% of gross sales from \$62,000 to \$70,000 and 30% of gross sales over \$70,000	
Fairway Golf Range = Miniature Golf	33 1/2%
Grandstand Entertainer Merchandise Sales	15%
Junkin Concession Company = Food & Beverages (Grandstand)	30%
of first \$20,000 in gross sales and 32 1/2% of gross sales over \$20,000	
K & M Recreation, Inc. = Haunted House	27%
of gross sales through \$100,000 and 30% of gross sales over \$100,000	
Misc. and Bandshell Entertainer Merchandise Sales	15%
Misc. Merchandise Sales	10%
Royal American Shows, Inc. = Carnival (Rides & Shows)	33%
of ticket sales up to and including \$250,000; 35% of ticket sales from \$250,000 through \$500,000; 38% of ticket sales from \$500,000 through \$750,000; 40% of ticket sales from \$750,000 through \$1,000,000; 43% of ticket sales from \$1,000,000 through \$1,250,000 and 45% of ticket sales over \$1,250,000 (25% of all ticket sales for the "Huss Rainbow" ride)	
Ventnor Place, Inc. = Space Tower	25%
Ye Old Mill Amusements, Inc. = Old Mill Canal Boat Ride	33 1/2%

The preceding list reflects percentages payable to the State Fair on receipts from operation of the name concessions/attractions after removal of state sales tax.

Beer Concessions

Brede Enterprises, Inc.—Blk. 35, Bldg. 351, Food Show Building, Beer Garden Section
Cleworth's Food & Beverage—Blk. 42, Bldg. 421, Arcade Building, Spaces 1 through 15
Coliseum Concessions—Blk. 50, Bldg. 501, Coliseum, Spaces 113 & 159, 200 & 250, 212 & 213 & 268

James W. Crocker—Blk. 31, Lots 16, 17 & 18, Spaghetti Village
Victor W. Elliot—Blk. 47, Bldg. 471, Bazaar, Space A
John A. Giere—Blk. 42, Bldg. 421, Arcade Building, Spaces 24 through 32
Junkin Concession Company—Blk. 28, Bldg. 286, Grandstand, Seating Area Only
Kirchner's Beer Stube—Blk. 45, Bldg. 451, Ag-Hort. Bldg., Space H
Midway Men's Club—Blk. 30, Lot S
Richard C. Werner—Blk. 42, Bldg. 421, Arcade Bldg. Spaces 16 through 21

The preceding list represents concessions at the State Fair contracted to sell 3.2 beer. Reconciliation between the State Fair and concessionaires is undertaken as follows: Concessionaire pays State Fair \$5.65 per case of beer sold and \$40.00 per half-barrel of draft beer sold. Beer sales are based on 24-12 ounce bottles per case sold by concessionaire at \$1.25 per bottle, including state sales tax. Draft beer sales are based on use of 12 and 20 ounce waxed paper cups dispensed by concessionaire for \$1.25 per 12 ounce cup and \$1.75 per 20 ounce cup, including state sales tax.

Mr. Sinclair distributed a 1984-1985 Exhibit and Concession Contract Report and 1975-1980-1985 Food Concession/Contract Comparison. Both reflected the level of miscellaneous and multiple exhibit and concession holdings during the subject years and the status of multiple location divestiture. On a motion by Mr. Ojakangas, seconded by Mrs. Roehlke and carried, the following list of miscellaneous concession agreements to be issued for the 1986 Fair was reviewed and approved (Aye-5; Nay-0):

Miscellaneous Concessions

Concession Name	Description	Number of Locations
Coliseum Concessions	Food, Beverages and 3.2 Beer	4
Compurate	Heart Rate Machines	6
James A. Davis**	Ice Cream and Sno-Cones	5
Desplenter Novelties	Novelties	33
James F. Hannasch	Sno Cones	6
James Hartley	Cotton Candy	5
Ray E. Head	Cotton Candy	3
Burton F. Johnson	Gum Ball Machines	12
James J. Kaplan	Peanuts	3
Sandra L. Kaplan	Peanuts	3
Gregory B. Kusik	Cotton Candy	2
Eugene R. LaVaquer	Sno Cones	6
Matt Milner Sales	Novelties	2
Minneapolis Star & Tribune	Newspaper Stands	6
Bruce I. Nathanson	Peanuts	2
Fred C. O'Neil, Jr.	Hot Dog on a Stick	3
Leah H. O'Neil	Hot Dog on a Stick	3
Louise H. O'Neil	Hot Dog on a Stick	2
Ted G. O'Neil	Hot Dog on a Stick	3
St. Paul Dispatch & Pioneer Press	Newspaper Stands	6
William E. Salper	Peanuts	3
Televac Computer Company	Handwriting Analysis	4

Miscellaneous Concessions

Concession Name	Description	Number of Locations
Greg Tetraul**	Ice Cream and Sno Cones	5
Maxine Davis Tetraul**	Ice Cream and Sno Cones	5
Townsend & Johnson	Foot Long Hog Dogs	9
USA Today	Newspaper Stands	6
U.S. Bench Corp.	Advertising Park Benches	40
Jane G. Volin	Cigarettes	4

**Denotes concession operations resulting from a divestiture in progress.

The Committee was presented with a staff recommendation under which the Space Rental Department would be authorized to institute a general increase in space rental rates for the 1986 Minnesota State Fair. A motion was made by Mr. Annexstad, seconded by Mr. Ojakangas and carried that the recommendation be accepted and increases put in place to raise exhibit rates from \$30.00 to \$31.00 per front foot, concession rates from \$40.00 to \$42.00 per front foot and concession space on the Royal American Shows carnival midway from \$45.00 to \$47.00 per front foot (Aye-5; Nay-0).

Minnesota State Fair Exhibit/Concession Contract Report 1984-1985

Number of Individual Locations...Held By Following Number of Persons

	1984	1985
1	857	865
2	64	55
3	16	24
4	10	10
5	4	0
7	2	3
8	1	0
9	1	1
11	1	0
13	1	0
26	1	1
33	1	1
Total Number of Locations Available	1,203	1,176
Number of Persons Holding Locations	958	960
Percentage of Persons Holding 4 or Fewer Locations	99%	99%
Percentage of Locations Held in Units Smaller than 5	89%	92%
Number of Locations Held by Minnesota Residents	896	876
Percentage of Locations Held by Minnesota Residents	74%	74%

Minnesota State Fair Food Concession/Contract Comparison 1975-1980-1985

Number of Individual Food Locations...Held by Following Number of Persons

	1975	1980	1985
1	95	131	147
2	20	19	29
3	4	9	15
4	5	7	6
5	3	1	2
7	0	2	2
8	0	2	0
9	1	1	1
12	1	1	0
13	2	0	0
14	2	0	0
15	0	1	0
17	1	0	0
26	0	0	1
27	0	1	0
32	1	0	0
Total Number of Locations Available	306	322	333
Number of Persons Holding Locations	135	175	203
Percentage of Persons Holding 4 or Fewer Locations	92%	95%	97%
Percentage of Locations Held in Units Smaller Than 5	55%	68%	82%
Number of Locations Held by Minnesota Residents	158	288	292
Percentage of Locations Held by Minnesota Residents	52%	89%	88%

Discussion was undertaken on carnival percentage arrangements and contract terms with Royal American Shows for 1985/1987. Staff presented information relative to differences between prior year contract terms and those of the agreement presently in place with resultant revenue differences. No action required.

It was moved by Mr. Ramberg, seconded by Mrs. Roehlke and carried that the meeting be adjourned (Aye-5; Nay-0).

Planning Committee Meeting

Radisson St. Paul Hotel
Sunday, January 12, 1986—2 P.M.

Members present: Lund, chairman; Korff; Lilliquist; Morris; Annexstad; Tiffany, ex officio; Heffron, ex officio; Wenzel, ex officio.

Also present: Prokosch; Fischler; Frost.

A proposed 1986 improvement/maintenance budget totaling \$1,485,923 was presented by Mr. Wenzel and reviewed by the committee. Also discussed was a deferred project list totaling \$1,186,260.

Following a detailed discussion by the committee and staff, it was moved by Mr. Korff, seconded by Mr. Lilliquist and carried that the budget be accepted as presented and that a committee recommendation be made for full Board approval. Included under the motion was staff authority to make adjustments in specific line items as appropriate to changes which might occur at a later date (Aye-4; Nay-0).

There being no further business, the planning committee was adjourned.

Life Member Advisory Committee Meeting

Radisson St. Paul Hotel
Monday, January 13, 1986—2:30 P.M.

Members present: Art Sprengeler, chairman; Norris Carnes; Harveydale Maruska; Jerry Hammer, ex officio (secretary).

Committee recommended that staff consider presenting nationally-known speakers with backgrounds in agriculture, federal government or banking at the Society's general session during the convention.

Meeting adjourned.

Meeting of the Governing Board Minnesota State Agricultural Society

Radisson St. Paul Hotel
Monday, January 13, 1986—3 P.M.

Members present: J.G. Tiffany, president; Bert Lund & Leonard Ramberg, vice presidents; Martin Annexstad; William Korff; Willis Lilliquist; Howard Morris, Sulo Ojakangas; Vern Prokosch; Eileen Roehlke; Mike Heffron, secretary.

Also present: Jim Frost, Ken Wenzel, Bob Potter, Jerry Hammer, Steve Buffington, John Galus, Jim Sinclair.

Oaths of office were administered to the newly elected officers and board members.

It was moved by Mr. Lund, seconded by Mr. Annexstad and carried that Mike Heffron be reappointed secretary-general manager of the Society for a period of one year with his annual salary fixed at \$56,000. In addition thereto, it was specified that he be required to live on the State Fairgrounds for the convenience and to the benefit of the Society with gratis rent, utilities and telephone (Aye-9; Nay-0). Oath of office administered to Heffron.

Minutes of the November 18 board and space rental committee meeting(s), previously mailed to the members, were approved upon a motion by Mr. Lund, seconded by Mrs. Roehlke and carried (Aye-9; Nay-0).

A motion to approve minutes in vacation for the period of November 19, 1985 through January 2, 1986, and the administrative action noted therein, was offered by Mr. Lund, seconded by Mrs. Roehlke and carried (Aye-9; Nay-0).

Secretary presented the financial statement of December 31, 1985 as follows:

Cash Activity General Fund—December 31, 1985:

Cash Balance—November 30, 1985		\$ 139,406.75
Add:		
Interest Income	\$11,679.76	
Securities Sold	80,000.00	
December Cash Receipts	112,103.25	203,783.01
Total Cash Available Before Disbursements		\$ 343,189.76
Less:		
Bi-Weekly Payroll Ending December 6	\$46,533.41	
Bi-Weekly Payroll Ending December 20	44,221.75	
December Disbursements Paid	125,568.51	216,323.67
Cash Balance General Fund December 31, 1985		\$ 126,866.09

Cash Balances All Accounts—December 31, 1985:

General Fund Account	\$ 126,866.09
Trust Fund Account	435.86
Petty Cash	650.00
Securities—mature 01/10/86	1,612,000.00
Total Cash Balances—December 31, 1985	\$1,739,951.95

Cash Balances All Accounts—December 31, 1984:

General Fund Account	\$ 11,643.85
Petty Cash	850.00
Securities—mature 01/02/85	1,230,000.00
Total Cash Balances—December 31, 1984	\$1,242,493.85

Upon a motion by Mr. Lilliquist, seconded by Mr. Ojakangas and carried, the financial statement as presented was approved (Aye-9; Nay-0).

It was moved by Mr. Ramberg, seconded by Mr. Prokosch and carried that the First National Bank of St. Paul be designated as depository for Society's general fund, premium fund, regular and fair-period payroll fund, ticket account, amusement fund, trust fund and accounts receivable/collection account (Aye-9; Nay-0).

It was moved by Mr. Annexstad, seconded by Mrs. Roehlke and carried that the following signatures be authorized for Society accounts (Aye-9; Nay-0):

General Fund, Amusement Fund, Trust Fund,—James G. Frost or Kenneth R. Wenzel, and Michael D. Heffron or Robert W. Potter.

Ticket Account—Michael D. Heffron or James G. Frost (signature plate is authorized).

Premium Fund, Regular & Fair-Period Payroll Fund—Michael D. Heffron, James G. Frost or Kenneth G. Wenzel (signature plate is authorized for Premium Fund).

Upon a motion by Mr. Ramberg, seconded by Mr. Lund and carried, the following

standing committee assignments were made for 1986 (Aye-9; Nay-0).

Finance Committee—Lilliquist, chair; Ramberg; Ojakangas; Morris; Lund; Annexstad; Tiffany, ex officio; Heffron, ex officio; Frost, ex officio; Potter, ex officio.

Governmental Affairs Committee—Ramberg, chair; Ojakangas; Korff; Lilliquist; Roehlke; Lund; Tiffany, ex officio; Heffron, ex officio; Wenzel, ex officio; Frost, ex officio.

Life Member Advisory Committee—Sprengeler, chair; Carnes, vice chair; Fickett; Grussendorf; Johnston; Keskinen; Lammers; La Pointe; Jim Libby; Bob Lund; Maruska; Muckle; Sincok; Wilkins; Tiffany, ex officio; Heffron, ex officio; Hammer, ex officio (secretary).

Operations Committee—Ojakangas, chair; Ramberg; Korff; Roehlke; Morris; Prokosch; Tiffany, ex officio; Heffron, ex officio; Wenzel, ex officio.

Planning/Utilization Committee—Lund, chair; Ojakangas; Korff; Lilliquist; Morris; Annexstad; Tiffany, ex officio; Heffron, ex officio; Wenzel, ex officio.

Public Affairs Committee—Roehlke, chair; Ramberg; Korff; Lilliquist; Annexstad; Prokosch; Tiffany, ex officio; Heffron, ex officio; Frost, ex officio; Hammer, ex officio.

Rules/Premium List Committee—Morris, chair; Ojakangas; Korff; Lilliquist; Lund; Prokosch; Tiffany, ex officio; Heffron, ex officio; Frost, ex officio; Pooch, ex officio.

Space Rental Committee—Korff, chair; Ramberg; Ojakangas; Roehlke; Lund; Annexstad; Tiffany, ex officio; Heffron, ex officio; Wenzel, ex officio; Sinclair, ex officio.

It was moved by Mr. Korff, seconded by Mr. Ojakangas and carried that the following be appointed department coordinators and superintendents for 1985 (Aye-9; Nay-0):

Admissions (Ojakangas) Lyle Anderson

Agriculture Appreciation Day (Lilliquist) M.C. Hardy

Ag-Hort (Ramberg) Duane Smith—Crops; Dan Hollerbach—Bee; Greg Ustruck—Christmas Tree; Martha Carnes—Flowers; Louis Quast—Fruits; Orrin Turnquist—Veg-Pot.

Amusements (Lilliquist) Len Dobbs—Race—Grandstand Production; Karen Leach—Free Entertainment

Cattle (Roehlke) Ray Arthuad

Communications (Roehlke) Jerry Hammer

Creative Activities (Roehlke) Evelyn Hagen

Dairy Products (Annexstad) Cliff Markuson

Education (Ojakangas) Bob Anderson

Fine Arts (Lund) Bob Lesch

4-H Club (Lilliquist) Juanita Reed

FFA (Morris) Paul Day

Forage (Annexstad) Dan Elmer

Goats (Prokosch) Jim Sheldon

Horse (Lund) Harold Arneman

Legislative-Editorial (Annexstad) None

Meats (Prokosch) Ed Butler

Parking (Prokosch) Ron Vannelli

Plant Management (Ojakangas) Joe Fischler—Plant Management; Bill Hermes—Greenhouse; Phil Fisher—Plant Services

Poultry (Prokosch) Harold Thomforde

Public Safety (Ramberg) Art Blakey

Rental Services (Korff) Jim Sinclair

Sanitation (Morris)

Senior Citizen (Ramberg) Marge Krueger

Sheep (Morris) Bob Jordan

Swine (Annexstad) Jerry Hawton

Ticket Audit (Lund) Dick Reinhardt

Tickets (Korff) Dick Reinhardt

Youth Camp (Lund) Darrell Vanyo

Mr. Hammer offered a report on behalf of the Life Member Advisory Committee which met earlier. Committee report was accepted and approved on a motion by Mr. Morris, seconded by Mr. Annexstad and carried (Aye-9; Nay-0).

It was moved by Mr. Ramberg, seconded by Mr. Annexstad and carried that Secretary be instructed to report on approximate cost involved in making travel reimbursements to Life Members for attendance at official meeting of the Life Member Advisory Committee (travel allowed would be from and to Minnesota home-station only) (Aye-9; Nay-0).

Operations Committee Meeting

Members present: Ojakangas, chair; Ramberg; Korff; Roehlke; Morris; Prokosch; Tiffany, ex officio; Heffron, ex officio; Wenzel, ex officio.

It was moved by Mr. Ramberg, seconded by Mr. Morris and carried that the following outside gate "all pay policy" be reaffirmed and extended through 1986: "Entry into the Minnesota State Fair shall be solely contingent upon the presentation and surrender of a valid ticket of admission" (Aye-5; Nay-0).

It was moved by Mr. Korff, seconded by Mr. Morris and carried to approve the following outside gate fee schedule for 1986: adult admission—\$3.50; child admission—\$1.50; vehicle admission—no charge; adult discount admission (available in advance only)—\$3.00 (Aye-5; Nay-0).

