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**1987**  
MINNESOTA STATE FAIR

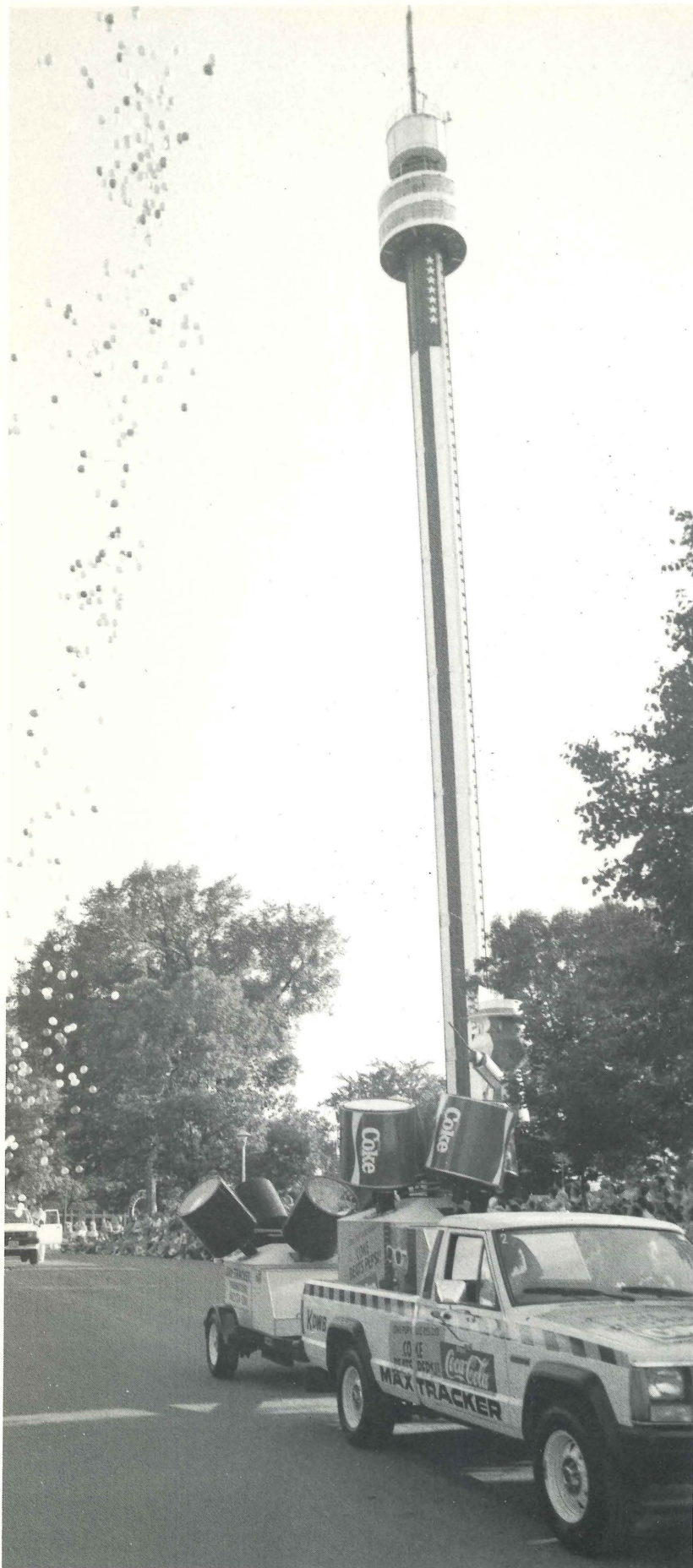
**ANNUAL REPORT**



# **1987 ANNUAL REPORT OF THE 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 the annual State Fair as well as control and management of the State Fairgrounds. As required by statute, a preliminary report on fiscal 1987 was submitted to the governor December 23. Following the society's annual business meeting and the examination of its books and accounts by the legislative auditor, the following complete annual report has been printed and distributed.



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Honorable Rudy Perpich  
Governor, State of Minnesota

December 23, 1987

Dear Governor Perpich:

A fact long apparent to Minnesota State Fair management was confirmed this November in a report issued by Peat, Marwick, Main & Company, which asserts...

...that the exposition annually delivers a profound economic benefit to the state and to the local, metropolitan area; a direct spending infusion of \$26 million and an estimated economic impact of \$49 million.

Last measured in 1975 by Booz, Allen, Hamilton, the fair's economic influence has grown almost five-fold over the past 12 years from a base of \$10 million. It continues to rank as Minnesota's best-attended and most productive leisure attraction.

Almost perfect weather during the '87 State Fair contributed measurably to its success and to another year of record growth in attendance and income. Over the past four years, the fair has shattered each new attendance mark it set the year before and has grown at an unspectacular, but steady rate of five percent each year over the same period of time. Gross operating income, a yardstick of business activity, has also grown steadily from \$7 million to \$9 million, an annual improvement rate of 8.5 percent.

Records of this kind are important and serve to calibrate progress. Other standards, however, give insights to excellence and say more about the integrity and worth of an institution. We take particular pride in acknowledging that this year the exposition reduced its long-term debt 12 percent, while at the same time, it increased prize money paid to competitive exhibitors to an all-time high of \$429,000. Finally, it is significant that for the second consecutive year the fair was able to invest over \$1 million in physical plant improvements.