Upon a motion by Mr. Prokosch, seconded by Mr. Ramberg and carried, secretary was authorized to implement a flexible Grandstand and Coliseum pricing schedule and seating configuration based on the cost of talent contracted for each show. (Aye-5, Nay-0).

Committee meeting adjourned.

Public Affairs Committee Meeting

Members present: Roehlke, chair; Ramberg; Korff; Lilliquist; Annexstad; Prokosch; Tiffany, ex officio; Heffron, ex officio; Frost, ex officio; Hammer, ex officio.

The following proposed advertising and communications budgets for 1986 were introduced:

Proposed Advertising Budget

Media		
Print	\$164,000	
Radio	55,000	
Television	138,000	
Billboard	14,000	
Total Media		\$371,000

Production		
Print	\$ 35,000	
Radio	3,600	
Television	26,000	
Billboards	4,700	
Miscellaneous	24,700	
Total Production		\$94,000
		\$465,000

Proposed Communications Budget

Payroll:		
Full time	\$ 33,000	
Part time	10,500	
Gophers	1,000	
		\$ 44,500

Printing:		
Newsletters	\$ 18,000	
Daily schedules	5,000	
Daily news	750	
Plate pages	1,200	
Ed/Leg materials	550	
Posters	1,000	
Maps	1,000	
Separations	1,000	
Fair book	4,000	
		\$ 32,500

Miscellaneous advertising:		
Photographs:	2,500	
MNA & miscellaneous subscriptions:	5,000	
Office supplies & rentals:	2,000	
Editors/Legislators supper:	2,500	
Bus promotion:	5,000	
Miscellaneous:	20,000	
Groundswide tapes	700	
Signs	1,500	
Media reimbursement	500	
Parade float	1,000	
Awards	300	
Sundries	4,000	
		8,000

\$122,000

Following discussion, budgeted advertising expenditures of \$465,000 and communications expenditures of \$122,000 were approved for 1986 on a motion by Mr. Annexstad, seconded by Mr. Lilliquist and carried (Aye-5; Nay-0).

Committee meeting adjourned.

Rules/Premium List Committee Meeting

Members present: Morris, chair; Ojakangas; Korff; Lilliquist; Lund; Prokosch; Tiffany, ex officio; Heffron, ex officio; Frost, ex officio; Pooch, ex officio.

Upon a motion by Mr. Lund, seconded by Mr. Kroff and carried, authority was granted to the competitive exhibits supervisor, in coordination with department superintendents, to make adjustments in rules, release dates and/or premium allocations for respective departments in accordance with guidelines established by the Society's 1986 operating budget (Aye-5; Nay-0).

The following new language for Rule 3.12 (protests & appeals) was moved by Mr. Prokosch, seconded by Mr. Ojakangas and carried (Aye-5; Nay-0).

"A protest from the decision of a judge will only be accepted from an exhibitor named in the official entry blank for competition in the lot of class under protest, and must be filed with the Secretary-General manager within five (5) hours after the award has been made."

Committee meeting adjourned.

Finance Committee Meeting

Members present: Lilliquist, chair; Ramberg; Ojakangas; Morris; Lund; Annexstad; Tiffany, ex officio; Heffron, ex officio; Frost, ex officio; Potter, ex officio.

Secretary presented proposed operating, maintenance and improvement budget(s) for 1986, stating that the maintenance/improvement portion of proposed expenditures had been approved by the planning committee on January 12, 1986.

After review and discussion, it was moved by Mr. Ramberg, seconded by Mr. Morris and carried that the 1986 operating, maintenance and improvement budget(s) be approved as presented (Aye-5; Nay-0).

Committee meeting adjourned.

Reconvened Meeting of the Board

Reports and action taken by the planning, space rental, operations, public affairs, rules/premium list and finance committees were approved upon a motion by Mr. Korff, seconded by Mr. Lund and carried (Aye-9; Nay-0).

It was moved by Mr. Ramberg, seconded by Mr. Annexstad and carried that secretary be authorized to adjust staff salaries effective the pay period beginning January 18, 1986 (Aye-9; No-0).

Mr. Frost reviewed for the Board the status of contract negotiations with acts and attractions for night Grandstand, Bandshell, Coliseum and other entertainment areas.

Proposals from two fireworks companies, Zambelli and Americana, were discussed. Staff recommended acceptance of the Americana proposal for 1986. Upon a motion by Mr. Korff, seconded by Mr. Annexstad and carried, the Zambelli offer was accepted at \$27,000 (Aye—Annexstad, Korff, Lilliquist, Morris, Ojakangas; Nay—Lund, Prokosch, Ramberg, Roehlke).

Proposed contract renewals, covering the services of MTS/Northwest Sound Service; Triemert (painting); Toltz, King, Duvall, Anderson (architectural/engineering); McQuillan Brothers (plumbing); and Joe E. Johnson & Son (carpentry), were approved upon a motion by Mr. Prokosch, seconded by Mr. Lund and carried (Aye-9; Nay-0).

Secretary introduced Steve Buffington from the Attorney General's office, who outlined for the Board that (1) certain structural deficiencies had been discovered in the new Block 49 parking ramp preliminary to its acceptance from Aqua Management and (2) legal steps (that would appear) necessary in resolving this matter before acceptance can be concluded. Report only ... no action required at this time.

An update and final report on procedures for handling trust donations was submitted by secretary ... no action required.

Approval to write-off 1985 ticket account shortages of \$8,205.36 was moved by Mr. Annexstad, seconded by Mr. Lilliquist and carried (Aye-8; Nay-0).

Necessary changes in Employee Bulletins #2 and #4, so that they might comply with updated state regulations covering leave and group insurance was moved by Mr. Prokosch, seconded by Mr. Ojakangas and carried (Aye-8; Nay-0).

Mr. Frost outlined the procedures and costs involved in Society acquisition of the MN DOT Central Shop building, per the requirements of a lease agreement between the two agencies, which originally expired during 1984 but was extended through December, 1985. Approval of a net payment to MN DOT of \$68,000 was moved by Mr. Korff, seconded by Mr. Morris and carried (Aye-8; Nay-0).

Mr. Wenzel informed the Board that discussions had been undertaken with Minnesota Federation of County Fairs officers relative a longer-term hotel contract for the annual convention and, as a result, proposals had been accepted for consideration from three properties, Radisson St. Paul, Radisson South in Bloomington and the AmFac in Minneapolis. After discussion, it was moved by Mr. Lilliquist, seconded by Mr. Prokosch and carried that the annual meeting be returned to the St. Paul Radisson for 1987 on January 10-11-12 and that staff be authorized to act on a three/five year contract is such a contract will work to the advantage of both fair organizations and to the advantage of the Midwest Showmen's Association (Aye-8; Nay-0).

Mr. Tiffany set an agenda call at the meeting of the board on Thursday, June 12, 10 A.M. Meeting adjourned.

Minutes in Vacation

January

22—Frost and Heffron gave depositions in a pending lawsuit with Northstar Financial Corp. (Met Center). John Galus of the Attorney General's office represented the Society at this session. Sinclair testified in Ramsey County District Court regarding the injury case of William Clinton Miller vs. Shelby Lynn Jerrett, Royal American Shows and the Minnesota State Fair.

30—Frost and Heffron attended a North Suburban Chamber legislative reception at McGuire's Inn.

February

3—Sinclair and Machinery Hill Superintendent M.C. Hardy met with representatives of J.I. Case Corporation to discuss plans for Agriculture Appreciation Day at the 1986 Fair.

4—Frost and Heffron met with Lynn Anderson of the Governor's staff to discuss legislation which will be introduced on behalf of the Society. Sinclair and Hardy met with representatives of White Farm Equipment Company to discuss Agriculture Appreciation Day plans.

5—Armstrong and Sinclair met with Mr. Al Hohenwald and other representatives of Spartan Specialties to discuss particulars of developing a limited line of Minnesota State Fair gift merchandise for test marketing.

6—A meeting, at the call of Special Assistant Attorney General Steve Buffington, was attended by all principals and contractors involved in the construction of the Aqua Management parking ramp. Staff participation in the session included Wenzel, Fischler and Heffron. Heffron met with Ralph Steiner of Steiner & Associates to discuss presentation of a financial planning course for State Fair employees. An audit exit conference with the Legislative Audit staff was attended by Wenzel, Frost, Potter, Gravelle and Heffron.

10—Wenzel and Hammer met with St. Paul Radisson personnel to go over recently concluded Annual Meeting details. Heffron, along with Len Ramberg and Rich Keenan, met with Minneapolis Chamber president Dick Upton to discuss the pending Board vacancy in the fifth district. The Executive Committee approved the January 31, 1986 financial statement as follows:

Cash Activity General Fund—December 31, 1986:

Cash Balance—December 31, 1985		\$ 125,188.94
Add:		
Interest Income	\$ 8,627.27	
Securities Sold	75,000.00	
January Cash Receipts	36,029.04	119,656.31
Total Cash Available Before Disbursements		\$ 244,845.25
Less:		
Bi-Weekly Payroll Ending January 8	\$46,768.90	
Bi-Weekly Payroll Ending January 17	43,178.01	
January Disbursements Paid	124,748.13	214,695.04
Cash Balance General Fund January 31, 1986		\$ 30,150.21

Cash Balances All Accounts—January 31, 1986:

General Fund Account	\$ 30,150.21
Trust Fund Account	435.86
Petty Cash	550.00
Securities—mature 02/04/86	1,537,000.00
Total Cash Balances—January 31, 1986	\$1,568,136.07

Cash Balances All Accounts—January 31, 1985:

General Fund Account	\$ 24,587.46
Petty Cash	850.00
Securities—mature 02/01/85	1,055,000.00
Total Cash Balances—January 31, 1985	\$1,080,437.46

11—Hardy and Sinclair met with Deutz-Allis Corporation staff to discuss Agriculture Appreciation Day plans.

13—Frost met with Pat Rian, Twin Cities Musicians Union, regarding the 1986 agreement for musicians' services. Sinclair and Hardy met with Sperry-New Holland representatives to discuss plans for Agriculture Appreciation Day. Sinclair met with representatives of the Greater St. Paul Association of Evangelicals to discuss moving their Crossroads Chapel operation and plans for the site it previously occupied.

17—Heffron and Frost attended a hearing before the Senate General Legislation Committee, at which hearing State Fair-sponsored SF 1792 (radius clause restriction repeal) was considered and approved.

19—WCCOTV made use of the Midway area for commercial filming.

20—Frost and Heffron attended a hearing before the House General Legislation Committee, at which hearing State Fair-sponsored HF 2100 (radius clause restriction repeal) was considered and approved. Frost and Heffron attended a reception for Senator Florian Chmielewski. Hardy and Sinclair met with John Deere Company staff to review plans for Agriculture Appreciation Day.

21—Frost and Heffron met with Special Assistant Attorney General John Galus to review depositions taken January 22. Frost met with Representative William Schreiber regarding entertainer withholding tax legislation.

24—Frost met with Revenue Department officials regarding entertainer withholding tax legislation.

25—Frost met with Senators Douglas Johnson and Collin Peterson regarding entertainer withholding tax legislation.

27—Hammer and Frost met with Len Bonander, Americana Fireworks; Jim Hannasch, Midwest Federal; and Larry Jagoe and Larry Shear, Bolin Advertising regarding the July 4 fireworks presentation.

March

7-11—Frost, Wenzel and Heffron attended the annual meeting of the Mid West Fairs Association in Tempe, Arizona, and visited the Arizona State Fairgrounds. Heffron also participated in an IAFE executive committee meeting while in Tempe.

10—The Executive Committee approved the February 28, 1986 financial statement as follows.

Cash Activity General Fund—February 31, 1986:

Cash Balance—January 31, 1986		\$ 30,150.21
Add:		
Interest Income	\$ 8,305.89	
Securities Sold	105,000.00	
February Cash Receipts	143,532.12	256,838.01
Total Cash Available Before Disbursements		\$ 286,988.22
Less:		
Bi-Weekly Payroll Ending February 5	\$50,424.44	
Bi-Weekly Payroll Ending February 14	44,687.07	
Securities Purchased	40,000.00	
February Disbursements Paid	77,313.49	212,425.00
Cash Balance General Fund February 28, 1986		\$ 74,563.22

Cash Balances All Accounts—February 28, 1986:

General Fund Account	\$ 74,563.22
Trust Fund Account	435.86
Petty Cash	2,350.00
Securities—mature 03/04/86	1,472,000.00
Total Cash Balances—February 28, 1986	\$1,549,349.08

Cash Balances All Accounts—February 28, 1985:

General Fund Account	\$ 13,367.42
Petty Cash	1,350.00
Securities—mature 03/01/85	965,000.00
Total Cash Balances—February 28, 1985	\$ 979,717.42

13—Goiffon and Heffron met with Ralph Steiner to finalize plans for an employee

financial planning seminar. Heffron met with State Agriculture Commissioner Jim Nicols to outline plans for a special "Ag Appreciation Day" during the 1985 Fair.

17—Sinclair met with Ms. Judy Melander to discuss Department of Natural Resources' plans for their exhibit complex at the 1986 Minnesota State Fair.

18—The first of four financial planning sessions for State Fair employees was presented by Steiner and Associates.

20—The Cornelius-Setter Holm Company filmed a commercial in the Coliseum.

21—Governor Rudy Perpich signed HF 2100, a State Fair-sponsored bill repealing certain inappropriate language added in conference committee last May to the Society's enabling statute.

22-23—A weapons collectors' show and sale was held in the Coliseum.

24—Leach and Hammer met with Milk Run race director John Magnuson to outline plans for the '86 five-mile foot race.

24—Wenzel and Heffron met with Bart Blinstrup of Aqua Management to discuss problems with the water ride and parking ramp. Sinclair met with representatives from the Minnesota Department of Agriculture to discuss their exhibit plans for 1986.

27—Frost and Wenzel met with Pioneer Press Dispatch personnel to go over plans for 1986 Care and Assistance area, plus their exhibit plans.

28—The University of Minnesota held a foot race through Machinery Hill.

April

1—Heffron attended an IAFE executive committee meeting in Chicago at which current industry insurance problems were discussed with Bill Wilkerson of Haas, Wilkerson, Wolberg Agency.

Space Rental Committee Meeting

Administration Building, State Fairgrounds

Thursday, April 3, 1986—10 A.M.

Members present: Korff, chairman; Ramberg; Roehlke; Annexstad; Ojakangas; Tiffany, ex officio; Heffron, ex officio; Wenzel, ex officio; Sinclair, ex officio.

Also present: Lilliquist; Prokosch; Morris; John Galus and Richard Keenan.

Meeting was called to order by Chairman Korff at 10:05 A.M.

Ms. Colleen K. Illg appeared before the committee requesting review of the Space Rental Department's earlier decision denying her concession space at the 1986 Fair. Mr. Sinclair reviewed Ms. Illg's application and indicated that the department's determination had been made on the basis of existing representation of the products, a desire to offer the public exposure to new, unrepresented products before further duplicating products currently represented and market analysis which reflected an adequate meeting of demand for the products by present outlets. Ms. Illg opined that based on the number of outlets for the products, fair attendance and varying geographic markets about the grounds, another concession offering such products would not represent an inordinate level of product representation. Mr. Heffron expressed concern that only one outlet for any product at the fair may reflect unintended exclusivity and recommended that the subject application be placed in an "if space becomes available" status for further consideration. It was so moved by Mr. Ojakangas, seconded by Mr. Ramberg and carried (Aye-4; Nay-0).

The committee reviewed the application of Mr. Ted Quick for his firm, Royal Prestige of Iowa, Inc. to offer kitchen and dining furnishings including china, crystal, tableware, cooking utensils and cutlery. Based on the availability level of similar products, it was moved by Mrs. Roehlke, seconded by Mr. Annexstad and carried that the staff determination denying Mr. Quick's rental application be supported (Aye-4; Nay-0).

The committee was backgrounded on efforts by staff to bring about a divestiture of concession operations held by James A. Davis. Mr. Sinclair explained that Mr. Davis previously operated 26 food/beverage concessions, exclusive of commissary/warehouse space, offering products such as rainbow ice cream cones, sno cones, caramel apples, ice cream sandwiches and Bomb Pop popsicles. The proposed divestiture represented a reduction of Mr. Davis' holdings by 6 locations (23%) for 1986 and would result in Mr. Davis' continued operation of 5 concessions in fair owned buildings with allocation of the balance of such operations in groups of 5 each to Mr. Davis' daughters Maxine and Lynn and his son-in-law Gregory Tetrault. It was moved by Mr. Ojakangas, seconded by Mrs. Roehlke and carried that the proposed divestiture be accepted, that approval be granted for issuance of miscellaneous concession agreements for the 1986 fair to James A. Davis, Maxine W. Davis, Lynn Davis and Gregory J. Tetrault and that Mr. Davis be advised of the committee's appreciation for his cooperation in working with staff to this end. Further, Mr. Sinclair was congratulated for his work in bringing about this change (Aye-4; Nay-0).

Discussion was undertaken relative to changes in Care and Assistance facilities for 1986, plans for development of a park area between the Education and Creative Activities Buildings and relocation of the Crossroads Chapel to the former Care and Assistance Building. It was moved by Mr. Annexstad, seconded by Mr. Ojakangas and carried that ownership of personal property constituting both the Care and Assistance Building #362 in block 36 and Crossroads Chapel location on lot K in block 32 be transferred between the State Fair and Greater St. Paul Association of Evangelicals for the sum of \$1.00 (Aye-4; Nay-0).

The fair's purchase of an exhibit building owned by North Heights Lutheran Church located on Lot 5 in Block 44 for the sum of \$5,200.00 was approved on a motion by Mr. Ojakangas, seconded by Mr. Annexstad and carried (Aye-4; Nay-0).

Adjournment was moved by Mrs. Roehlke, seconded by Mr. Ojakangas and carried (Aye-4; Nay-0).

**Meeting of the Governing Board
Minnesota State Agricultural Society**

Administration Building

Thursday, April 3, 1986—10:55 A.M.

Members present: J. G. Tiffany, president; Eileen Roehlke; Sulo Ojakangas; Martin Annexstad; Howard Morris; Vern Prokosch; Willis Lilliquist; Leonard Ramberg; Bill Korff; Mike Heffron, secretary. Absent: Bert Lund.

Also present: Bob Potter; Jim Sinclair; Ken Wenzel; John Galus; Rich Keenan; Jim Frost. Upon a motion by Mr. Korff, seconded by Mr. Lilliquist and carried, minutes of the January 13 Board and Committee meetings(s), previously mailed to members, were approved (Aye-8; Nay-0).

Mimeographed copies of the minutes in vacation, covering the period January 22 through April 1, 1986, and the administrative action note therein, were approved upon a motion by Mr. Morris, seconded by Mr. Prokosch and carried (Aye-8; Nay-0).

Secretary presented the February 28, 1986 financial statement as follows:

Cash Activity General Fund—February 28, 1986:

Cash Balance—January 31, 1986		\$	30,150.21
Add:			
Interest Income	\$ 8,305.89		
Securities Sold	105,000.00		
February Cash Receipts	143,532.12	256,838.01	
Total Cash Available Before Disbursements		\$	286,988.22
Less:			
Bi-Weekly Payroll Ending February 5	\$50,424.44		
Bi-Weekly Payroll Ending February 14	44,687.07		
Securities Purchased	40,000.00		
February Disbursements Paid	77,313.49	212,425.00	
Cash Balance General Fund February 28, 1986		\$	74,563.22

Cash Balances All Accounts—February 28, 1986:

General Fund Account	\$	74,563.22
Trust Fund Account		435.86
Petty Cash		2,350.00
Securities—mature 03/04/86		1,472,000.00
Total Cash Balances—February 28, 1986	\$	1,549,349.08

Cash Balances All Accounts—February 28, 1985:

General Fund Account	\$	13,367.42
Petty Cash		1,350.00
Securities—mature 03/01/85	\$	965,000.00
Total Cash Balances—February 28, 1985	\$	979,717.42

Upon a motion by Mr. Ojakangas, seconded by Mr. Korff and carried, the financial statement of February 28, 1986 was accepted and approved (Aye-8; Nay-0).

In response to Board instructions given January 13, 1986, Secretary reported that the cost involved in making travel reimbursements to the Life Member Advisory Committee for attendance at two official meetings each year would be approximately \$1,500 (if all 15 committee members were to attend both sessions). It was moved by Mr. Ramberg, seconded by Mr. Prokosch and carried that reimbursements be allowed to members of the advisory committee for mileage to and from Minnesota home station for official meetings (Aye-8; Nay-0).

Upon a motion by Mr. Korff, seconded by Mr. Prokosch and carried, Board action taken January 13, 1986 to formally accept the fireworks proposal of the Zambelli Fireworks Company was rescinded (Aye-8; Nay-0).

Mr. Ramberg detailed the circumstances of his very recent change in home address, a change which has taken him outside the legal boundary of the fifth regional district thereby voiding his residency qualification to serve as vice president of the Society. Mr. Ramberg requested that the members accept his resignation and, further, that they consider his recommendation, as well as the like recommendation of the Greater Minneapolis Chamber of Commerce, to elect Mr. Richard J. Keenan to fill the open position. In response, Mr. Korff moved to accept the resignation of Mr. Ramberg and to elect Mr. Keenan to serve as fifth regional vice president until the annual meeting of the Society in January. Motion seconded by Mr. Ojakangas and carried (Aye-7; Nay-0 ... Mr. Ramberg abstained).

The oath of office was administered to Mr. Keenan.

An "offer to purchase" agreement, introduced by Mr. Frost, whereby the Society acquires from Burlington-Northern Railroad Co. a 5.99-acre parcel of property immediately west of Block 55 for the sum of \$175,000, was approved upon a motion by Mr. Lilliquist, seconded by Mr. Keenan and carried (Aye-8; Nay-0).

It was moved by Mr. Keenan, seconded by Mr. Korff and carried that Special Assistant Attorney General Galus be asked to research and provide an overview of the "public official" status of Society board members under current law, particularly as that status relates to ethical practices and standards (Aye-8; Nay-0).

The space rental consultancy contract between R. J. Keenan and the Society, dated 1-28-85, was terminated on a motion by Mrs. Roehlke, seconded by Mr. Ojakangas and carried (Aye-7; Nay-0... Mr. Keenan abstained).

The following (amended) officer's cottage room assignments were made by Mr. Tiffany: 1-Korff; 2-Tiffany; 3-Keenan; 5-Roehlke; 6-Ojakangas; 7-Lilliquist; 8-Annestad; 10-Lund; 11-Morris; 12-Prokosch.

Mr. Tiffany set an agenda call for the next meeting of the Board on Thursday, June 12, 10 A.M.

Meeting adjourned.

Minutes in Vacation

April

5-6—A ceramics show and sale was held in the Coliseum.

9-11—An IAFE Zone 4 workshop in Crookston was attended by Bob Armstrong, Jim Sinclair, Joe Fischler and Jerry Hammer.

10—Staff members Wenzel and Fischler, along with John Galus and Steve Buffington of the Attorney General's staff, met with representatives of Aqua Management, Bladholm Bros., Barr Engineering, Walker Parking consultants and Jameson and Associates relative the parking ramp in Block 49.

10—The Executive Committee approved the March 31, 1986 financial statement as follows:

Cash Activity General Fund—March 31, 1986:

Cash Balance—February 28, 1986		\$	74,563.22
Add:			
Interest Income	\$ 8,302.37		
Securities Sold	466,000.00		
March Cash Receipts	75,100.29	549,402.66	
Total Cash Available Before Disbursements		\$	623,965.88
Less:			
Bi-Weekly Payroll Ending March 5	\$ 56,786.08		
Bi-Weekly Payroll Ending March 14	45,822.09		
Securities Purchased	295,386.76		
March Disbursements Paid	193,980.04	591,974.97	
Cash Balance General Fund March 31, 1986		\$	31,990.91

Cash Balances All Accounts—March 31, 1986:

General Fund Account		\$	31,990.91
Trust Fund Account			435.86
Petty Cash			200.00
Securities—mature 04/02/86	1,006,000.00		
Securities—mature 06/05/86	295,313.00		1,301,313.00
			<u>1,301,313.00</u>
Total Cash Balances—March 31, 1986			<u>\$1,333,939.77</u>

Cash Balances All Accounts—March 31, 1985:

General Fund Account		\$	11,075.61
Trust Fund Account			2,358.41
Petty Cash			200.00
Securities—mature 04/03/85	560,000.00		
Securities—mature 04/08/85	200,000.00		
Securities—mature 04/12/85	100,000.00		860,000.00
Total Cash Balances—March 31, 1985			<u>\$873,634.02</u>

11—Staff members Potter, Wenzel, Frost and Heffron met with Dick Reinhardt to discuss operation of the Ticket Department.

11-13—Now Sports held a bicycle sale in the Education Building.

14—Minnesota DOT project engineer Tom O'Ryan met with Heffron, Wenzel and Fischler to discuss the Snelling roadway work scheduled for 1987.

15—The St. Paul Police Department began a series of training exercises on Machinery Hill to run through May 31. Sinclair met with Machinery Hill Superintendent M.C. Hardy to discuss plans for Agriculture Appreciation Day.

17-19—The Wilkins' Dealerships held a used car auction in the Race Track infield.

18—Safety meeting was conducted for staff at the Service Building. Sinclair met with representatives of the Minnesota Department of Agriculture to review their exhibit plans for the 1986 Fair.

18-20—The Gopher State rod and custom show was staged in the Coliseum.

19—The Lions Club held a garage sale in the Dog Building.

19-20—A canoe show and sale was presented in the Education Building.

20-24—Wenzel and Heffron participated in the IAFE spring management conference in San Francisco and visited the Alameda County Fair, Pleasanton. Heffron attended an IAFE board meeting on April 21.

23—Ramsey County Sheriff held a training session on Machinery Hill. The Minnesota DNR held an Arbor Day project in the Dog Building. Sinclair met with Dick Dworschak of Badger Exposition Service to discuss exhibit building decorating plans for the 1986 Fair.

25-27—The Minnesota Quarter Horse Show was presented in the Coliseum.

25-28—Best Buy Company staged an electronics sale in the Education Building.

26-27—A sale of animal health care products was held in the Dog Building.

29—FFA livestock judging was conducted in the Coliseum and Barnyard.

May

1-3—A garage sale was held in the Crossroads Chapel.

1-4—United Stores held a camping equipment sale in the Merchandise Mart.

3—U.S. Cycling Federation held trial races on Machinery Hill.

3-4—The Sahara Sands horse show was presented in the Coliseum.

4—The Northland Toy Show was held in the Dairy Building. The U of M staged a foot race on Randall Avenue.

5—Lakewood Community College made use of Machinery Hill for a bicycle race. Armstrong, Wenzel and Heffron met with representatives of the State Health Department to discuss ambulance inspection during the fair.

6—Wenzel, Wente and Heffron met with Norb Anderson to discuss the golf driving range lease. A meeting concerning the watershed district was attended by Wenzel, Fischler and Heffron, plus Tom Kirk of TKDA. The Executive Committee approved the April 30, 1986 financial statement as follows:

Cash Activity General Fund—April 30, 1986:

Cash Balance—March 31, 1986		\$	31,990.91
Add:			
Interest Income	\$ 4,605.96		
Securities Sold	335,000.00		
April Cash Receipts	72,094.00	411,699.96	
Total Cash Available Before Disbursements		\$	443,690.87

Less:		
Bi-Weekly Payroll Ending April 2	\$49,669.69	
Bi-Weekly Payroll Ending April 16	46,036.56	
Bi-Weekly Payroll Ending April 30	49,338.39	
April Disbursements Paid	239,316.48	384,361.12
Cash Balance General Fund April 30, 1986		<u>\$ 59,329.75</u>

Cash Balances All Accounts—April 30, 1986:

General Fund Account	\$ 59,329.75	
Trust Fund Account	435.86	
Petty Cash	200.00	
Securities—mature 05/07/86	671,000.00	
Securities—mature 06/03/86	295,313.00	966,313.00
Total Cash Balances—April 30, 1986		<u>\$1,026,278.61</u>

Cash Balances All Accounts—April 30, 1985:

General Fund Account	\$ 9,428.93	
Trust Fund Account	2,358.41	
Petty Cash	200.00	
Securities—mature 05/08/85	200,000.00	
Securities—mature 05/12/85	100,000.00	
Securities—mature 05/13/85	605,000.00	905,000.00
Total Cash Balances—April 30, 1985		<u>\$ 916,987.34</u>

10—A model railroad show was staged in the Merchandise Mart.

13—Betsy Kronish, Kentucky State Fair, visited with staff while in the city.

14—A meeting with Minnesota DOT engineers and right-of-way personnel was attended by Wenzel, Fischler and Heffron. Purpose of the meeting was to discuss use of Underwood Street for a construction by-pass.

14-17—North Central Reining horse show was held in the Coliseum.

16-18—A country folk art show was staged in the Education Building. Goodwill Industries held a sale in Modern Living.

21—Sinclair addressed a meeting of the Association of Minnesota State Fair Enterprises.

22—A meeting attended by the principals of Aqua Management, plus representatives of the Attorney General (Steve Buffington and John Galus) and the State Fair (Wenzel, Fischler and Heffron) was held to attempt resolution of the many problems connected with the water ride and parking ramp. Hammer addressed a meeting of the Midway Exchange Club.

23—A meeting with Minnesota DOT engineer to discuss the Underwood by-pass was attended by Fischler, Wenzel and Heffron.

26—A "Fit-Fest Biathalon" was contested using the entire grounds.

28—Frost and Bolin Agency representative Larry Shear met with Shelia Moar, Bandana Square promotion director, to discuss satellite parking arrangements.

30-June 5—The Martiz Company used Education Building facilities for the conduct of a consumer survey.

June

1—A GMC car show and swap was held at the Race Track.

2—DNR representative, Judy Mellander, met with Sinclair to review Department of Natural Resources exhibit plans for 1986.

7-8—An electronics/computer show and sale was held at the Race Track and in the East Room.

8—The Land O'Lakes Dog Show was staged in the Coliseum and Sheep Barn.

9—Heffron attended a special reception given for Kent Harbison upon his retirement from the Attorney General's staff to enter private practice.

Space Rental Committee Meeting

Administration Building, State Fairgrounds
Thursday, June 12, 1986—9:30 A.M.

Members present: Korff, chairman; Keenan; Lund; Annexstad; Ojakangas; Roehlke; Tiffany, ex officio; Heffron, ex officio; Wenzel, ex officio; Sinclair, ex officio.

Also present: Lilliquist; Morris; Prokosch and Special Assistant Attorney General Bill Caldwell.

Sinclair reviewed events of 1985 leading to placement of Future Home Products in exhibit space adjacent to that which they held in prior years. The change was required by their failure to reapply for space in a timely manner. Mr. Butch Broberg appeared before the committee representing Future Home Products. He expressed concern that the space assigned them in 1985 was not as desirable as that which they previously held and requested their being returned to the original space. It was determined by the committee that, under the circumstances, staff acted appropriately and were particularly accommodating in their efforts to find Future Home Products appropriate exhibit space. It was moved by Mr. Lund, seconded by Mr. Annexstad and carried that staff actions relative to this matter be supported (Aye-5; Nay-0).

Mr. Patrick Lehman requested that the decision of the Space Rental Department denying his application for concession space from which to offer hand painted and airbrushed wearing apparel, be reviewed on the basis of its unusual art form and quality. Mr. Sinclair indicated that Mr. Lehman's work was of good artistic quality, but that the high level of availability of such wearing apparel at the Fair had brought about denial of the application. After review of the application, product and support materials provided by Mr. Lehman it was moved by Mr. Keenan, seconded by Mr. Ojakangas and carried that staff be directed to place the subject application in an "if space becomes available" status to be given further consideration should space appropriate to presentation of such products become available between this date and the Fair (Aye-5; Nay-0).

Ride and show ticket prices for 1986 covering the following percentage/participation attractions were reviewed and approved on a motion by Mr. Lund, seconded by Mr. Keenan and carried (Aye-5; Nay-0).

A. Antique Auto Club of America—Car Museum	\$.75
B. Arrow Enterprises—Skyride—(Kids—One Way)	\$ 1.00
(Kids—Round Trip)	\$ 1.50
(Adults—One Way)	\$ 1.50
(Adults—Round Trip)	\$ 2.25
C. Brede Carrousel, Inc.—Carrousel	\$.75
D. K & M Recreation—Haunted House	\$ 2.00
E. Ye Old Mill Amusements—Canal Boat Ride—(Kids)	\$.65
(Adults)	\$.90

F. Royal American Shows, Inc.—Carnival— (Single Coupons)	\$.35
(Coupon Sheets—Fair-time) 30 coupons for	\$10.00
(Coupon Sheets—Advance) 20 coupons for	\$ 6.00

G. Ventnor Place, Inc.—Space Tower—(Kids)	\$.50
(Adults)	\$ 1.25

H. Aqua Management, Inc.—White Water Raft Ride	\$ 2.00
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A request by Giant Ride, Inc. to increase the price of tickets for the Giant Slide from \$50 to \$.75 was approved on a motion by Mr. Annexstad, seconded by Mr. Ojakangas and carried (Aye-5; Nay-0).

Meeting was adjourned at 10 A.M.

**Meeting of the Governing Board
Minnesota State Agricultural Society**

Administration Building, State Fairgrounds
Thursday, June 12, 1986—10 A.M.

Members present: J.G. Tiffany, president; Sulo Ojakangas; Eileen Roehlke; Martin Annexstad; Howard Morris; Vern Prokosch; Rich Keenan; Willis Lilliquist; Bert Lund; Bill Korff; Mike Heffron, secretary.

Also present: Bill Caldwell (special assistant attorney general); Jim Frost; Steve Pooch; Joe Fischler; Bob Potter; Ken Wenzel; Jim Sinclair.

Meeting was called to order by president Tiffany at 10:30 A.M.