It is important that state government remain aware and sensitive to the fragile nature of the fair's financial condition. Even though it experienced an excellent year in terms of attendance and productivity, its net gain, as a percentage of income, fell from 7 percent last year to 3 percent this year. Meanwhile, the exposition paid out-of-pocket \$356,000 in sales taxes...\$67,000 more than its net operating gain of \$288,533...a startling fact that leads one to ask, "Why should a statutory agency of the state, one dedicated to providing public benefit, be penalized for doing its job well?" Some "experts" have suggested an easy solution to our dilemma, simply increase gate and other fees...let the public pay. Such a premise is entirely unacceptable.

We will continue in the future, as we have in the past, to dedicate our efforts to providing the very best presentation possible at the very lowest price we can reasonably manage. The citizens of this great state deserve no less.

Respectfully submitted,

Mike Heffron  
General Manager

State Fairgrounds  
St. Paul, MN 55108-9983  
612-642-2200





# SUMMARY

The Minnesota State Fair enjoyed its fourth straight banner year in 1987, setting new standards for attendance and income. A total of 1,612,178 visitors were attracted to the 12-day exposition by agricultural and creative contests, a complex and diverse entertainment schedule, a comprehensive marketplace of commercial exhibits and beautiful weather.

In addition to the overall attendance record, the '87 State Fair reached new milestones for total adult admissions (1,277,672), total senior citizen admissions (59,934) and single day senior citizen admissions (37,008). The latter was set on the second of two Senior Citizens Days, when persons 65 and over were admitted to the fair free of charge.

Overall daily attendance records were set on both Senior Citizens Days. A total of 85,221 people visited the fair on Aug. 27, the first of the two days, and 137,219 attended the exposition on Sept. 3, the second senior day.

Aug. 29 was designated Coke Max Headroom Youth Day, when youths 17 and under were admitted free. In addition, special discounts were offered on many midway attractions and thousands of prizes were given to fair visitors by Coca-Cola, the day's sponsor.

Regular outside gate admission to the fair was \$3.50 for adults 16 and over and \$2 for youths 5 through 15. Children under 5 were admitted free. Advance sale discount tickets for adult admission were available for \$3 prior to the fair at Holiday Station Stores statewide and at the State Fair ticket office on the fairgrounds.

Vehicle parking in all State Fair lots on the fairgrounds and south of Como Avenue was free every day of the fair.

On Saturdays and Sundays, free parking with 50-cent shuttle service to the fairgrounds was available at Roseville Area High School, Unisys lots in Minneapolis and St. Paul and at Rosedale, Har Mar Mall and Bandana Square Shopping Centers. During the second weekend of the fair, shuttle parking was also available at Control Data in Energy Park.

Complete daily attendance and weather information is listed below.



## 1987 MINNESOTA STATE FAIR

<u>Date</u>	<u>Designation</u>	<u>Weather (Temp., rainfall)</u>	<u>Attendance</u>
Thursday, Aug. 27	Senior Citizens and 50-Year Award Day	70-59, .20 inches	85,221 *
Friday, Aug. 28	Arts, Health and Disability Awareness Day	75-59, .12 inches	108,223
Saturday, Aug. 29	Draft Horse and FFA Day	80-54, trace	176,299
Sunday, Aug. 30	Volunteer Day	72-55, 0	180,911
Monday, Aug. 31	Youth and Education Day	69-47, 0	124,684
Tuesday, Sept. 1	English Horse Day	78-50, 0	97,850
Wednesday, Sept. 2	Agriculture Progress Day	72-50, 0	104,920
Thursday, Sept. 3	Senior Citizens and Rodeo Day	77-54, 0	137,219 *
Friday, Sept. 4	Natural Resources and Western Horse Day	85-61, 0	128,473
Saturday, Sept. 5	Milk Run Day	84-65, trace	184,642
Sunday, Sept. 6	4-H Day	77-58, 0	182,225
Monday, Sept. 7	Miller 300 Stock Car Race Day	79-50, 0	101,511
			<b>1,612,178 **</b>

\* Daily Attendance Record

\*\* Total Attendance Record



# ENTERTAINMENT

Entertainment to suit every taste was offered daily throughout the '87 State Fair. An incredible lineup of entertainers, ranging from top-name international stars to the region's best amateur performers, gave fair visitors a wide selection of music, comedy and thrills.



## Grandstand

The State Fair's ambitious Grandstand schedule featured world-famous entertainers serving up an eclectic mix of pop, rock, country, folk and gospel music along with comedy. Fifteen concerts, including several matinee performances, attracted a total of 139,490 people to the Grandstand.

Country supergroup Alabama was the most popular act at the Grandstand for the fifth straight year, drawing a total of 33,985 people to two performances Sept. 4 and 5. Restless Heart opened both shows.

Also earning high marks for Grandstand attendance were Willie Nelson and George Jones, who teamed up to draw 17,994 country music fans to two shows Aug. 28 and 29. The Monkees and "Weird Al" Yankovic weren't far behind, attracting 17,486 to a pair of shows Aug. 30.

The complete Grandstand concert schedule and attendance figures are listed below.

The Grandstand motorsport schedule offered late model stock car racing and truck and tractor pulls. A crowd of 11,579 race fans saw Dick Trickle win the Miller 300 Labor Day auto race. Another 7,754 people attended Budweiser's Minnesota Grand National Truck and Tractor Pull, Sept. 2 and 3.