Grandstand, Coliseum, free stage and other entertainment contracts were reviewed and approved upon a motion by Mr. Lund, seconded by Mr. Korff and carried (Aye-9; Nay-0). It was indicated that the approximate total for approved contracts (\$1,150,000) includes \$450,000 for free acts and attractions. Following is a specific breakdown of contract costs:

Grandstand	Date(s)	Terms
Southern Thunder Sound, Inc.	8/21-9/1	\$18,000 (Sound)
Southern Thunder Sound, Inc.	8/21-9/1	\$13,000 (Lights)
John D. Magnuson (Milk Run Director)	8/30	\$595
Steve Hoag (Milk Run Consultant)	8/30	\$100
Vicki Knutson (Milk Run Consultant)	8/30	\$100
Willie Nelson & Family	8/21-22	\$102,000 vs. 75% of gross, whichever is greater.
John Denver	8/23	\$50,000 plus 80% over \$75,000
Oak Ridge Boys	8/24	\$40,000 plus 70% over \$55,000 plus \$2,500 production costs
Anne Murray	8/24	\$50,000 plus 80% over \$75,000 plus \$3,500 production costs
The Jets	8/25	\$20,000 plus 75% over \$50,000
Limited Warranty	8/25	\$7,500
Mazarti	8/25	\$7,500
The Beach Boys	8/25	\$60,000 plus 75% over \$85,000
Kenny Loggins	8/27	\$42,500 plus 85% over \$70,000 plus \$7,500 production costs
Alabama	8/29	\$50,000 plus 80% over \$76,000 plus \$1,800 for catering plus \$2,500 to Bellamy Brothers plus \$12,000 production costs
Alabama	8/30	\$50,000 plus 80% over \$76,000 plus \$1,800 for catering plus \$2,500 to Bellamy Brothers plus \$12,000 production costs
Garrison Kiellor	8/30	\$35,000 plus 80% over \$57,500
Bangles	8/31	\$50,000 plus 75% over \$70,000

Free Stage Sound

Southern Thunder Sound, Inc.	8/21-9/1	\$10,200 (Bandshell)
Southern Thunder Sound, Inc.	8/21-9/1	\$5,200 (Baldwin Park)
Southern Thunder Sound, Inc.	8/21-9/1	\$2,700 (Heritage Square)
Southern Thunder Sound, Inc.	8/21-9/1	\$2,700 (Bazaar)

Bandshell

Boddy Dale	8/21-9/1	\$2,140
Tom Baumgartner	8/21-9/1	\$1,900
Tom Chepokas Quartet	8/21-9/1	\$4,524
Brian Krinke	8/21-9/1	\$1,000
Doug Kershaw	8/21-8/26	\$22,500
The Challengers	8/21-8/26	\$8,000
Asleep at the Wheel	8/21-8/26	\$15,000
The Jack D'Johns	8/21-8/26	\$14,000
Southern Pacific	8/21-9/1	\$15,000
Box Car Willie	8/27-9/1	\$33,000
The Johnsons	8/27-9/1	\$7,500
William and Ree	8/27-9/1	\$13,200
Ray Komischke	8/27-8/31	\$51,585

Baldwin Park

Date(s)	Terms
8/21-8/26	\$5,000
8/21-8/26	\$8,500
8/21-8/26	\$7,500

Baldwin Park

Date(s)	Terms
Back Behind The Barn Boys	8/27-9/1 \$5,500
Mary Jane Alm Band	8/27-9/1 \$4,500

Heritage Square

Nielsen-White Band	8/21-8/26 \$2,500
South Coast Trio	8/21-8/26 \$6,000
Elmer Scheid Band	8/21-8/26 \$5,126
Riders In The Sky	8/27-9/1 \$14,000
American Brass Revue	8/27-9/1 \$5,328
Chmielewski Funtime Show	8/27-9/1 \$7,500

The Bazaar

Frederick & Laven	8/21-8/26 \$1,500
Pinkard & Bowden	8/21-8/26 \$9,000
The Memories	8/21-8/26 \$5,500
Duffy Brothers	8/27-9/1 \$4,750
The Gairret Brothers	8/27-9/1 \$6,608

Children's Theater

Willie Wonda	8/21-9/1 \$7,100
Gershwyn	8/21-9/1 \$4,800
David Cohan	8/21-9/1 \$5,000
Tony & David Phillips	8/21-9/1 \$4,500

Creative Activities

Cliff Brunzell & The Celebrity Strings	8/21-9/1 \$6,466
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Special Attractions

U.S. High Diving Team	8/21-9/1 \$23,600
Jay Cochran (High Wire)	8/21-9/1 \$22,193

Dog Exhibit Building

MN Purebred Dog Breeders Assn.	8/21-9/1 \$4,820
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Parades

High School Marching Band	
Contracts To Be Submitted At	
Fairtime Board Meeting	(Est.) \$13,000 + Admission

Horse Show and Rodeo

Shirley Trimble	8/22-8/27 & 8/30-31 \$130
Barnes P.R.C.A. Rodeo	8/28-29 \$20,000 plus \$6,000 prize money plus admissions
MN Horse Pullers Assn.	8/27 \$7,200
Monte Wessberg	8/22-9/1 \$3,600

Veterinarian Services

W.J. Mackey, D.V.M.	8/21-9/1 \$7,100
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Agriculture Horticulture

Washington County Ag. Society (Poultry Cage Rental)	8/8-9/5 \$100
MN Apple Growers Assn.	8/21-9/1 \$900
North Central Florists Assn.	8/21-9/1 \$8,500
Twin City Nursery	8/21-9/1 \$1,400
St. Paul Growers Assn.	8/21-9/1 \$350
Minneapolis Farmers Market	8/21-9/1 \$350
MN State Horticultural Society	8/21-9/1 \$2,300
MN State Horticultural Society	8/21-22 \$1,100
African Violet Society of MN	8/21-22 \$1,100
MN Gladiolus Society	8/23-24 \$1,450
Federated Garden Clubs of MN	8/27-28 \$1,450
Orchid Society of MN	8/29-30 \$1,100
MN State Bonsai Society	8/29-30 \$1,100
MN Dahlia Society	8/31-9/1 \$1,450

Upon a motion by Mr. Annexstad, seconded by Mr. Prokosch and carried, minutes of the April 3 Board meeting, previously mailed to the members, were approved (Aye-9; Nay-0).

Mimeographed copies of the Minutes in Vacation, covering the period April 5 through June 9, 1986 and the administrative action noted therein, were approved upon a motion by Mr. Ojakangas, seconded by Mr. Lund and carried (Aye-9; Nay-0).

Secretary presented the May 31 financial statement as follows:

Cash Activity General Fund—May 31, 1986:

Cash Balance—April 30, 1986		\$ 59,329.75
Add:		
Interest Income	\$ 1,789.33	
May Cash Receipts	495,076.10	496,865.43
Total Cash Available Before Disbursements		\$ 556,195.18
Less:		
Bi-Weekly Payroll Ending May 14	\$54,897.34	
Bi-Weekly Payroll Ending May 28	48,852.04	
Bank Securities Purchased	125,000.00	
May Disbursements Paid	298,461.96	527,211.34
Cash Balance General Fund May 31, 1986		\$ 28,983.84

Cash Balances All Accounts—May, 31, 1986:

General Fund Account	\$ 28,983.84
Trust Fund Account	435.86
Petty Cash	200.00

Securities—mature 06/02/86	50,000.00	
Securities—mature 06/05/86	295,313.00	
Securities—mature 06/11/86	746,000.00	1,091,313.00

Total Cash Balances—May 31, 1986

\$1,120,932.70

Cash Balances All Accounts—May 31, 1985:

General Fund Account		\$	8,312.53
Trust Fund Account			2,358.41
Petty Cash			200.00
Securities—mature 06/05/85	435,000.00		
Securities—mature 06/07/85	200,000.00		
Securities—mature 06/07/85	40,000.00		
Securities—mature 06/12/85	100,000.00	775,000.00	

After review of the statement and of Society cash/investment balance(s), it was moved by Mr. Lilliquist, seconded by Mr. Ojakangas and carried that the financial statement of May 31, 1986 be approved (Aye-9; Nay-0).

Approval of action taken by the Space Rental Committee earlier in the day (June 12) was moved by Mr. Korff, seconded by Mrs. Roehlke and carried (Aye-9; Nay-0).

Upon a motion by Mr. Morris, seconded by Mr. Prokosch and carried. Fair-period invitations to the Federation of County Fairs board; Life and Hall of Fame members; executive committee(s) of the Retail Farm Equipment Association and Northwest Farm Equipment Association; Livestock Breeders Association board; along with the picnic supper for agricultural-business representatives, were approved (Aye-9; Nay-0).

It was moved by Mr. Lund, seconded by Mr. Keenan and carried to authorize a Society expenditure of up to \$1,000 to host a reception for out-of-town and out-of-state horse show exhibitors (Aye-9; Nay-0).

Secretary outlined a new procedure intended to better and more clearly define the relationship between the Society and its full-time employees. Upon a motion by Mr. Korff, seconded by Mr. Lund and carried, the following administrative steps were approved: (1) Void all written employment contracts currently in effect; (2) approve a revised and updated employee manual and (3) approve a standard procedure under which the employee manual and applicable job description would form the basis of future relationships between the Society and its full-time employees (Aye-9; Nay-0).

The following resolution, introduced so as to replace certain needed language in the (voided) employment contracts of Joe Fischler, Jim Frost and Bill Hermes was moved by Mr. Keenan, seconded by Mr. Ojakangas and carried (Aye-9; Nay-0): It is hereby specified that Society employees, Joe Fischler, Jim Frost and Bill Hermes, be required to live on the State Fairgrounds for the convenience and to the benefit of the Society with gratis rent, utilities and telephone. This resolution will be effective until January, 1987, and, at that time, shall be brought forward for reconsideration.

Changes in the Society employee roster, under which Gregg Glaus and Mary Kay Glaus are added (4-26) and Eric Luetgers is removed (4-25), were approved on a motion by Mr. Ojakangas, seconded by Mr. Lilliquist and carried (Aye-9; Nay-0). (The Board asked that in the future employee changes be reduced to a single annual report and that they not be presented for Board action.)

Ken Wenzel made introductory remarks related to the problems encountered with Aqua Management and the contractors responsible for the white water raft ride and the Block 49 parking ramp. He then introduced Special Assistant Attorney General Steve Buffington who detailed the legal steps being taken to (1) guarantee the safety and acceptability of the parking ramp (2) assure that the raft ride will be ready for operation at the '86 fair; and (3) obtain evidence that all non-disputed construction debts incurred by Aqua are being paid. Report only ... no action required. (Mr. Keenan asked that the record reflect his representation of the Minnesota Prestress Concrete Association.)

An advance sale, carnival discount coupon promotion (20 @ \$600) was approved upon a motion by Mr. Lund, seconded by Mr. Annexstad and carried (Aye-9; Nay-0).

Approval to transfer 14,000 child tickets @ \$1.50 to "non-pay" status for purposes of a Multiple Sclerosis Readathon promotion was granted on a motion by Mr. Korff, seconded by Mrs. Roehlke and carried (Aye-9; Nay-0).

It was moved by Mr. Annexstad, seconded by Mr. Lunda and carried that the Board reiterate its long-standing policy of prohibiting gambling activity on the grounds, including bingo, pull-tabs and those other forms of gaming recently legalized under Minnesota statute (Aye-9; Nay-0).

A change in the youth (or kid's) day promotion from two Fridays to a single Monday (August 25) and for the allowance of free admission to those under 18 years of age on that day was approved on a motion by Mr. Prokosch, seconded by Mr. Lilliquist and carried (Aye-9; Nay-0).

Business and staff membership in the following organizations were approved upon a motion by Mr. Ojakangas, seconded by Mrs. Roehlke and carried (Aye-9; Nay-0).

Organization	Amount	Member
Greater Minneapolis Chamber of Commerce	\$230	
St. Paul Area Chamber of Commerce	218	
Midway Civic & Commerce Association	180	Heffron
		Wenzel
		Hammer
		Armstrong
		Wente
Executive Women's International	150	
Internation Assn. of Fairs & Expositions	600	
Minnesota Safety Council	60	
Professional Grounds Maintenance Association	85	Fisher
Midwest Fairs Association	100	
Country Music Association	35	
Minnesota Newspaper Association	200	
Outdoor Amusement Business Association	20	
Minnesota Paint Horse Association	15	
American Paint Horse Association	10	
American Horse Shows Association	500	
American Horse Shows Assn. (Senior memb.)	50	

Organization	Amount	Member
American Horse Shows Assn. (Saddle seat)	\$ 35	
American Dairy Goat Assn.	106	
Appaloosa Horse Club	20	
Minnesota Hunter/Jumper Assn.	50	
Minnesota Quarter Horse Assn.	15	
Palamino Horse Breeders	35	
Tri-State Horseman's Assn.	50	
Better Business Bureau	150	
Federal Surplus Property	30	
MN Chapter of N.I.G.P.	25	
Twin City Purchasing	130	
MN Society of Association Executives	75	Wenzel
Suburban Area Chamber of Commerce	350	
Minnesota Ice Arena Managers	50	Nardini
Box Office Management	95	Giannini
Minnesota Cooperative Purchasing Venture	250	Armstrong
North Suburban St. Paul Kiwanis Club	60	Sinclair
International Country Music Buyers Assn.	100	Frost
St. Paul Winter Carnival	115	
	<u>\$4,194</u>	

Secretary presented a request from the Minnesota Education Association asking that the Fair once again become a major sponsor of the "Teacher of the Year" program. The invitation was declined on a motion by Mr. Lilliquist, seconded by Mr. Ojakangas and carried (Aye-9; Nay-0).

Departmental payroll schedules for 1986, as prepared by superintendents under budgetary guidelines and confirmed by appropriate supervisors, were presented by Mr. Potter and approved on a motion by Mr. Korff, seconded by Mr. Lund and carried (Aye-9; Nay-0).

Mr. Frost provided an update on the Burlington-Northern property purchase, initially approved by the Board at its meeting on April 3, 1986. Burlington-Northern accepted the Society's offer of \$175,000 and delivered a quitclaim deed upon payment. Method of payment calls for \$51,300 to be borrowed on the Society's "line of credit" from First/St. Paul and the remainder to be paid from current operating funds. Questions regarding the adequacy of a quitclaim deed, as opposed to a warranty deed, were discussed at length. (Subsequently, a letter from Special Assistant Attorney General John Galus was circulated for clarification—see attached.)

Upon a motion by Mr. Lund, seconded by Mr. Lilliquist and carried, eight storage damage claims totaling \$1,252.95 were approved for payment as per the following schedule (Aye-9; Nay-0): David Brown, boat prop missing, \$250.00; Ervin Fidler, car ornament broken, \$300.00; Curtis Freeman, nail in tire and tire lock key missing, \$25.90; Edward Haedtke, auto door spring, \$217.40; Allan Lee, trailer dented, \$300.42; Mark Nolan, paint scrape on car, \$300.00; Ronad Reed, trailer hitch damaged, \$123.76; Bob Tavis, car bumper damaged, \$54.7.

It was moved by Mr. Keenan, seconded by Mr. Ojakangas and carried that a review of off-season lease contracts, including storage and ice time, be undertaken annually by the attorney general so as to assure correct form and reflect changes in the law as relates to such agreements (Aye-9; Nay-0).

Mr. Frost updated the Board on the Fair's 1986 sponsorship program indicating that approximately \$131,000 would be realized in direct income from various commercial firms along with advertising/promotion commitments for radio, TV and newspaper placement, per list below:

Attraction	Sponsor	Fee
Auto Race	Coca-Cola	\$ 12,500
Baldwin Park	Miller High Life	12,500
Balloon Race	KS95 Radio	2,500
Bandshell	Schmidt	20,000
Bazaar Stage	Coors Light	12,000
Daily Schedule	Marshall's Stores	3,500
Fourth of July Fireworks	Midwest Federal	10,000
Heritage Square Stage	Pepsi Cola	7,500
High Dive Show	Pepsi Cola	6,000
Message Center Billboard	First Bank System	42,550
Milk Run	American Dairy Assn. of Minn.	2,500
		<u>\$131,550</u>

Non-cash sponsorships

Attraction	Sponsor	Consideration
Arm Wrestling Tournament	Miller Lite	Prizes, expenses, promotion
Camera Day at the Races	Eastman Kodak	Prizes, promotion
Milk Run	WCCO Radio	Promotion

Sponsorship report accepted upon a motion by Mr. Lilliquist, seconded by Mr. Prokosch and carried (Aye-9; Nay-0).

The following minor adjustments in Coliseum ice rates were approved on a motion by Mr. Prokosch, seconded by Mr. Lund and carried (Aye-9; Nay-0): Practice (per hour w/insurance)—\$80; practice (per hour w/out insurance)—\$115; practice game (w/insurance)—\$90; practice game (w/out insurance)—\$125; college game—\$600; high school game (1)—\$700; high school game (2)—\$950; regional high school game (1)—\$1,550; regional high school game (2)—\$1,650; skate & jog—\$2; open skating—\$2/\$1.50; long blades—\$2.

Upon a motion by Mrs. Roehlke, seconded by Mr. Prokosch and carried, approval was granted to issue the administrative employee coffee fund (Steve Pooch) \$100 to cover coffee and tea used during the summer and during the fair by business visitors (Aye-9; Nay-0).

Mr. Tiffany set up an agenda call for the next meeting of the Board on Friday, August 22 at 10 A.M.

The question was raised and a lengthy discussion followed on what the fair might do to help Minnesota farmers during this time of economic distress for the agricultural industry. Secretary outlined preliminary plans for Ag. Appreciation Day (August 26).

This special day, intended to signal a positive note on behalf of agri-business, will include a number of activities and programs especially aimed at rural visitors to the expositions.

Meeting adjourned.

Minutes in Vacation

June

12-15—The Minnesota Arabian Horse Show was held in the Coliseum.

12-22—Comb Company used the Dairy Building for a merchandise sale.

14—A celebration for recovering alcoholics was staged on the race track infield. Campground facilities were also used for the event.

16-18—The Mn Public Safety Department held a bus inspection on Machinery Hill.

16-20—The annual 4-H Leadership Conference was held in the 4-H Building.

17—Frost met with William Morris and ICM talent agents in Los Angeles regarding 1986 Grandstand entertainment.

20—Frost and Grandstand Superintendent Neil Larson attended ASA automobile races in Madison, Wisconsin and met with ASA officials.

21-22—Minnesota Street Rod Association staged their summer weekend show on Machinery Hill, using the Infield for a swap meet with camping in the Campgrounds.

22-23—Sinclair and Fisher visited the Red River Exhibition in Winnipeg, Manitoba.

23—A Junior Charlois Heifer Show was held in the Judging Arena and Beef Barn.

24—Sinclair met with representatives of the Wisconsin Department of Natural Resources regarding their presentation of an exhibit at the 1986 Fair.

26-28—The Tanbark Horse Show was contested in the Coliseum.

26-30—A group of Twin City auto dealers held a truck sale on Machinery Hill.

27-29—A gem and mineral show was held in the Education Building.

July

1—Frost and Heffron met with Jim Carufel of KTCATV to discuss a new parking lot lease.

2—Sinclair and DNR representative Judy Melander met to discuss plans for the Natural Resources exhibit at the 1986 State Fair.

4—A special 4th of July show and fireworks display, sponsored by the Fair, was staged at the Bandshell, Baldwin Park and in the Grandstand. Attendance for the event was 28,819.

7—The State Employment Service opened its Fairgrounds branch office in the 4-H Building.

8—Northwestern Bell held a safety fair for its employees and their families in the Education Building and Annex.

10—I.B.M. Corporation representative and Sinclair met to discuss the company's 1986 exhibit plans at the Fair.

9-13—North Central Morgan Horse Show was staged in the Coliseum. House of Large Sizes held a sale in Modern Living.

10—Executive Committee approved the June 30, 1986 financial statement as follows:

Cash Activity General Fund—June 30, 1986:

Cash Balance—May 31, 1986		\$ 28,983.84
Add:		
Interest Income	\$10,051.13	
Securities Sold	300,196.67	
June Cash Receipts	184,760.70	495,008.50
Total Cash Available Before Disbursements		\$ 523,992.34
Less:		
Bi-Weekly Payroll Ending June 6	\$56,566.73	
Bi-Weekly Payroll Ending June 20	67,741.35	
June Disbursements Paid	353,168.37	477,476.45
Cash Balance General Fund June 30, 1986		<u>\$ 46,515.89</u>

Cash Balances All Accounts—June 30, 1986:

General Fund Account	\$ 46,515.89
Trust Fund Account	435.86
Petty Cash	200.00
Ticket Account	153,888.02
Securities—mature 07/01/86	496,000.00
Securities—mature 09/04/86	295,116.33
Total Cash Balances—June 30, 1986	<u>\$ 992,156.10</u>

Cash Balances All Accounts—June 30, 1985:

General Fund Account	\$ 2,506.05
Trust Fund Account	2,358.41
Petty Cash	200.00
Ticket Account	1,189.45
Securities—mature 07/15/85	860,000.00
Total Cash Balances—June 30, 1985	<u>\$ 866,253.91</u>

11—Mayme Green, long-time employee of the Fair and member of the Society's Hall of Fame, died after a protracted illness.

12—A golf equipment swap meet was held in the Dog Building.

13—A Classic Corvette Car show was held in the Education Building.

14—Bob Potter, Neil Larson and Jim Frost attended World of Outlaws direct track sprint car racing program in Somerset, Wisconsin. Sinclair met with Will Steger to discuss presentation of an exhibit by the Steger Polar Expedition at the 1986 Fair.

15—Members of the staff and several Life Members attended funeral services for Mayme Green at Pilgrim Baptist Church in St. Paul. Norris Carnes spoke at the funeral.

16—Fischler, Sinclair and Wenzel met with John McQuillan and representatives from NSP, regarding gas service on Fairgrounds.

17—Fischler, Sinclair and Wenzel met with Messrs. Quinn and Bickner of State Electrical Board regarding Royal American Shows and State Fair electric matters. Sinclair met with Ms. Murial Bochnak of The Mengel Koch Company to arrange establishment of central disposal points for food by-product grease, oil and fat from concession operations at the Fair.

18—Students at the Humphrey Job Corps Center were given driver exams on Machinery Hill.

18-22—Heffron attended the Orange County Fair in Costa Mesa, California and an IAFE planning meeting in Springfield, Missouri.

19-22—The World Percheron Congress was staged on the Fairgrounds using the Coliseum, Horse Barn, Judging Arena and Campgrounds.

21—Wenzel, Frost and Hammer met with personnel of Bolin Advertising and Midwest Federal regarding the July 4 fireworks shows. Midwest Federal staff indicated interest in sponsorship of the event in 1987. A meeting of Space Rental building/area superintendents was held at the Administration Building.

22—The first of many amateur talent auditions were held at the Bandshell.

24—Fischler and Heffron met with Tom O'Ryan and a landscape engineer from MN DOT to discuss landscape work along Snelling Avenue. Sinclair, Hammer and Frost attended the Northern Wisconsin State Fair in Chippewa Falls, Wisconsin.

25—Staff members, including Mary Pooch, Barbara Wente, Dave Juettner, Ken Wenzel, Jim Frost and Heffron, met to discuss providing additional staff services for summer horse shows.

28—Jim Libby, a 65-year employee of the Fair, died suddenly in Minneapolis. Libby, who was also a Life Member of the Society and had been honored by induction into the Hall of Fame continued until last year as Superintendent of Sanitation. He previously served as Grounds Superintendent under D. K. Baldwin and John Libby. A pre-construction meeting was held to discuss the water tower project which will begin immediately after the '86 fair.

29—Wenzel, Heffron and two members of the St. Paul Police Department met with MN DOT representatives to discuss traffic management on the "new" Snelling Avenue.

30—A large contingent of board members, staff and Life Members attended funeral services for Jim Libby in south Minneapolis.

August

1—Frost and Larson attended the Wisconsin State Fair, Milwaukee, and met with production personnel for the group Alabama.

5—A Space Rental Review meeting was held in the Administration Building (see minutes which follow).

6—Sinclair met with Bob Morley of the Minnesota Department of Agriculture to discuss ag. inspections at the 1986 Fair.

8—Frost, Wenzel, and Heffron met with Kent Harbison, who is now in private practice, to discuss miscellaneous legal matters. Executive Committee approved the July 31, 1986 financial statement as follows:

Cash Activity General Fund—July 31, 1986:

Cash Balance—June 30, 1986		\$	46,515.89
Add:			
Interest Income	\$	3,700.22	
Securities Sold		375,000.00	
July Cash Receipts	1,247,864.99		1,626,565.21
Total Cash Available Before Disbursements			\$1,673,081.10
Less:			
Bi-Weekly Payroll Ending July 4	\$	80,650.80	
Bi-Weekly Payroll Ending July 18		76,028.70	
Securities Purchased		675,000.00	
June Disbursements Paid	451,099.89		1,282,779.39
Cash Balance General Fund July 31, 1986		\$	390,301.71

Cash Balances All Accounts—July 31, 1986:

General Fund Account	\$	390,301.71
Trust Fund Account		435.86
Petty Cash		1,800.00
Ticket Account		10,664.30
Securities—mature 08/06/86	626,000.00	
Securities—mature 08/07/86	175,000.00	
Securities—mature 09/04/86	295,116.33	1,096,116.33
Total Cash Balances—July 31, 1986		\$1,499,318.20

Cash Balances All Accounts—July 31, 1985:

General Fund Account	\$	7,542.52
Trust Fund Account		2,608.41
Petty Cash		1,800.00
Ticket Account		1,210.89
Securities—mature 08/07/85	1,243,000.00	
Total Cash Balances—July 31, 1985		\$1,256,161.82

11—Frost and Larson met with representatives from IATSE—Local No. 20 to discuss stagehand work rules and wages prevailing for 1986.

12—Frost and Larry Shear met with Steve Goldstein, general manager of WCCO Radio.

13—A 4-H donor luncheon and special Arts-In preview was held at the 4-H Building. Heffron met with Dr. Byron Schneider and Juanita Reed to discuss 4-H department payroll procedures. Wenzel and Heffron met with Special Assistant Attorney General Steve Buffington to discuss the water ride and parking ramp.

14—Wenzel, Fischler and Heffron conferred with Wayne Olson and Arnie Hedberg (TKDA) on warranty questions relative to the Coliseum roof replacement. Frost met with Assistant Commissioner Art Roemer and staff of the State Revenue Department regarding entertainer withholding taxes.

19—The fine arts preview was held at the Arts Center.

20—The Princess Kay Coronation, sponsored by ADA/Minnesota was held in the Bandshell. Preliminary English Horse Show events were staged in the Coliseum.

21—The 1986 Minnesota State Fair opened to the public at 6 A.M.

Space Rental Committee Meeting

Administration Building, State Fairgrounds

Tuesday, August 5, 1986—9:30 A.M.

Members present: Korff, chairman; Lund; Keenan; Roehlke; Ojakangas; Annexstad; Heffron, ex officio; Wenzel, ex officio; Sinclair, ex officio.

Meeting was called to order by Chairman Korff at 9:30 A.M.

Mr. Jim Zinz, a franchisee of ABC Seamless, Inc., appeared before the committee in response to a request by that firm for reconsideration of the Space Rental Department decision denying their application for exhibit space at the 1986 State Fair. Sinclair reviewed the basis for staff action ... lack of space of a suitable size/configuration appropriate to placement of the proposed ABC Seamless siding, gutter, soffit and fascia display and concern over the level of representation of like products. Mr. Zinz indicated that space of a lesser size would be acceptable for placement of the firm's exhibit after which it was moved by Mr. Lund, seconded by Mr. Keenan and carried that the application be given consideration should space become available between this date and the '86 Fair appropriate for exhibit's placement (Aye-5; Nay-0).

Mr. Sinclair reviewed the application of Afro American Enterprise Company based on the request of Mr. Peter Lewis for committee review of same and indicated that the staff decision to deny Mr. Lewis' application was founded on late filing and on lack of sufficient physical space about the fairgrounds to accommodate the proposed food concession. Mr. Lewis expressed interest in concession space to provide employment opportunity and emphasized his adaptability in menu development and space configuration. On a motion by Mr. Keenan, seconded by Mr. Annexstad and carried, staff action was affirmed with the understanding that Mr. Lewis would be complimented on his objectives, advised that physical constraints compelled staff action on his application and encouraged to apply in a timely manner for 1987 should his interest continue (Aye-5; Nay-0).

Meeting was adjourned at 10:30 A.M.

Meeting of the Governing Board Minnesota State Agricultural Society

Administration Building

Friday, August 22, 1986—10:15 A.M.

Members present: J. G. Tiffany, president; Martin Annexstad; Rich Keenan; Vern Prokosch; Bill Korff; Willis Lilliquist; Howard Morris; Sulo Ojakangas; Bert Lund; Eileen Roehlke; Mike Heffron, secretary.

Also present: Jim Frost; John Galus.

President Tiffany opened the meeting by welcoming all members to the 1986 Minnesota State Fair.

Upon a motion by Mr. Annexstad, seconded by Mrs. Roehlke and carried, minutes of the June 12 Board and Space Rental Committee meeting(s), previously mailed to the members, were approved (Aye-9; Nay-0).

Minutes of a space rental review meeting, held August 5, 1986, were approved upon a motion by Mr. Korff, seconded by Mr. Prokosch and carried (Aye-9; Nay-0).

Copies of the Minutes in Vacation, covering the period June 12 through August 21, 1986, and the administrative action noted therein, were approved upon a motion by Mr. Korff, seconded by Mr. Lilliquist and carried (Aye-9; Nay-0).

Secretary presented the July 31, 1986 Society financial statement as follows:

Cash Activity General Fund—July 31, 1986:

Cash Balance—June 30, 1986		\$	46,515.89
Add:			
Interest Income	\$	3,700.22	
Securities Sold		375,000.00	
July Cash Receipts	1,247,864.99		1,626,565.21
Total Cash Available Before Disbursements			\$1,673,081.10
Less:			
Bi-Weekly Payroll Ending July 4	\$	80,650.80	
Bi-Weekly Payroll Ending July 18		76,028.70	
Securities Purchased		675,000.00	
June Disbursements Paid	451,099.89		1,282,779.39
Cash Balance General Fund July 31, 1986		\$	390,301.71

Cash Balances All Accounts—July 31, 1986:

General Fund Account	\$	390,301.71
Trust Fund Account		435.86
Petty Cash		1,800.00
Ticket Account		10,664.30
Securities—mature 08/06/86	626,000.00	
Securities—mature 08/07/86	175,000.00	
Securities—mature 09/04/86	295,116.33	1,096,116.33
Total Cash Balances—July 31, 1986		\$1,499,318.20

Cash Balances All Accounts—July 31, 1985:

General Fund Account	\$	7,542.52
Trust Fund Account		2,608.41
Petty Cash		1,800.00
Ticket Account		1,210.89
Securities—mature 08/07/85	1,243,000.00	
Total Cash Balances—July 31, 1985		\$1,256,161.82

Upon a motion by Mr. Ojakangas, seconded by Mr. Morris and carried, the financial statement of July 31, 1986 was approved (Aye-9; Nay-0).

Secretary was authorized to make miscellaneous ticket refunds and/or payment of minor claims as he deems appropriate upon a motion by Mr. Prokosch, seconded by Mr. Lund and carried (Aye-9; Nay-0).

After discussion it was moved by Mr. Keenan, seconded by Mr. Lund and carried that an amendment to the Royal American carnival contract be approved under which the insurance requirements, as outlined in paragraph 16, would be reduced from \$5 million to \$2 million 1986 only (Aye-9; Nay-0).

Secretary announced that the annual trade association convention of the International Association of Fairs and Expositions would be held at the MGM Hotel, Las Vegas, November 30-December 5, 1986. It was moved by Mr. Lund, seconded by Mr. Ojakangas and carried that members of the Board and certain administrative personnel as designated by the secretary be authorized to attend the IAFE convention with Society to pay appropriate expenses (Aye-9; Nay-0).

A list of entertainment contracts, not available for approval at the 6-12-86 Board meeting, was submitted by Mr. Frost. Upon a motion by Mr. Lund, seconded by Mrs. Roehlke and carried, the following contracts were approved (Aye-9; Nay-0).

Performer	Date	Terms	Venue
KS95 Balloon Race	8/21	\$1,450	Grandstand
Staging Connections, Inc.	8/21-9/1	\$50,000	Grandstand
Nu Shooz	8/23	\$20,000 plus 30% over \$50,000	Grandstand
Fat Boys	8/23	\$15,000 plus 30% over \$50,000	Grandstand
Manhattan Transfer	8/26	\$55,000 plus 75% over \$75,000	Grandstand
Mark McCollum	8/27	\$750	Grandstand
Doug Henning	8/28	\$25,000 plus 70% over \$50,000	Grandstand
Alabama (Alabama contracts approved on June 12, are cancelled)	8/29	\$50,000 plus 80% over \$75,000 plus \$12,500 production costs plus \$2,500 to Bellamy Brothers	Grandstand
Alabama	8/30	\$50,000 plus 80% over \$75,000 plus \$12,500 production costs plus \$2,500 to Bellamy Brothers	Grandstand
American Speed Assn., Inc.	9/1	\$6,000	Grandstand
Zambelli Fireworks, Inc.	9/1	\$27,005	Grandstand
Southern Thunder Sound, Inc.	Auditions	\$687.50	Bandshell
Ray Komischke (Talent Show Judge)	8/21-9/1	\$325	Bandshell
Cheryl Loffhagen Morrissey (Talent Show Judge)	8/21-9/1	\$350	Bandshell
Jeweleen Jackson (Talent Show Judge)	8/21-9/1	\$225	Bandshell
Whitesidewalls	8/27-9/1	\$7,500	Baldwin Park
The Vega Brothers	8/27-9/1	\$4,000	Bazaar
Old Timers Barbershop Quartet	8/21	Admissions	Sen. Cit.
Willie Hagen Combo	8/21	\$220 + Admissions	Sen. Cit.
The Scandinavians	8/21-28-29	\$960 + Admissions	Sen. Cit.
The Rhythm Kings	8/22	\$100 + Admissions	Sen. Cit.
North Suburban Senior Chorus	8/22	\$100 + Admissions	Sen. Cit.
Grantsburg High School Polka Band	8/23	\$100 + Admissions	Sen. Cit.
Light Musical Theater Associates	8/23,30,31	\$1,050	Sen. Cit.
Second Wind Harmonica Band	8/24	\$200 + Admissions	Sen. Cit.
Theater 65	8/24-27	\$672 + Admissions	Sen. Cit.
Nordkap Male Chorus	8/25-26	\$330 + Admissions	Sen. Cit.
Sauk Rapids Pop Singers	8/27	Admissions	Sen. Cit.
Skip Wangen	8/28-9/1	\$100 + Admissions	Sen. Cit.
Paul and Archie	8/29-9/1	\$600 + Admissions	Sen. Cit.
Norma Richards	9/1	\$600 + Admissions	Sen. Cit.
Jay Cochran	8/21-9/1	\$23,743	Spec. Attract.
Gopher State Garden Tractor Pullers	8/26	\$500 + Admissions	Spec. Attract.
Jim Tremmel	8/21-31	\$1,000	Parades
O.C. Mangold	8/21-31	\$850 + Admissions	Parades
Smokey the Bear	8/21-31	Admissions	Parades
Saxon Antique Fire Truck	8/21-31	Admissions	Parades
Lu-Lu's Llama Hitch	8/21-31	\$900 + Admissions	Parades
Jake Jordan (Brass Pumper)	8/21-31	\$1,474	Parades
Twin Cities Banquet Center	8/21-31	\$1,980 + Admissions	Parades
John & Mary Block (Donkey Hitch)	8/21-31	\$1,375	Parades
Captain Ken's Steam Pumper	8/21-31	Admissions	Parades
Little Caesar Character	8/21-31	Admissions	Parades
All American Judging Association	8/21-31	\$934	Parades
WAYL Whale	8/21-31	Admissions	Parades
SkyTracker	8/21-9/1	Admissions	Parades
U of M Alumni Band	8/22	\$250 + Admissions	Parades
Chuck E. Cheese Characters	8/22,23,29,30	Admissions	Parades
MN Horse & Hunt Club	8/23	Admissions	Parades
Twin City Unicorn Club	8/25	Admissions	Parades
St. Anthony Park Community Band	8/29	Admissions	Parades
Garfield Character	8/29-31	Admissions	Parades
Roosevelt High School Pom Pom	8/30	Admissions	Parades
Flag Line	8/30-31	\$25 + Admissions	Parades
Angelo Rulli	8/31	Admissions	Parades
ROTC Color Guard	8/31	Admissions	Parades