All Grandstand events were transmitted to two giant Diamond Vision video screens, providing everyone in the Grandstand with a close-up look at the action on the stage and track.

## Free Shows

The '87 State Fair's elaborate free entertainment program utilized five stages, an amphitheater, many of the streets on the fairgrounds and a half-inch wire suspended over 300 feet in the air.

The latter was used every day that weather permitted by aerial daredevil Jay Cochrane, who walked a high wire from the 4-H Building to the top of the 340-foot Space Tower. Cochrane was reluctantly grounded by wind or light rain five times, but he successfully completed his quarter-mile journey on seven of the fair's 12 days.

The State Fair's free stage show schedule delivered an ample supply of classy entertainment every day of the fair. Principal stage show facilities were the Schmidt Bandshell, Miller High Life Stage in Baldwin Park, Pepsi Stage in Heritage Square, Bazaar Stage and Children's Theater.

Twenty-seven different acts appeared at the five stages, giving a total of 552 performances during the fair. Entertainers included the Mamas and the Papas, Williams and Ree, the Rockin' Hollywoods, Riders In The Sky, Pinkard and Bowden, Doug Kershaw and the Teddy Bear Band.

In addition, a special showcase of stand-up comedians was featured every night except Labor Day at the Bazaar Stage. Pepsi's U.S. High Dive Team presented world-class athletic entertainment four times daily, and members of the Hollywood Spectacular Stunt Show gave fair visitors a look at the rough-and-tumble Old West of the movies.

Early every evening except Labor Day, the State Fair's parade of floats, marching bands, clowns and special attractions wound its way through the fairgrounds.

Free shows were also featured daily at Natural Resources Park and in the Creative Activities, Senior Citizens, Education and 4-H Buildings.

## 1987 GRANDSTAND ATTENDANCE

Aug. 27	Night Ranger with Great White	8,968
Aug. 28	Willie Nelson and Family and George Jones	7,769
Aug. 29	True Value Country Showdown with Moe Bandy (matinee)	1,507
Aug. 29	Willie Nelson and Family and George Jones	10,225
Aug. 30	Peter, Paul and Mary (matinee)	9,028
Aug. 30	The Monkees with "Weird Al" Yankovic (two shows)	17,486
Aug. 31	The Jets with Limited Warranty (matinee)	10,678
Aug. 31	Gloria Estefan and Miami Sound Machine	4,866
Sept. 1	The Pointer Sisters	9,396
Sept. 3	Red Skelton	7,517
Sept. 4	Alabama with Restless Heart	15,087
Sept. 5	Alabama with Restless Heart	18,898
Sept. 6	Sandi Patti (matinee)	9,066
Sept. 6	The Oak Ridge Boys with Southern Pacific	8,999
		<b>139,490</b>



## COMMERCIAL EXHIBITS

## COMPETITIVE EVENTS



Thirteen-hundred commercial exhibitors used 4.3 million square feet of outdoor and indoor exhibit space during the 1987 State Fair. Through their presence, this huge collection of companies, institutions and concessionaires served several major functions.

First, they provided fair visitors with the region's largest marketplace of industry, technology, amusements and food. Special exhibit areas at the fair included the international Bazaar, Heritage Square, and Machinery Hill—the fair's 80-acre spread of farm and yard equipment. In addition, commercial exhibitors utilized exhibit buildings and hundreds of outdoor exhibit lots.

Commercial exhibit space at the fair also provided entities of all sizes with a forum to display their wares before an

audience of 1.6 million people. The varied list of '87 commercial exhibits includes artisans, educational institutions, toys, furniture, news media, imports from around the world, politicians, financial institutions and over 350 food vendors.

Finally, the rental of commercial exhibit space provided the State Fair with one-fourth of its annual operating income. In 1987, \$2,322,150 were generated through space rental fees, including \$817,512 in fees from carnival rides, shows, and games.

The State Fair's system of selecting commercial exhibitors from an overabundance of new applicants gives priority to those who offer new and different goods and services. The State Fair, in turn, places these exhibitors in a geographically-balanced manner.

From Minnesota's first humble territorial fair in 1855 to the gigantic 1987 State Fair extravaganza, agricultural and creative contests have provided a major focus for the exposition. Cows, pigs, chickens, chocolate cakes, oil paintings, 100-pound pumpkins, third-grader essays, garden club flower shows, farm crops, apples and homemade quilts are among the thousands of competitive entries that give the State Fair its unique flavor.

In 1987, over 14,000 people entered nearly 35,000 animals and items in the State Fair's 20 competitive departments. Included in the competitions were events for open class and junior livestock, creative activities, fine arts, farm crops, vegetables, butter and cheese, Christmas trees, flowers, school projects, amateur entertainers and runners.

To present this agricultural and creative menagerie, the State Fair utilizes 14 major exhibit buildings. Included is a comprehensive livestock complex with stabling and coops for nearly 8,000 animals.

Winning exhibitors in '87 shared a record \$428,618 in prize money, plus ribbons and trophies. Cash premiums were increased by nearly 10 percent and nearly every one of the fair's competitive departments benefited from the additional awards—most notably creative activities, junior livestock, open class cattle and horses.