Performer	Date	Terms	Venue
Inter-State Band	8/31	\$200 + Admissions	Parades
Chip-Ettes	8/31	Admissions	Parades
Elk River High School Band	8/21	\$200 + Admissions	Parades
Jackson High School Band	8/21	\$500 + Admissions	Parades
Winsted Community Band	8/21	\$200 + Admissions	Parades
Winona Cotter High School Band	8/21	\$300 + Admissions	Parades
Mazeppa High School Band	8/22	\$200 + Admissions	Parades
Caledonia Senior High School Band	8/22	\$300 + Admissions	Parades
Chatfield High School Band	8/22	\$300 + Admissions	Parades
Tartan High School Band	8/23	\$200 + Admissions	Parades
LaCrescent High School Band	8/23	\$300 + Admissions	Parades
Bagley High School Band	8/24	\$500 + Admissions	Parades
Goodhue High School Band	8/24	\$200 + Admissions	Parades
Waseca High School Band	8/24	\$300 + Admissions	Parades
Patrick Henry High School Band	8/25	\$200 + Admissions	Parades
Rushford High School Band	8/25	\$300 + Admissions	Parades
Albert Lea Senior High School Band	8/25	\$300 + Admissions	Parades
St. Francis High School Band	8/25	\$200 + Admissions	Parades
Winona Senior High School Band	8/26	\$300 + Admissions	Parades
Central High School Band	8/26	\$200 + Admissions	Parades
Richfield High School Band	8/26	\$200 + Admissions	Parades
Jordan High School Band	8/26	\$200 + Admissions	Parades
St. Peter High School Band	8/27	\$200 + Admissions	Parades
Norhome High School Band	8/27	\$500 + Admissions	Parades
Anoka High School Band	8/27	\$200 + Admissions	Parades
St. James High School Band	8/28	\$300 + Admissions	Parades
Peterson High School Band	8/28	\$300 + Admissions	Parades
Spring Lake Park High School Band	8/28	\$200 + Admissions	Parades
Princeton Senior High School Band	8/29	\$200 + Admissions	Parades
Shakopee Senior High School Band	8/29	\$200 + Admissions	Parades
Bloomington-Kennedy High School Band	8/30	\$200 + Admissions	Parades
Glencoe High School Band	8/30	\$200 + Admissions	Parades
Coon Rapids High School Band	8/31	\$200 + Admissions	Parades
Tad Griffith	8/22-26	\$7,000	Horse Show
Harriet Brown	8/21-9/1	\$2,000	Cattle
William H. Sweeney, D.V.M.	8/21-9/1	\$16,500	Vet. Svcs.

Secretary initiated a discussion on matters directly related to insurance and tort liability. Mr. Galus provided an overview of the protection afforded the Society (as an agency of the State) as well as that provided its officers, directors, employees and volunteers. It was moved by Mr. Keenan, seconded by Mr. Lund and carried that secretary facilitate a legislative introduction so as to expressly include the Society as one of those agencies covered and enumerated under the definition of "State" in Minnesota Statutes, Section 3.732 (Aye-9; Nay-0).

Mr. Galus distributed a memorandum on conflict of interest law per a Board request of April 3. Mr. Tiffany asked that members review the material so it might be discussed at the Board's next meeting.

Adjournment was moved by Mr. Korff, seconded by Mr. Prokosch and carried.

Meeting adjourned.

Life Member Advisory Committee

Administration Building
Sunday, August 24, 1986—1:30 P.M.

Members present: Art Sprengeler, chairman; Leo Keskinen; Harveydale Maruska; Norris Carnes; Ed LaPointe; Bernie Wilkins; Deke Grussendorf; Jerry Franke; Tom Lammers.

Also present: Len Harkness; David Stone; Jerry Hammer, secretary.

Mr. Keskinen moved, Mr. Lammers seconded and carried that the committee make the following Life Member recommendations: Gib Tiffany (87); Leonard Ramberg (88).

For Hall of Fame, Mr. Grussendorf moved to recommend Larry Haeg. Mr. Wilkins seconded, motion carried.

After lengthy discussion, it was moved by Mr. Wilkins, seconded by Mr. Franke and carried that the administrative staff be commended for the many fine improvements made to the grounds, facilities and programs during the past several years and further that the staff be particularly complimented this year for the caliber of entertainment, sanitation and publicity.

The committee asked that their appreciation be communicated to the Board for having provided a mileage reimbursement to Life Members and that they be sent specific instructions on how to submit proper claims.

Meeting adjourned.

Planning/Utilization Committee

Administration Building
Saturday, August 30, 1986—9:30 A.M.

Members present: Bert Lund, chairman; Sulo Ojakangas; Martin Annexstad; Howard Morris; Willis Lilliquist; Bill Korff; J. G. Tiffany, ex officio; Mike Heffron, ex officio; Ken Wenzel, ex officio.

Also present: Rich Keenan; Joe Fischler.

After a detailed presentation and discussion, it was moved by Mr. Korff, seconded by Mr. Annexstad and carried that a committee report be put before the Board recommending that staff proceed with the following projects this fall (Aye-5; Nay-0).

1. Sealcoat Randall (Buford to Commonwealth) (Bl. 27)	\$ 16,000	
2. Landscape design for Commonwealth Park (Bl. 28)	5,000	
3. Concrete slab and paving for road west of Horse Barn (Bl. 40.)	9,000	
4. Commissary/Arcade Bldgs. gas installations (Bl. 42)	10,000	
5. Misc. furniture for Service Building	1,500	
6. Grapple Bucket	3,000	
7. Benches	5,000	
8. Admin. Bldg. office renovation (332):		
a. Construction	7,000	
b. Carpet	11,000	
c. Fixtures	5,000	
		23,000
9. Admin. Bldg. exterior work (332)		13,500
10. Admin. Bldg. roof (332)		19,000
11. Replace Arcade Bldg. roof (421)		95,000
12. Shower for Coliseum dressing room (501)		2,000
13. Coliseum roof repair (501)		25,000
14. Painting work:		
a. Swine Annex interior stalls (521)	6,500	
b. Swine exterior sash, doors, etc. (521)	25,000	31,500
TOTAL		\$258,500

Meeting adjourned.

Meeting of the Governing Board Minnesota State Agricultural Society

Administration Building
Sunday, August 31, 1986—10 A.M.

Roll call ... all members present. Also present: John Galus, Mike Heffron, secretary.

Mr. Galus reviewed and the Board conducted a wide-ranging discussion on conflict of interest laws and on rules established by the Board to regulate its own conduct as well as the conduct of management staff and employees. Secretary pointed out that staff directives related to "holding contractors at arm's lengths" were perhaps more stringent than those in place for other government units or for other industries, but that he felt such a posture was necessary to protect both employees and the Society from the appearance of or from actual conflict.

Upon a motion by Mr. Lund, seconded by Mr. Ojakangas and carried, minutes of the August 22 Board meeting were approved (Aye-9; Nay-0).

It was moved by Mr. Korff, seconded by Mr. Annestad and carried to adopt the report of the Life Member Advisory Committee filed 8-24-86 (Aye-9; Nay-0).

Mr. Lund presented a report of Planning Committee recommendations made pursuant to a meeting of that committee held on August 30. Following discussion, it was moved by Mr. Lund, seconded by Mr. Keenan and carried that the report be approved and that the outlined work be undertaken (Aye-9; Nay-0).

It was moved by Mr. Lund, seconded by Mr. Lilliquist and carried that the dates of the 1987 Minnesota State Fair be Thursday, August 27 through Labor Day, Monday, September 7 (Aye-9; Nay-0).

It was moved by Mr. Korff, seconded by Mr. Lund and carried that the Royal American Shows carnival contract, which currently runs through 1987, be extended three years so as to be effective through 1990 (Aye-7 ... Roehlke, Morris, Keenan, Annestad, Lund, Prokosch, Korff; Nay-2 ... Ojakangas, Lilliquist).

After discussion, Mr. Tiffany set an agenda date for the next meeting of the Board for Thursday, November 13 at 10 A.M. (Because of scheduling conflicts for several Board members, the meeting date was later changed and reset for Friday, November 7, 10 A.M.)

The Annual Meeting dates of January 17-19 (a correction of previous minutes) were set on a motion by Mr. Lund, seconded by Mr. Annestad and carried (Aye-9; Nay-0).

Secretary made a report on account balances, cash and investments through Saturday, August 30 ... no action required.

A discussion was undertaken on potential off-season use of the auto racing plant and of the statutory language which currently prohibits racing except during the fair. It was moved by Mr. Keenan, seconded by Mr. Lund and carried that staff undertake an evaluation of this type of usage and of the likelihood for effecting a legislative change so as to provide for better utilization of the facility (Aye-9; Nay-0).

Meeting adjourned.

Minutes in Vacation

August

August 21/September 1—Visitors from other expositions and special guests at the 1986 Minnesota State Fair included: Milt Rodgers and Charles Pierotte, Mid-South Fair, Memphis; Gary Goodman and Suzanne Kennedy, South Carolina State Fair, Columbia; Bob Dunlap, Dewey Kostra and Alfonso Checchi, Kern County Fair, Bakersfield; Tressa Kasian (Miss Manitoba), Winnipeg; Ralph Kirch, Michigan Department/Agriculture, Lansing; Michael Shann, Disneyland, Anaheim; Tom Powell, Amusement Business, Nashville; Marion Lucas, Iowa State Fair, Des Moines; Mike Kelly, Regina Exhibition, Regina.

September

4—Wenzel and Fischler met with representatives of TKDA, 3M Company, Future Coatings and Universal Applications, regarding the Coliseum roof.

4-5—Heffron attended the Nebraska State Fair in Lincoln and while there, met with Lewis Miller, IAFE, and Eileen Frye, Heart of Illinois Fair, to discuss hotel arrangements for the 1987 IAFE Spring Management Conference.

10—Executive Committee approved the August 31, 1986 financial statement as follows:

Cash Activity General Fund—August 31, 1986:

Cash Balance—July 31, 1986		\$ 390,301.71
Add:		
Interest Income	\$ 3,205.38	
Securities Sold	677,000.00	
August Cash Receipts	4,496,114.39	5,176,319.77
Total Cash Available Before Disbursements		\$5,566,621.48
Less:		
Bi-Weekly Payroll Ending August 5	\$ 80,594.53	
Bi-Weekly Payroll Ending August 15	88,885.10	
Securities Purchased	2,685,000.00	
Premium Fund Transfers	6,000.00	
Amusement Fund Transfers	1,342,378.62	
Fair Payroll	162.75	
Ticket Account Transfers	830,932.00	
August Disbursements Paid	809,741.51	5,843,694.51
Cash Balance General Fund August 31, 1986		\$ (277,073.03)

Cash Balances All Accounts—August 31, 1986:

General Fund Account		\$ (277,073.03)
Trust Fund Account		535.86
Petty Cash		1,900.00
Ticket Account		1,443,423.74*
Securities—mature 09/02/86	2,804,000.00	
Securities—mature 09/04/86	295,116.33	3,099,116.33
Total Cash Balances—August 31, 1986		\$4,267,902.90

Cash Balances All Accounts—August 31, 1985:

General Fund Account		\$1,420,274.80
Trust Fund Account		2,608.41
Petty Cash		200.00
Ticket Account		460,323.16*
Securities—mature 09/05/85		1,163,000.00
Total Cash Balances—August 31, 1985		\$3,046,406.37

*Note: Because State Fair dates change yearly, ticket account balances as stated above reflect an inaccurate comparison.

11—Pooch and Heffron met with Ms. Jan Griebel to discuss her difficulty with a Creative Activities entry.

11-14—A ski equipment sale, sponsored by North Country, was held in the Merchandise Mart.

11-Nov. 13—The annual "Apple Store" apple sale was held in the Dog Building.

14-17—The 4-H Horse Show was staged in the Coliseum and Horse Barn.

15—Frost and Heffron met with Linda Falkman, Kathy Heen, and Gene Johnson of the Minnesota Newspaper Foundation to discuss placement of a historical newspaper office and print shop on the fairgrounds.

17—Frost attended a fireworks show presented in conjunction with the annual meeting of the Fargo Chamber of Commerce by Starr Fireworks, Inc. at Fargo, North Dakota.

18—Heffron met with Messrs. Norris Carnes and Leonard Ramberg to discuss the Life Member Advisory Committee.

18-21—"The Lift" held their annual ski sale and swap in the Education Building-Annex.

19-21—A "Fall Sportacular" show (baseball card swap) was held in Modern Living. The Western Saddle Club sponsored a horse show in the Coliseum.

20—A Corvette auto show and swap was staged in the Dairy Building.

23—Frost, Potter and Heffron met with Mike Ringold of Paine Webber, Inc. to discuss an investment program for the fair.

25—Frost, Joe Fischler and Neil Larson met with National Tractor Pull Association personnel to discuss a truck and tractor pull at the 1987 State Fair.

25-28—An Arabian Fall Show was staged in the Coliseum and Horse Barn.

25-30—A large, multi-brand truck sale was held on Machinery Hill.

27—The Junior League held a rummage sale in the Education Building.

27-28—A Model A Show & Swap was staged on the race track and infield.

29—Heffron met with Mr. Jack Tunheim, newly appointed Chief Deputy Attorney General, to discuss legal representation of the fair.

30—Heffron met with Rich Keenan to discuss Board matters.

30-Oct. 5—The Minnesota Fall Charity Horse Show was held in the Coliseum.

October

2—Wenzel, Frost and Heffron held a management retreat at Sunwood Inn, Energy Park.

2—Sinclair met with representatives of Chrysler Corporation to discuss exhibits for the Dodge and Chrysler divisions at the 1987 State Fair.

2-4—A garage sale sponsored by Greater St. Paul Chapter of Evangelicals was conducted in Block 36.

3—Heffron met with Dave Dombrowski of the Metropolitan Airports Commission to discuss legislative matters.

4—A model railroad show was held in the Merchandise Mart.

4-5—A military collectors show was held in Modern Living.

6—Wenzel, Mary Goiffon and Jerry Hammer met with members of the Federation of County Fair Board to go over program plans for the 1987 Annual Meeting.

7—Heffron met with Tom Baldwin (Mayor) and Paul Ciernia (Councilperson) of Falcon Heights to discuss continuing cooperation between the fair and the city.

8—Wenzel, Frost, Sinclair and Heffron held a management conference at Sunwood Inn, Energy Park.

11—Childrens' Hospital held a sale in the Merchandise Mart. Frost traveled to Nashville, Tennessee, to attend ASA automobile races and meetings of the Country Music Association and International Country Music Buyers Association.

14—Heffron met with John Galus to discuss the Northstar Financial lawsuit. Heffron met with Richard Parnell, Metrobank/Bloomington, to discuss the fair's banking needs.

15—Wenzel, Blakey and Heffron met with Bill Carter of the POST Board to discuss police operations at the fair.

16—Wenzel gave deposition in the Benjamin Benson lawsuit at the office of the attorney for Mr. Benson.

16-26—Berman's held a leather clothing sale in the Dairy Building.

20—Wenzel, Frost and Heffron met with Rick Frenette to discuss employment.

21—Executive Council approved the September 30, 1986 financial statement as follows:

Cash Activity General Fund—September 30, 1986:

Cash Balance—August 31, 1986		\$ (277,073.03)
Add:		
Interest Income	\$ 20,252.43	
Securities Sold	2,602,987.83	
September Cash Receipts	4,192,672.57	6,815,912.83
Total Cash Available Before Disbursements		\$6,538,839.80

Less:		
Bi-Weekly Payroll Ending September 3	\$ 152,099.59	
Bi-Weekly Payroll Ending September 17	85,072.90	
Securities Purchased	2,400,000.00	
Premium Fund Transfers	370,000.00	
Amusement Fund Transfers	956,146.03	
Fair Payroll	991,834.88	
Ticket Account Transfers	600,000.00	
September Disbursements Paid	957,155.07	6,512,321.37
Cash Balance General Fund September 30, 1986		\$ 26,518.43

Cash Balances All Accounts—September 30, 1986:

General Fund Account	\$ 26,518.43	
Trust Fund Account	535.86	
Petty Cash	450.00	
Ticket Account		23,019.32
Securities—mature 10/01/86	604,000.00	
Securities—mature 10/07/86	2,000,000.00	
Securities—mature 03/05/87	292,128.50	2,896,128.50
Total Cash Balances—September 30, 1986		\$2,946,652.11

Cash Balances All Accounts—September 30, 1985:

General Fund Account	\$1,230,891.60	
Trust Fund Account	2,608.41	
Petty Cash	350.00	
Ticket Account		27,253.69
Securities—mature 10/07/85	1,353,000.00	
Total Cash Balances—September 30, 1985		\$2,614,413.70

22—Hammer and Frost met with staff of M.R. Bolin Advertising Agency to review the '86 ad campaign, and to discuss plans for '87. Wenzel and Frost met with Jim Johnson and Doug Schroeder, Medicine Lake Bus Company.