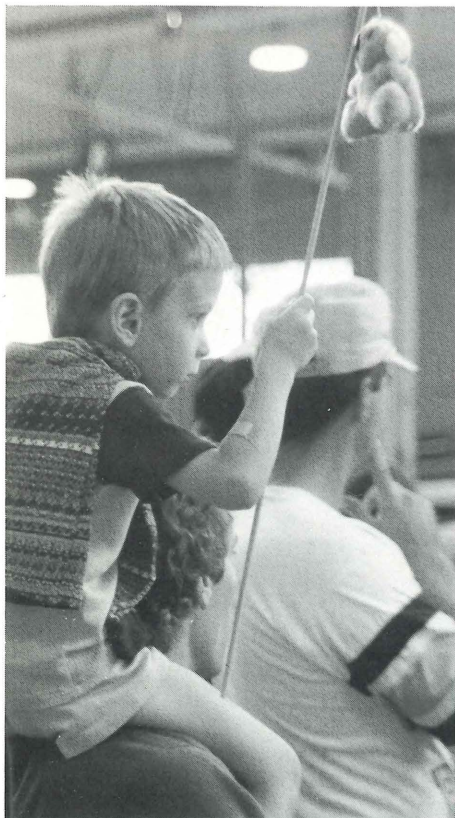
## OFF SEASON EVENTS

Although the fairgrounds are best-known as home of the annual State Fair, exposition facilities are also host to a busy schedule of off-season activities that utilize the grounds at a maximum level year-round.

Events such as horse and livestock shows, civic gatherings and sporting events have been held on a regular basis at the fairgrounds since the early 1900s. During the last decade, though, off-season activity has increased dramatically. Since 1974, attendance at special events has nearly tripled.

Easy access to the fairgrounds, plenty of parking and flexible exhibit facilities have become increasingly popular with special events promoters and retailers. Events held on an annual basis at the fairgrounds include sales, auto shows, horse and livestock exhibitions, athletic events, meetings and training sessions.

In 1987, off-season rentals generated a net income of \$411,786 for the fair, based on gross income of \$812,414 less event-related expenses totaling \$400,628.



## BOARD OF MANAGERS



*Sitting, left to right:* Howard Morris, Richard Keenan, Bert Lund and Willis Lilliquist.  
*Standing, left to right:* Vern Prokosch, William Korff, Donald Simons, Sulo Ojakangas, Martin Annexstad and Eileen Roehlke.

The Minnesota State Agricultural Society, governing body of the State Fair, is charged exclusively with the operation of the exposition and maintenance of the fairgrounds. The society is made up of delegates from Minnesota's county fairs and various agri-business groups.

These delegates convene each January to conduct formal society business, including 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.

The board sets policy for the administration of the fair. In addition, board members provide liaison between the various State Fair departments and the board as a whole, plus they serve on committees dealing with specific areas of the fair's operation.

Members of the 1987 board of managers are:

**Sulo Ojakangas—President** Ojakangas is a retired school administrator from Hibbing. He was first elected to the board in 1973 as representative of the eighth district.

**Bert Lund—Vice President** Lund has been a member of the board since 1981, representing the fourth district. He is a retired executive with the Webb Company and lives in St. Paul.

**Richard Keenan—Vice President** Keenan has represented the fifth district since 1986. He is an attorney from Minneapolis.

**William Korff—Manager** Korff, from Faribault, is a retired education center administrator and currently serves as a health care legislative consultant. He was first elected to the board in 1975 as first district representative.

**Martin Annexstad—Manager** Annexstad is a hog and grain farmer from St. Peter. He has represented the second district on the board since 1983.

**Eileen Roehlke—Manager** Roehlke was first elected to the board in 1979 as third district representative. She lives in Rogers and is involved in her family's auction business.

**Howard Morris—Manager** Morris is an insurance executive from Cokato. He has represented the sixth district on the board since 1981.

**Vern Prokosch—Manager** Prokosch is a farmer from Bird Island. Since 1985, he has served on the State Fair board as seventh district representative.

**Donald Simons—Manager** Simons raises beef cattle and draft horses on his farm near Grand Rapids. He was elected to the board in 1987, representing the eighth district.

**Willis Lilliquist—Manager** Lilliquist is a retired farm implement dealer from Kennedy and has represented the ninth district on the board since 1977.



# STAFF

The policies of the Society's board of managers are implemented and the day-to-day operations of the State Fair are headed by Mike Heffron, general manager of the exposition. Heffron supervises a year-round staff of 40 people who handle plant management duties such as building, grounds and vehicle maintenance, security services, and off-season events. Administrative functions include accounting, competitive exhibits, entertainment scheduling, promotion and space rental. This core of personnel is joined by a seasonal staff that swells to over 2,300 during the annual exposition.

Full-time staff as of Oct. 31, 1987, were: Jim Andert, plant services mechanic; Bob Armstrong, purchasing superintendent; Myron Clasemann, plant services assistant; Joe Fischler, plant management supervisor; Phil Fisher, plant services superintendent; Rick Frenette, finance supervisor; Jim Frost, assistant manager/public affairs; Ken Giannini, box office superintendent; Greg Glaus, plant services assistant; Mary Kay Glaus, plant services assistant; Mary Goiffon, staff services superintendent; Mark Goodrich, Coliseum assistant; Jerry Hammer, communications supervisor; John Hayne, plant services assistant; Jerry Hedlund, plant services assistant; Bill Hermes, greenhouse superintendent; Marshall Jacobson, finance assistant; Art Johnson, plant services assistant; Dave Juettner, plant services assistant; Gloria Kensler, rental services assistant; Mike Kirch, finance assistant; Pat Klinger, special events superintendent; Karen Leach, amusements supervisor; Gene Nardini, Coliseum superintendent; Caroll Nienhaus, greenhouse assistant; Bill Perl, plant services assistant; Mary Pittelko, receipts management superintendent; Steve Pooch, competitive exhibits supervisor; Ken Shoop, plant services assistant; Jim Sinclair, rental services supervisor; Dave Steinhoff, plant services assistant; George Trussell, plant services assistant; Marty Weber, plant services assistant; Ken Wenzel, assistant manager/operations; Rick Wimmer, greenhouse assistant; Bernard Young, plant services assistant; and Jane Young, reception/telephone.

During the exposition, State Fair superintendents oversee a variety of functions handled largely by part-time staff. Fair-time department superintendents are listed above right.

## 1987 Fair-Time Department Superintendents

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





# ECONOMIC IMPACT

A study conducted during the 1987 State Fair shows that the exposition has an astounding annual economic impact on the Twin Cities area. The study, conducted by the Minneapolis office of Peat Marwick Main & Co., found that the State Fair's year-round operations were worth a total of \$49 million to the area through direct expenditures of \$26 million and another \$23 million in respending.

Direct operational expenditures of the fair totalled \$7.2 million. Among these expenses were \$2.55 million in salaries, wages and benefits for the fair's 2,200 seasonal and full-time employees, \$3.4 million for goods and services purchased from local businesses and over \$425,000 in cash prizes paid to winners of the fair's various agricultural and creative contests.

Sixty-five percent of the 800 food, beverage and retail concessions at the fair are owned by Twin Cities area residents. According to the study, fair visitors spent \$9.3 million at these concessions. (All fair concessionaires operate much like small businesses, spending money in the local community to operate.)

The carnival operator spent \$935,000 in the Twin Cities during the fair to purchase goods and services, hire local labor and pay taxes. Over half of the carnival's expenses in the Twin Cities area included the purchase of fuel oil, utility services and repairs and maintenance to trucks and rides.

In 1987, 232,000 persons visited the Twin Cities specifically to attend the State Fair, according to the study. During their stays, they spent a total of \$5.3 million in the area including \$1.67 million on lodging, \$1.6 million on meals off the fairgrounds and \$2 million in retail purchases at area stores and shopping centers. The study shows that another 229,000 out-of-town visitors also attended the fair, but they were in the area primarily for other reasons. Their spending was not included in the study.

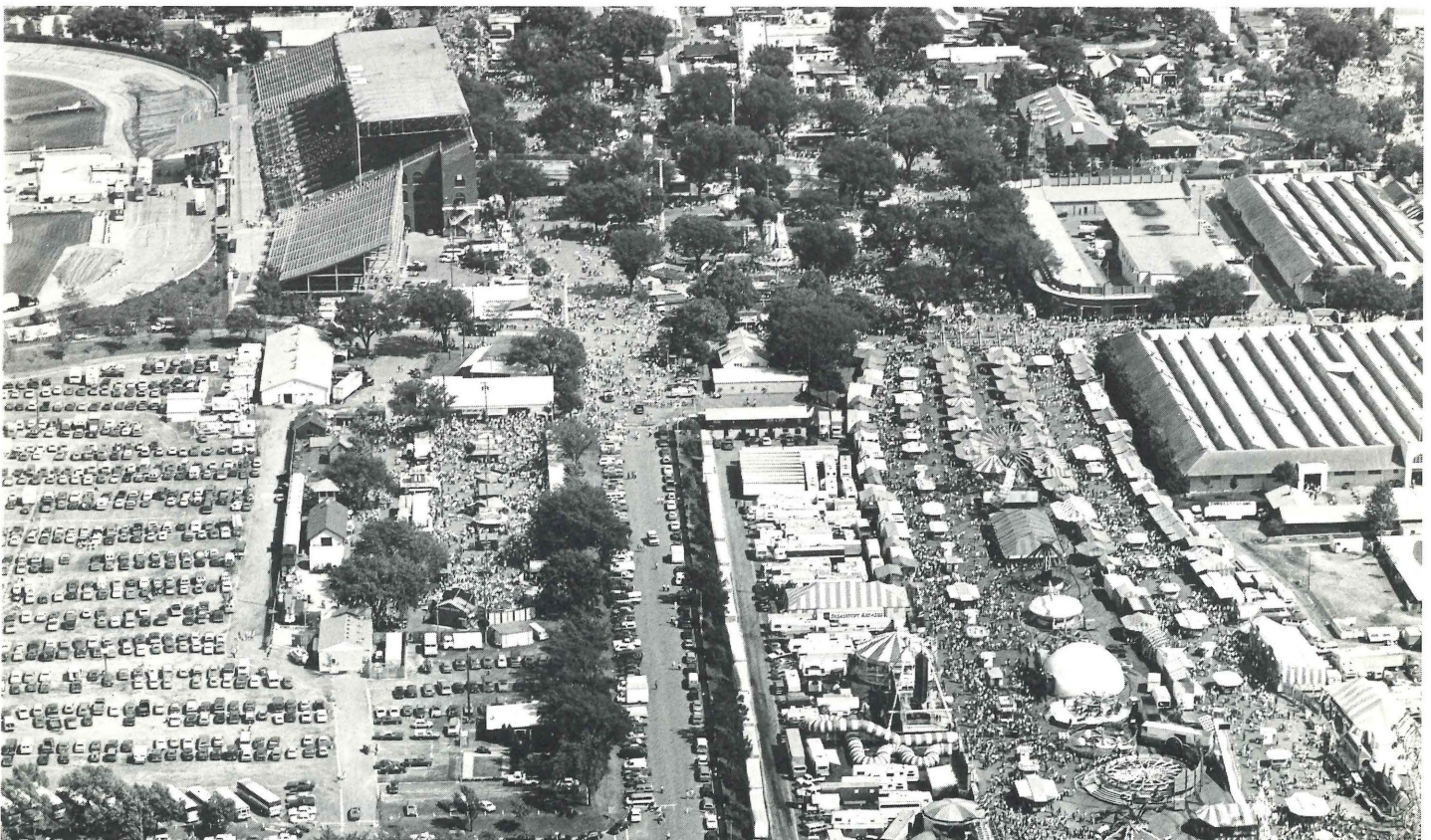
The fair's busy schedule of off-season events attracted another 700,000 people to the fairgrounds, resulting in \$1.7 million in expenditures for off-grounds food, lodging and retail purchases. Promoters of off-season events spent an additional \$470,000 in wages and the