23-26—Wenzel and Sinclair attended Texas State Fair, Dallas and Louisiana State Fair, Shreveport.

27—Steve Pooch met with George Moore of the Miniature Horse Association regarding a possible show in 1987. Wenzel and Sinclair met with John Quinn and Bill Bickner of the State Electrical Board to discuss changes in carnival electric system requirements.

30—Wenzel, Fisher and Heffron met with John Galus to discuss legal matters. Hammer met with representatives of Eastman Kodak to discuss promotion and sponsorship possibilities for '87.

November

1—St. Paul Police Department held a training session on the Carnival Lot.

5—Sinclair met with Peggy Junkin to discuss plans for Grandstand concession operations at the 1987 State Fair. Wenzel, Frost and Fischler met with Wayne Olson and Warren Wunderlich, TKDA, regarding the Machinery Hall renovation project. Pooch and Horse Superintendent Arnevan met with Marv Gaston, Margaret Duxbury and Ralph Johnson of the National Show Horse breeders regarding possibly adding classes to the 1987 horse show.

Meeting of the Governing Board Minnesota State Agricultural Society

Administration Building
Friday, November 7, 1986—10:10 A.M.

Members present: J.G. Tiffany, president; Eileen Roehlke; Martin Annexstad; Bert Lund; Howard Morris; Vern Prokosch; Willis Lilliquist; Sulo Ojakangas; Richard Keenan; Bill Korff.

Also present: Mike Heffron, secretary; Jim Sinclair; Ken Wenzel; Jim Frost.

Motion made by Mr. Korff, seconded by Mr. Lund and carried that Board and committee meeting minutes, recorded during the 1986 Fair-period, be approved as submitted to the members by mail (Aye-9; Nay-0).

Copies of the minutes in vacation, covering the period August 21 through November 5, 1986, and the administrative action noted therein, were approved upon a motion by Mr. Prokosch, seconded by Mr. Lilliquist and carried (Aye-9; Nay-0).

Secretary presented the October 31, 1986 financial statement as follows:

Cash Activity General Fund—October 31, 1986:

Cash Balance—September 30, 1986		\$ 26,518.43
Add:		
Interest Income	\$ 9,980.76	
Securities Sold	1,120,000.00	
October Cash Receipts	611,841.63	1,741,822.39
Total Cash Available Before Disbursements		\$1,768,340.82

Less:		
Bi-Weekly Payroll Ending October 1	\$ 61,943.26	
Bi-Weekly Payroll Ending October 15	57,281.88	
Bi-Weekly Payroll Ending October 31	53,362.32	
Securities Purchased	145,000.00	
Premium Fund Transfers	24,144.37	
Amusement Fund Transfers	29,884.80	
Fair Payroll	122,393.34	
Ticket Account Transfers	2,368.16	
September Disbursements Paid	1,027,620.69	1,523,998.82
Cash Balance General Fund October 31, 1986		\$ 244,342.00

Cash Balances All Accounts—October 31, 1986:

General Fund Account	\$ 244,342.00	
Trust Fund Account	471.06	
Petty Cash	350.00	
Securities—mature 11/12/86	1,629,000.00	
Securities—mature 03/05/87	292,128.50	1,921,128.50
Total Cash Balances—October 31, 1986		\$2,166,291.56

Cash Balances All Accounts—October 31, 1985:

General Fund Account	\$ 146,738.66	
Trust Fund Account	435.91	
Petty Cash	400.00	
Securities—mature 11/06/85	1,848,000.00	
Total Cash Balances—October 31, 1985		\$1,995,574.57

Upon a motion by Mr. Ojakangas, seconded by Mr. Korff and carried, the financial statement of October 31, 1986 was accepted and approved (Aye-9; Nay-0).

Mr. Sinclair distributed copies of the 1986 space rental report and presented a summary of department activity for the year. After discussion, it was moved by Mr. Korff, seconded by Mr. Ojakangas and carried that the report be accepted as presented (Aye-9; Nay-0).

Mr. Frost submitted a report, responsive to a Society Resolutions Committee request of 1-17-84, dealing with inclusion of a 4-H dog show into the fair-period schedule. After working out details, the staff offered an opportunity to provide scheduling as requested; the offer was declined. Report for information only; no action required.

It was moved by Mr. Prokosch, seconded by Mr. Lund and carried that secretary be authorized to enter into contracts with acts and attractions for the 1987 fair (Aye-9; Nay-0).

Following a presentation by Mr. Frost, it was moved by Mr. Annexstad, seconded by Mrs. Roehlke and carried that a one-year extension be made to the contract currently in force between the Society and M.R. Bolin Advertising, Inc. Included in the motion was approval of the following general advertising policy for 1987 (Aye-9; Nay-0): Use all daily and weekly newspapers in the state of Minnesota, as well as all radio and selected television stations in the state of Minnesota, plus selected newspapers and radio/television stations in surrounding states as the fair's basic advertising outlets.

It was moved by Mr. Prokosch, seconded by Mr. Lilliquist and carried to approve a six-month extension (through June, 1987) of the current electrical services contract with Kehne Electric Company (Aye-9; Nay-0).

A legal services consultant contract between the fair and Ken Harbison was approved upon a motion by Mr. Lund, seconded by Mr. Korff and carried (Aye-9; Nay-0).

Secretary recommended to the Board a proposal under which a major increase in premiums would be budgeted and put in place for 1987. Matter for discussion only; no action required (Aye-9; Nay-0).

On a motion by Mr. Prokosch, seconded by Mr. Ojakangas and carried, a lease agreement with Charles L. Johnson, dba Coliseum Concessions, to provide food and beverage services in the Coliseum during the non-fair period from December 1, 1986 to November 30, 1987, was approved (Aye-9; Nay-0).

The Board engaged in a long discussion related to carnival matters, particularly with respect to the concept of putting together an "independent midway" as an alternative to dealing with organized carnival contractors. Secretary was asked to assemble background material on this subject, as well as an evaluation of the risk and insurance impact of such a program. No action required.

It was moved by Mr. Lilliquist, seconded by Mr. Morris and carried that the following Grandstand/Coliseum tickets be transferred to "non-pay" status (Aye-9; Nay-0):

Grandstand

8-21 Willie Nelson	8:00 P.M.	210 @ \$ 9.00	Contract Provision
8-22 Willie Nelson	8:00 P.M.	150 @ \$ 9.00	Contract Provision
8-23 John Denver	2:00 P.M.	50 @ \$ 9.00	Contract Provision
8-23 Nu Shooz/Fat Boys	8:00 P.M.	70 @ \$ 7.00	Contract Provision
8-24 Oak Ridge Boys/Nitty Gritty Dirt Band	2:00 P.M.	40 @ \$ 9.00	Contract Provision
8-24 Anne Murray	9:00 P.M.	60 @ \$ 9.00	Contract Provision
8-25 Jets/Limited Warranty	2:00 P.M.	65 @ \$ 7.00	Contract Provision
8-25 Beach Boys	9:00 P.M.	100 @ \$ 9.00	Contract Provision
8-28 Doug Henning	8:00 P.M.	12 @ \$ 8.00	Contract Provision
8-28 Doug Henning	8:00 P.M.	1001 @ \$ 8.00	Editors/Legislators/Senior Citizens
8-29 Alabama	8:00 P.M.	40 @ \$10.00	Contract Provision
8-30 Garrison Keillor	5:00 P.M.	125 @ \$ 8.00	Contract Provision
8-30 Alabama	9:00 P.M.	104 @ \$10.00	Contract Provision
9-1 Bangles	8:00 P.M.	50 @ \$ 9.00	Contract Provision

Coliseum

8-21 English Horse Show	6:00 P.M.	5 @ \$ 4.50	Hunter/Jumper Judge
8-21 English Horse Show	6:00 P.M.	7 @ \$ 4.50	Trophy Box
8-22 English Horse Show	1:00 P.M.	5 @ \$ 4.50	Hunter/Jumper Judge
8-22 English Horse Show	1:00 P.M.	7 @ \$ 4.50	Trophy Box
8-22 English Horse Show	6:00 P.M.	5 @ \$ 4.50	Hunter/Jumper Judge
8-22 English Horse Show	6:00 P.M.	7 @ \$ 4.50	Trophy Box
8-23 English Horse Show	6:30 P.M.	5 @ \$ 4.50	Hunter/Jumper Judge
8-23 English Horse Show	6:30 P.M.	7 @ \$ 4.50	Trophy Box
8-24 English Horse Show	12:30 P.M.	7 @ \$ 4.50	Trophy Box
8-24 English Horse Show	6:30 P.M.	7 @ \$ 4.50	Trophy Box
8-25 English Horse Show	12:30 P.M.	7 @ \$ 4.50	Trophy Box
8-25 English Horse Show	6:30 P.M.	7 @ \$ 4.50	Trophy Box
8-26 English Horse Show	6:30 P.M.	7 @ \$ 4.50	Trophy Box
8-27 Horse Pull	7:00 P.M.	8 @ \$ 4.50	Announcer's Box
8-28 Rodeo	1:00 P.M.	8 @ \$ 4.50	Announcer's Box
8-28 Rodeo	7:00 P.M.	8 @ \$ 4.50	Announcer's Box
8-29 Western Horse Show	12 Noon	7 @ \$ 4.50	Trophy Box
8-29 Rodeo	7:00 P.M.	8 @ \$ 4.50	Announcer's Box
8-29 Rodeo	7:00 P.M.	52 @ \$ 3.00	Editors/Legislators
8-30 Western Horse Show	5:30 P.M.	7 @ \$ 4.50	Trophy Box
8-31 Western Horse Show	12:30 P.M.	7 @ \$ 4.50	Trophy Box
8-31 Western Horse Show	6:30 P.M.	7 @ \$ 4.50	Trophy Box
9-1 Western Horse Show	12:30 P.M.	7 @ \$ 4.50	Trophy Box

A breakdown of pedestrian/child outside gate tickets used by various departments and for institutional purposes during the 1986 fair was submitted for reclassification as "non-pay." As per the previous motion, it was moved by Mr. Lilliquist, seconded by Mr. Morris and carried that said tickets, total value \$71,106, be reclassified as non-pay. Breakdown follow:

Administrative

Legislative Auditor	\$ 12.00
Other—	
State Agriculture Department	177.00
State Board of Electricity	51.00
State Employment Service	129.00
State Health Department	135.00
State Revenue Department	198.00
Miscellaneous	45.00

\$747.00

Departmental:

Amusements, Grandstand (Performers)	2,454.00
Amusements, Grandstand (Auto Race)	960.00
Amusements, Other—	
High School Bands	7,617.00
Guest Bands	726.00
Parade Units	1,947.00
Special Events	3,843.00
Miscellaneous	393.00
Cattle	72.00
Communications	447.00
Creative Activities	399.00
Customer Services	318.00
Education	1,914.00
4-H	5,847.00
Fruits	234.00
FFA	450.00
Horse	1,077.00
Meats	210.00
Public Safety	4,566.00
Senior Citizens	1,011.00
Space Rental	210.00
Swine	9.00
Youth Camp	96.00

\$34,800.00

Institutional—Organizations:

A.B.L.E. (Assn. for Blind)	\$ 270.00
Adaptive Living	240.00
Alpha Human Services	90.00
Anoka State Hospital	300.00
Andrew, Inc.	300.00
Angelus Convalescent Homes	90.00
Assembly of God	96.00
Big Brothers/Big Sisters	225.00
Bristol Place	135.00
Camila Rose Home	90.00
Center for Creative Living	105.00
CareCo Homes, Inc.	45.00
Charaka	150.00
Charlston House	48.00
Comm. Service Dept.-Day (East)	75.00
Comm. Service Dept.-Ext. Day (East)	54.00
Comm. Service Dept.-Day (West)	60.00
Comm. Service Dept.-Ext. Day (West)	75.00
Comm. Service Dept.-Lake Owasso	300.00
Comm. Service Dept.—Vol. Services	300.00
Comm. Involvement Programs	90.00
Courage Center	300.00
Currie Center	33.00
DeMars's Children's Home	210.00
Dungarvin, Inc.	24.00
Episcopal Group Homes, Inc.	24.00
Faribault State Hospital	300.00

Fairview Deacons Hospital	33.00
Family Style Homes	150.00
Franklin Place East	12.00
Fraser-Fraser House	54.00
Fraser-Westby House	66.00
Freeport West, Inc.	9.00
Golden Valley Health Center	102.00
Goodwill Industries	300.00
Group Homes, Inc.	600.00
Guild Residences	201.00
Henn. Co. Medical Center	150.00
Henn. Co. Mental Health—Circle F	150.00
Henn. Co. Mental Health—Day	105.00
Hiawatha Valley MHC	150.00
Home Free	210.00
Homeward Bound—Brooklyn Park	108.00
Homeward Bound—New Hope	75.00
Hoikka House	90.00
Hubert H. Humphrey Job Corps	120.00
The House	141.00
Jane Dickman House	114.00
Judith Place	27.00
Juels Fairbanks CDS	75.00
Little Sisters of the Poor	75.00
Lutheran Social Services	120.00
Lyngblomsten Care Center	150.00
March House	60.00
Midway Training Services	90.00
Mpls. Society for the Blind	300.00
MN Correctional Facility (Lino Lakes)	300.00
MN Indian Women's Res. Center	150.00
MN Vets Home	300.00
Multi Resources Center	60.00
Muscular Dystrophy Assn.	300.00
NEB Care Centers (East)	135.00
New Hope Center	90.00
Oak Grove	30.00
Oregon Residence	300.00
One Eighty Degrees, Inc.	102.00
Opportunity Workshops (GV)	144.00
Opportunity Workshops (W.A.C.)	300.00
Outreach (Kooistra)	171.00
Parents & Friends of Orville, Inc.	192.00
People, Inc.—Apollo Center	60.00
People, Inc.—Child Care	67.50
People, Inc.—Journey House	39.00
People, Inc.—LINK	36.00
People, Inc.—Mental Health	72.00
People, Inc.—Petra Howard Hse.	42.00
People, Inc.—Peoples Apt. Net	75.00
Phoenix Residence	300.00
Pierce Co. Human Services	45.00
Portland Residence	300.00
Prodigal House (MN. Vets Home)	90.00
Ramsey Clinic	60.00
REM—Lyndale	45.00
REM—Pillsbury, Inc.	102.00
St. Josephs Childrens Home	24.00
St. Josephs Hosp.—Outpatient	105.00
St. Paul-Ramsey Med. Center	90.00
St. Paul Society for the Blind	300.00
St. Peter Regional Treatment	300.00
Salvation Army	300.00
Senior Resources	12.00
Shalom Home, Inc.	240.00
Sharing Life, Inc.	300.00
South Center Manor	84.00
State of MN—Cambridge Human Serv.	300.00
Trevilla of Robbinsdale	300.00
Therapeutic Comm. Residence	18.00
United Blind of Minnesota	300.00
United Hospital—Adolescent Day Treatment	60.00
University Health Care Center	36.00
U of M Hosp.—Volunteer Services	300.00
Vail Place	180.00
Way 12	135.00
Walker Methodist Health Center	27.00
Wellspring Therapeutic Comm.	24.00
Wicklough	120.00
Wilder-Juvenile Horizons	54.00
Willows Convalescent Center	60.00

\$15,442.50

Institutional—Promotion:

Muscular Dystrophy Assn.	20,116.50
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TOTAL \$71,106.00

It was moved by Mr. Ojakangas, seconded by Mr. Prokosch and carried that the following signatures be authorized for Society accounts as specifically shown (Aye-9; Nay-0).

General Fund, Amusement Fund, Trust Fund—James G. Frost, Kenneth R. Wenzel or Michael D. Heffron (any combination of two signatures).

Authorization to complete certain Administration Building remodeling work, excluded from the fall budget extension, was granted upon a motion by Mr. Lund, seconded by Mr. Morris and carried (Aye-9; Nay-0).

Mr. Prokosch absented himself from the meeting.

A review of fair-period payrolls was undertaken, after which it was moved by Mr. Lund, seconded by Mr. Annexstad and carried that the submitted payroll summary, totaling \$942,970.82, be approved (Aye-8; Nay-0).

Several changes in Employee Bulletin #4 (Group Insurance Benefits) so as to make it consistent with current State personnel policy were approved upon a motion by Mr. Korff, seconded by Mrs. Roehlke and carried (Aye-8; Nay-0).

Meeting adjourned.

Minutes in Vacation

November

5—Fischler, Frost and Wenzel met with Wayne Olson and Warren Wunderlichin, the first of several meetings discussing Machinery Hall renovation.