purchase of event-related goods and services.

Taxes paid to the state government as a result of fair-time operations totaled \$1.96 million in 1987. Included in that total are \$1.2 million in sales taxes paid by concessionaires, \$300,000 in hotel and food taxes paid by area restaurants and hotels and \$356,000 in sales taxes paid by the fair on outside gate, Grandstand and Coliseum admissions.

Indirect expenditures resulting from year-round operations of the State Fair totaled \$23 million in 1987, based on a multiplier achieved with the assistance of the Minnesota Department of Energy and Economic Development. The multiplier reflects the spending of money in successive rounds within a community, creating an economic impact that is greater than direct expenditures.

Data for the study was obtained through exit surveys of State Fair visitors during the '87 fair, analysis of State Fair financial information and through interviews with fair personnel, concessionaires and state economists.







STATE OF MINNESOTA

**OFFICE OF THE LEGISLATIVE AUDITOR**

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

JAMES R. NOBLES, LEGISLATIVE AUDITOR

Mr. Sulo Ojakangas, 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, 1987 and 1986, 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 9 to 12. 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, 1987 and 1986 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 13 to 17 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.

James R. Nobles  
Legislative Auditor

John Asmussen, CPA  
Deputy Legislative Auditor

January 15, 1988



# BALANCE SHEET

For the years ended October 31

1987

1986

## ASSETS

### Current assets:

Cash and securities (see Cash Report) .....	\$ 1,937,373	\$ 2,159,309
Accounts receivable (Note 2) .....	168,128	111,022
Accrued interest receivable .....	3,249	2,435
Pre-paid insurance .....	12,858	60,470
Pre-paid expenses .....	12,123	8,012

Total current assets .....	\$ 2,133,731	\$ 2,341,248
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Property, structures and equipment (Note 3) .....	10,720,456	10,268,471
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Total assets .....	<u>\$12,854,187</u>	<u>\$12,609,719</u>
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## LIABILITIES & EQUITY

### Current liabilities:

Accounts payable .....	\$ 202,883	\$ 154,083
Accrued salaries .....	27,406	26,441
Accrued interest payable .....	8,238	9,629
Compensated absences (Note 4) .....	155,347	132,962
Deferred income (Note 6) .....	138,193	148,787
Current portion of long-term liabilities (Note 7) .....	108,767	108,827

Total current liabilities .....	\$ 640,834	\$ 580,729
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### Long-term liabilities:

Note, contract and lease payable (less current portion) (Note 7) .....	907,088	1,016,478
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### Equity

State Agricultural Society Retained earnings .....	11,306,265	11,012,512
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Total liabilities & equity .....	<u>\$12,854,187</u>	<u>\$12,609,719</u>
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The accompanying notes are an integral part of the financial statements.



# INCOME AND EXPENSES

For the years ended October 31

	1987	1986
Income:		
Ticket sales .....	\$ 5,575,909	\$ 5,276,953
Departmental .....	2,493,790	2,378,984
Other .....	<u>1,250,179</u>	<u>1,321,083</u>
Total income .....	\$ 9,319,878	\$ 8,977,020
Expenses:		
Administrative .....	1,113,364	1,101,668
Departmental .....	4,634,040	4,229,346
Premiums .....	428,618	400,424
Other .....	771,702	717,034
Maintenance .....	1,506,756	1,335,738
Depreciation .....	<u>571,645</u>	<u>551,421</u>
Total expenses .....	\$ 9,026,125	\$ 8,335,631
Net income .....	<u>\$ 293,753</u>	<u>\$ 641,389</u>

# RETAINED EARNINGS

For the years ended October 31

	1987	1986
Retained earnings at beginning of year .....	\$11,012,512	\$10,371,123
Add:		
Net Income .....	<u>293,753</u>	<u>641,389</u>
Retained earnings at end of year .....	<u>\$11,306,265</u>	<u>\$11,012,512</u>
Retained for working capital and improvements .....	\$ 1,402,465	\$ 1,869,346
New building provision .....	199,200	-0-
Book value of fixed assets net of debt obligations .....	<u>9,704,600</u>	<u>9,143,166</u>
	<u>\$11,306,265</u>	<u>\$11,012,512</u>