6—The Executive Committee approved the October 31, 1986 cash transaction summary as follows:

Cash Activity General Fund—October 31, 1986:

Cash Balance—September 30, 1986		\$ 26,518.43
Add:		
Interest Income	\$ 9,980.76	
Securities Sold	1,120,000.00	
October Cash Receipts	611,841.63	1,741,822.39
Total Cash Available Before Disbursements		<u>\$1,768,340.82</u>

Less:

Bi-Weekly Payroll Ending October 1	\$ 61,943.26	
Bi-Weekly Payroll Ending October 15	57,281.88	
Bi-Weekly Payroll Ending October 31	53,362.32	
Securities Purchased	145,000.00	
Premium Fund Transfers	24,144.37	
Amusement Fund Transfers	29,884.80	
Fair Payroll	122,393.34	
Ticket Account Transfers	2,368.16	
September Disbursements Paid	1,027,620.69	1,523,998.82
Cash Balance General Fund October 31, 1986		<u>\$ 244,342.00</u>

Cash Balances All Accounts—October 31, 1986:

General Fund Account	\$ 244,342.00	
Trust Fund Account	471.06	
Petty Cash	350.00	
Securities—mature 11/12/86	1,629,000.00	
Securities—mature 03/05/86	292,128.50	1,921,128.50
Total Cash Balances—October 31, 1986		<u>\$2,166,291.56</u>

Cash Balances All Accounts—October 31, 1985

General Fund Account	\$ 146,738.66	
Trust Fund Account	435.91	
Petty Cash	400.00	
Securities—mature 11/06/85	1,848,000.00	
Total Cash Balances—October 31, 1985		<u>\$1,995,574.57</u>

12—Wenzel and Heffron met with superintendent Scot Ribar to discuss needs of the Sanitation Department for 1987. Wenzel and Sinclair met with Messrs. C. J. Sedlmayr III, Royal American Shows, and Bill Biekner, State Board of Elec., regarding carnival electric code requirements for 1987.

13-14—Heffron attended and participated in a program presentation of the Rocky Mountain association of Fairs in Minot, ND.

15—A video/arcade game auction was held in Block 44.

17—O. C. "Clint" Turnquist, long-time superintendent of the Fair's vegetable department, died after a short illness.

17-18—Members of the service, greenhouse and administrative staff(s) were given instruction in CPR and emergency first aid.

18—A legislative audit entrance conference was attended by Wenzel, Frost, Mary Pitelko, Mike Kirch, Rick Frenette and Heffron.

19—Joe Fischler attended a public hearing at the Falcon Heights city hall at which Snelling Avenue improvements were discussed.

20—Wenzel and Frost attended a retirement dinner honoring former music superintendent John Geisler.

21—Frost and Heffron met with Mike and Scott Bolin to discuss the Fair's advertising program for 1987.

28—Race track facilities were used for special filming by Northwest Teleproduction.

30-December 4—Frost, Wenzel, Hammer, Sinclair, Leach and Heffron, along with Board members Ojakangas, Morris, Keenan, Annexstad, Korff, Lillquist, Prokosch, Tiffany and Roehlke, attended the annual convention of the International Association of Fairs & Expositions in Las Vegas. During the meeting Heffron was elected president of the Association.

December

9—Heffron and Frost met with Lynn Anderson of the Governor's staff to discuss legislative initiatives proposed for introduction on behalf of the Society.

15—The Executive Committee approved the November 30, 1986 cash transaction summary as follows:

Cash Activity General Fund—November 30, 1986:

Cash Balance—October 31, 1986		\$ 244,342.00
Less: Adjustments for Additional Payments		6,983.63
Adjusted October 31, 1986 Cash Balance		<u>\$ 237,358.37</u>
Add:		
Interest Income	\$ 6,199.20	
November Cash Receipts	115,903.24	122,102.44
Total Cash Available Before Disbursements		<u>\$ 359,460.81</u>

Less:

Bi-Weekly Payroll Ending November 12	\$ 51,316.73	
Bi-Weekly Payroll Ending November 26	44,744.00	
Securities Purchased	75,000.00	
November Disbursements Paid	126,132.64	297,193.37
Cash Balance General Fund November 30, 1986		<u>\$ 62,267.44</u>

Cash Balances All Accounts—November 30, 1986:

General Fund Account	\$ 62,267.44	
Trust Fund Account	471.06	
Petty Cash	250.00	
Securities—mature 12/01/86	1,704,000.00	
Securities—mature 03/05/87	292,128.50	1,996,128.50
Total Cash Balances—November 30, 1986		<u>\$2,059,117.00</u>

Cash Balances All Accounts—November 30, 1985:

General Fund Account	\$ 153,101.86	
Trust Fund Account	435.91	
Petty Cash	250.00	
Securities—mature 12/04/85	1,692,000.00	
Total Cash Balances—November 30, 1985		<u>\$1,845,787.77</u>

18—An administrative transfer of property between the Society and MN DOT to facilitate upgrading of Snelling avenue was approved by the State Executive Council.

January

5-6—Heffron attended and spoke at the Wisconsin Association of Fairs annual meeting in Milwaukee.

6—Sinclair met with M. C. Hardy, machinery exhibits superintendent, to discuss Agriculture Appreciation Day plans for 1987.

10—The Executive Committee approved the December 31, 1986 cash transaction summary as follows:

Cash Activity General Fund—December 31, 1986:

Cash Balance—November 30, 1986		\$ 48,579.62
Add:		
Interest Income	\$ 8,446.66	
Bank Securities Cashed	117,000.00	
December Cash Receipts	86,669.91	212,116.57
Total Cash Available Before Disbursements		<u>\$ 260,696.19</u>

Less:

Bi-Weekly Payroll Ending December 10	\$ 47,291.78	
Bi-Weekly Payroll Ending December 24	46,919.63	
December Disbursements Paid	144,770.28	238,581.69
Cash Balance General Fund December 31, 1986		<u>\$ 22,114.50</u>

Cash Balances All Accounts—December 31, 1986:

General Fund Account	\$ 22,114.50	
Trust Fund Account	471.06	
Petty Cash	550.00	
Securities—mature 01/06/87	1,587,000.00	
Securities—mature 03/05/87	292,128.50	1,879,128.50
Total Cash Balances—December 31, 1986		<u>\$1,902,264.06</u>

Cash Balances All Accounts—December 31, 1985:

General Fund Account	\$ 126,866.09	
Trust Fund Account	435.86	
Petty Cash	650.00	
Securities—mature 01/10/87	1,612,000.00	
Total Cash Balances—December 31, 1985		<u>\$1,739,951.95</u>

7—Pooch and Horse Superintendent Arneman met with Vic Holst, Dick Hennen and Elmer Jones of the Minnesota Horse Breeders relative to changes in the 1987 draft horse show.

12—Pooch and Arneman met with Cynthia Sievert and Joan Slaby with the Minnesota Miniature Horse Association regarding the addition of their breed into the 1987 show.

14—Frost and Hammer met with representatives of Coca-Cola Midwest to discuss 1987 sponsorship agreement. Frost, Rick Frenette and Bruce Gravelle met with 1st Bank personnel to discuss banking procedures and proposed refinements.

Annual Meeting

Minnesota State Agricultural Society

St. Paul Radisson Hotel
January 17-19, 1987

The 128th annual meeting of the Minnesota State Agricultural Society opened with a day-long registration session on Saturday, January 17. Registration continued Sunday, January 18 and Monday, January 19. The Society's first general business session, chaired by President J. G. Tiffany, Redwood Falls, was held at 9:15 A.M. Sunday for the purpose of appointing members to the credentials and resolutions committees.

The credentials committee met to conduct business at 10:15 A.M. Sunday. Delegates named to this committee were Marvin Wiskow, Chatfield; Richard Johnson, St. Peter; Andrew Rozeboom, Maple Grove (chairman); Lee Nakken, St. Paul; Richard Keenan, Minneapolis; Gerald Thorpe, Grove City; George Gehant, Madison; Floyd Walters, Two Harbors; Bill Ulrich, Thief River Falls.

Appointees to the resolutions committee, which also met at 10:15 A.M. Sunday, included Gerald Heger, Fairbault; Lester Paschke, Delevan; Bill Binger, Cambridge (chairman); Joe Fox, Maplewood; Richard Keenan, Minneapolis; Paul Wertz, Sauke Centre; Marvin Olson, Willmar; James Helgemoe, Duluth; Dave Gilbertson, Fosston.

At 3:00 P.M., Sunday, delegates from the first, third and sixth regional districts met in caucus to certify nominees for election to the Society's board of managers on January 19. Selected were: 1st district—Bill Korff, Fairbault; 3rd district—Eileen Roehlke, Rogers; 6th district—Howard Morris, Cokato. Delegates from the eighth regional district held a provisional caucus and certified Don Simons, Grand Rapids to succeed Sulo Ojakangas (should Mr. Ojakangas move into the Society presidency).

At 1 P.M. Monday, members of the Society met in general session. Secretary Mike Heffron offered the following report:

Over the past ten years, it has been my privilege each January to report to you on the current status of the State Fair ... and on the health and stability of the State Agricultural Society.

On most of these occasions, I've enjoyed the exercise ... for the single fact that over this past decade the Minnesota State Fair has been, on average, very successful...and as a result, the Society's balance sheet has improved steadily.

This year my task is especially enjoyable. The 1986 exposition was the best ever recorded over 131 years of institutional history.

What underscores all this history is the involvement of people. It's the cumulative personal effort that really counts. Literally thousands of people ... starting with yourselves ... who look at the fruits and failures of the previous year ... evaluate what changes can be made and what changes can be afforded ... who begin a budget process, and then a planning process, and finally a work process ... so that when Labor Day arrives and we turn to look back...when we take into account how many visitors have been served and particularly, how well they have been served ... this is the time we finally learn whether all the personal effort has been worth it. If it has, then the fair has been successful.

Smiling faces do not always produce financial reward, but more often than not, a member of an audience pleased with the value and quality of a presentation, will return on another occasion for more, and on that occasion, he or she will likely bring another person to share in the enjoyment. It is this phenomenon which creates reputation and generates attendance growth.

The financial stability of the Minnesota State Fair is directly dependent on attendance and on visitor spending, two elements we've already noted are linked to quality and value. Last year, your board and management budgeted and spent record amounts for entertainment, new attractions and for competitive prize money. The investment paid off as over one and one-half million people visited the fair.

It's difficult, if not impossible, to calculate the amount spent by this record audience, but it is a given within the tourism community that the Minnesota State Fair generates higher per capita spending, as well as greater overall spending than does any other single event produced in our state. I'm not speaking now of just the fairgrounds, but rather of money spent throughout the state and in the metro area ... money spent on gasoline, lodging and food, not to mention other attractions, allied recreational centers, department and grocery stores, and so on.

There are people, including a few in government, who fail to recognize the profound tourism benefits produced by the State Fair, as well as by Minnesota county fairs. They also fail to acknowledge how very well our facilities are used, both in the pursuit of tourism and as important community resources.

I'm sure many of you share with me the frustration of hearing someone say, "That fairgrounds of yours sure isn't used much," or even worse, "Isn't it a shame that taxpayers have to support idle property?"

Those kinds of statements are frustrating, first because they are untrue ... but even more, because they reflect a lack of knowledge and understanding of how very well State Fair facilities are used and to what extent their off-season use helps pay for the maintenance and improvement of the very facilities they suggest are under-utilized.

Our administrative staff is often visited by people, most of them well meaning, who wish to propose some high-blown promotional scheme "just right for our grounds" and "the reason the whole thing will work," they say, "is because you having nothing else going on anyway." Now that's when frustration really sets in.

Let me tell you quickly about how well State Fair facilities are used, but before I do, let me make this statement ... Our fairgrounds is easily the best used public facility in the State of Minnesota. Let me repeat that ... Our fairgrounds is easily the best used public facility in the State of Minnesota.

Last year, a verifiable total of 2,150,000 people used our facilities in one way or another ... and that does not include the tens of thousands who drive through to sight-see, those who jog or walk or bicycle on the grounds each day or those who come to picnic, play softball or touch football or just sit in the sun.

How could anyone suggest that an exposition center used by an average of 3,000 persons for each non-fair day, 365 days a year is standing idle or even under-utilized. That's nonsense.

I'm always curious why I don't hear the same things said about golf courses, most of which require as much property as is occupied by our fairgrounds; most of which in Minnesota are only used seven months of the year and; absolutely none of which are used by anywhere near as many people as is our fairgrounds.

Our off-season attendance last year, which came very close to one million, generated net revenue to the Society of just over \$360,000, which sum represents over 50 percent of the Society's net profit for 1986.

Our facilities are very well used, but more than that, their full utilization is recognized by board and management alike as a clear necessity in the ongoing

viability of the exposition. We not only intend to continue the current high use of our facilities, we intend to promote maximum use of the facilities to the benefit of the Society and to the benefit of our statewide community.

It is important in the giving of this report that I acknowledge my appreciation for long and faithful service and express my sadness that another leadership chapter in the fair's history will soon be ended. I'm referring, of course, to Mr. Gib Tiffany, with whom I have enjoyed friendship and a fine working relationship since 1972. Gib, who during the last two years, has distinguished himself as your president, will step down from that position and from the board before this day is over. I would like to thank you Gib for sharing with us your dedication, your patience and your good humor. We will miss the wisdom and leadership you brought to this board.

Finally, ladies and gentlemen, may I offer for your approval a report of cash activity and cash balances for the fiscal period ending October 31, 1986.

Our opening cash balance, November 1, 1985, was \$1,981,880. During the year, cash receipts of \$8,977,020 and cash disbursements of \$8,339,084, resulted in a closing balance on October 31, 1986, of \$2,159,309.

This then, Mr. Chairman, is the operating and financial report of your secretary for 1986.

Special remarks were given by M. C. Hardy, State Fair Machinery Exhibits Superintendent.

The following credentials committee report was presented by Chairman Andrew Rozenboom and accepted by the membership:

All credential blanks for state-wide societies and associations submitted to the State Agricultural Society have been viewed and approved by the committee. The committee discussed and asked for a ruling on a procedural question, that being whether an alternate may represent more than one delegate? In response, the chair announced: Previous rulings from the chair have answered this question in the negative. Reference is suggested to the "unit rule" provision contained in the statute under which those delegates (or alternates) present may cast all three (3) votes for any county agricultural society.

Resolutions committee report was given by chairperson Bill Binger. The following resolutions were adopted by the membership:

Resolution No. 1: Resolved that we, the membership of the Minnesota State Agricultural Society and delegates to its annual meeting, once again have heard and approve the report of our secretary and general manager. We appreciate the effort he put forth in 1986, along with his staff, and with the guidance and counsel of the board of managers, to conduct the affairs of the society in an efficient and businesslike way and to produce an extremely successful edition of the great Minnesota State Fair.

Resolution No. 2: Resolved, that board and full-time staff are two among many groups important to the success of this venerable institution. Largest among the others is the general public, whose attendance in record numbers during the 1986 exposition was tangible evidence of the viability and vitality of the fair as an educational, entertaining medium.

Resolution No. 3: Resolved, that a further attempt to take note of all the groups and persons who were a part of our successful year is bound to fall short because of their great number and many contributions. Some, however, stand out and will be listed, with apologies to any who are missed. Included are competitive exhibitors; media; advertising agency; sponsors; entertainers, their crews, agents and managers; department superintendents and their staffs; commercial and service exhibitors; concessionaires; suppliers and vendors; legislators and statewide office holders; mayors; county fairs; chambers of commerce; contractors and tradespersons; youth and school groups; and part-time employees.

Resolution No. 4: Resolved, that the format and location of this our 128th annual meeting are agreeable and should be continued. Be it also resolved that our thank you is extended to management of the Radisson St. Paul Hotel for their assistance during our get together.

Resolution No. 5: Resolved, that we understand the difficulty in raising necessary funding for costly permanent improvements to the fairgrounds from yearly operations. As a possible long-term solution to this problem, we support the legislative initiative of board and staff to gain relief from collection and payment of state sales tax on board and show admission tickets.

Resolution No. 6: Resolved, that the International Association of Fairs and Expositions, of which our secretary currently serves as president, is a valuable partner as we seek to further the professionalism of our management. Along with the Minnesota Federation of County Fairs, the IAFE shall continue to receive our support and encouragement.

Resolution No. 7: Be it finally and sadly resolved, that the passings of Orrin Turnquist, (vegetable superintendent), James Libby, (life and State Fair Hall of Fame member), Mayme Green (Hall of Fame member), and Martha C. Kortessmaki (wife of Hall of Fame member W.J. Kortessmaki) have been a loss to us all. Our sympathy is with their families and friends.

The Society proceeded to conduct required elections with results as follows:

Sulo Ojakangas, Hibbing, president, one-year term.

Bert Lund, St. Paul, fourth regional district vice-president, two-year term.

Richard Keenan, Minneapolis, fifth regional district vice president, one-year remaining term vacated by Leonard Ramberg.

Bill Korff, Fairbault, first regional district manager, three-year term.

Eileen Roehlke, Rogers, third regional district manager, three-year term.

Howard Morris, Cokato, sixth regional district manager, three-year term.

Don Simons, Grand Rapids, eighth regional district manager, two-year term vacated by Sulo Ojakangas.

J. G. "Gib" Tiffany, Redwood Falls, honorary (life) member of the society.

Lawrence Haeg, deceased, State Fair Hall of Fame.

There being no further business, the 128th annual meeting of the Minnesota State Agricultural Society was adjourned.