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



# CHANGES IN FINANCIAL POSITION

For the years ended October 31

	1987	1986
Financial resources were provided by:		
Net income for the year	\$ 293,753	\$ 641,389
Add: Depreciation expense not affecting working capital	571,646	551,421
Proceeds of notes payable	<u>-0-</u>	<u>51,300</u>
Total financial resources provided	<u>\$ 865,399</u>	<u>\$ 1,244,110</u>
Financial resources were applied to:		
Additions to fixed assets:		
Land acquisition	\$ -0-	\$ 182,581
Electrical system	45,403	28,418
Fence and guard rail	21,463	31,893
Land improvements	33,462	102,656
Personal property (net of disposals)	91,708	87,565
Sewer system	32,447	7,548
Structures (net of disposals)	790,715	551,208
Gas distribution system	1,805	5,449
Water distribution system	<u>6,626</u>	<u>19,083</u>
Total additions to fixed assets	<u>\$ 1,023,629</u>	<u>\$ 1,016,401</u>
Decrease in long-term liabilities	<u>109,391</u>	<u>115,677</u>
Total financial resources applied	<u>\$ 1,133,020</u>	<u>\$ 1,132,078</u>
Increase (Decrease) in working capital	<u>\$ (267,621)</u>	<u>\$ 112,032</u>
Changes in elements of working capital:		
Current assets-increase (decrease):		
Cash and securities	\$ (221,936)	\$ 177,429
Accounts receivable	57,106	(42,883)
Accrued interest receivable	814	(3,378)
Pre-paid insurance	(47,612)	20,698
Pre-paid expenses	<u>4,112</u>	<u>1,943</u>
Total current asset changes	<u>\$ (207,516)</u>	<u>\$ 153,809</u>
Current liabilities-(increase) decrease:		
Accounts payable	\$ (48,800)	\$ (2,133)
Compensated absences (Note 4)	(22,385)	(20,723)
Accrued salaries	(965)	(6,581)
Accrued interest	1,391	1,218
Deferred income (Note 6)	10,594	(20,958)
Current portion long-term debt (Note 7)	60	(10,715)
Refunds payable	<u>-0-</u>	<u>18,115</u>
Total current liabilities changes	<u>\$ (60,105)</u>	<u>\$ (41,777)</u>
Increase (Decrease) in working capital	<u>\$ (267,621)</u>	<u>\$ 112,032</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 & 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

	1987	1986
Gross accounts receivable	\$ 211,539	\$ 150,969
Less allowance for doubtful accounts	43,411	39,947
Net Accounts Receivable	\$ 168,128	\$ 111,022

In accordance with Minnesota Statutes, accounts receivable which are considered uncollectible have been reported to the Attorney General for consideration including submission as necessary to the Executive Council of the State of Minnesota.

## NOTE 3: FIXED ASSETS—LAND, STRUCTURES, UTILITIES & EQUIPMENT

	1987	1986
Land (Note 9)	\$ 2,013,778	\$ 2,103,778
Land improvements	965,945	932,483
Structures and improvements	16,490,078	15,699,363
Electrical plant	1,720,582	1,675,179
Fence and guard rails	228,204	206,741
Gas distribution system	88,845	87,040
Sewer System	430,793	398,346
Water distribution system	448,752	442,126
Personal property	573,355	530,402
	<u>\$22,960,332</u>	<u>\$21,985,458</u>
Less accumulated depreciation	12,239,856	11,726,987
Net Book Value	<u>\$10,720,476</u>	<u>\$10,268,471</u>

## NOTE 4: COMPENSATED ABSENCES

	1987	1986
Accrued vacation	\$ 71,051	\$ 63,493
Vested sick leave	84,296	69,469
Total Compensated Absences	<u>\$ 155,347</u>	<u>\$ 132,962</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 \$40,588 for 1986 and \$43,817 in 1987.

## NOTE 6: DEFERRED INCOME

	1987	1986
Unearned winter storage income	\$ 134,398	\$ 137,683
Advance Coliseum ice rental	3,795	11,104
Total Deferred Income	<u>\$ 138,193</u>	<u>\$ 148,787</u>

## NOTE 7: CURRENT AND LONG-TERM LIABILITY ALLOCATIONS

	1987		1986	
	Current	Long-term	Current	Long-term
Contract for deed (Note 8)	\$ 28,266	\$ 121,509	\$ 25,317	\$ 149,776
Note payable (Note 9)	73,378	770,465	73,378	843,842
Lease payable (Note 10)	7,123	15,114	10,132	22,860
	<u>\$108,767</u>	<u>\$ 907,088</u>	<u>\$108,827</u>	<u>\$1,016,478</u>
Net increase (decrease)	\$ (60)		\$ (109,390)	

## NOTE 8: CONTRACT FOR DEED PAYABLE

The contract is dated Nov. 30, 1979, and the rate of interest is six 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. 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. Payment must be made in a priority manner to any annual expenditures. The balance of the note, \$733,776 is due September 1, 1989.

## 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 lease is a five year capital lease dated September 1985 and is 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. The final payment on our lease obligation to Crestwood Capital Corp. was paid in March of 1987.

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

Class of Property	Asset Balances at October 31	
	1987	1986
Office Equipment	\$38,210	\$ 63,196
Less: Accumulated amortization	(11,463)	(22,634)
	<u>\$26,747</u>	<u>\$ 40,562</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, 1987:

Year ending October 31:	Copy Machine
1988	\$ 8,502
1989	9,275
1990	6,956
Total minimum lease payments	\$24,733
Less: Amount representing interest(1)	2,496
Present value of net minimum lease payments	<u>\$22,237</u>

(1) 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 the easement rights to build a water tower and for reimbursement for shower facilities that existed on this property. Miscellaneous income for 1987 includes \$62,300 paid by the Minnesota Department of Transportation as the net due the society under the terms of the "transfer of custodial control" document dated January 28, 1987 whereby the department and the society exchanged property because of the Snelling Avenue improvement project.

## NOTE 12: CONTINGENT LIABILITIES—Litigation

In the case of *Acton Construction Company, et al versus Aqua Management, Inc. et al*, the defendants are Aqua Management (the developer) and its shareholders, the bank which financed construction of the project and the Minnesota State Agricultural Society. The action arises out of the development of a privately owned concession on the fairgrounds. The total liability asserted is approximately \$1,000,000. However, it is not possible to predict the probability of the Society being found liable or to estimate the dollar amount of the potential outcome.



# SUPPORTING SCHEDULE—INCOME AND EXPENSES

For the years ended October 31

## INCOME

### Tickets:

	1987	1986
Outside gate .....	\$ 4,215,136	\$ 3,965,273
Grandstand .....	1,229,420	1,193,161
Coliseum .....	104,062	93,207
Trackless train .....	<u>27,291</u>	<u>25,312</u>
Total tickets .....	<u>\$ 5,575,909</u>	<u>\$ 5,276,953</u>

### Departmental:

Agriculture-Horticulture .....	\$ 450	\$ 1,137
Amusements .....	11,931	11,980
Cattle .....	10,911	10,650
Forage .....	32,477	29,206
FFA .....	3,102	2,547
Gas and electric .....	27,257	26,397
Goats .....	1,170	948
Horse show .....	70,369	75,145
Poultry .....	2,113	2,140
Public Safety .....	7,282	6,144
Sheep .....	3,825	3,115
Space Rental .....	2,322,150	2,208,799
Swine .....	<u>753</u>	<u>776</u>
Total departmental .....	<u>\$ 2,493,790</u>	<u>\$ 2,378,984</u>

### Other:

Campgrounds .....	\$ 38,232	\$ 40,680
Interest .....	88,892	102,761
Miscellaneous (Note 11) .....	95,974	173,869
Off-season rentals .....	812,414	778,138
Sale of bulk milk .....	10,473	11,857
Sale of market animals .....	78,032	78,746
Sale of materials .....	9,762	10,487
Sponsorships .....	<u>116,400</u>	<u>124,545</u>
Total other .....	<u>\$ 1,250,179</u>	<u>\$ 1,321,083</u>

Total Income .....	<u>\$ 9,319,878</u>	<u>\$8,977,020</u>
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## EXPENSES

For the years ended October 31

### Administrative:

Salaries .....	\$ 393,293	\$ 367,547
Employee benefits:		
Medical Insurance .....	59,641	68,425
Retirement fund .....	43,934	40,588
Social security .....	105,535	98,964
Unemployment compensation .....	1,640	1,280
Worker's compensation .....	14,808	20,297
Annual meeting .....	<u>5,237</u>	<u>4,164</u>



**EXPENSES (CONTINUED)**

For the years ended October 31

	1987	1986
Bad debts . . . . .	3,508	3,545
Bonds and insurance . . . . .	160,331	135,195
Computer services . . . . .	4,444	11,479
Dues and subscriptions . . . . .	7,456	5,444
Legal services . . . . .	26,295	21,790
Legislative audit . . . . .	19,552	22,142
Mailing services . . . . .	32,643	24,563
Officers salaries . . . . .	10,400	11,653
Other . . . . .	18,768	9,507
Postage . . . . .	68,228	78,998
Printing and office supplies . . . . .	46,101	34,070
Telephone . . . . .	52,733	49,587
Travel expense . . . . .	36,575	26,445
Staff training . . . . .	2,242	537
Total administrative . . . . .	<u>\$ 1,113,364</u>	<u>\$ 1,036,247</u>
Departmental:		
Admissions . . . . .	\$ 107,943	\$ 104,650
Advertising . . . . .	477,223	467,044
Bee culture . . . . .	6,054	4,793
Box office . . . . .	116,177	91,062
Campgrounds . . . . .	12,976	11,347
Care and assistance . . . . .	1,936	1,978
Cattle . . . . .	31,897	29,476
Christmas trees . . . . .	2,800	1,847
Coliseum custodial . . . . .	-0-	4,555
Communications . . . . .	161,819	118,885
Competitive events . . . . .	75,172	65,421
Creative activities . . . . .	34,141	33,622
Dairy . . . . .	985	1,009
Education . . . . .	19,618	18,630
Farm crops . . . . .	7,632	7,604
Finance . . . . .	5,957	-0-
Fine arts . . . . .	17,261	17,531
Flower and Ag shows . . . . .	22,314	21,150
Flowers . . . . .	4,884	5,330
Forage . . . . .	32,974	28,220
4-H Club . . . . .	91,604	64,663
FFA . . . . .	22,536	20,340
Free entertainment . . . . .	550,435	514,583
Fruit . . . . .	5,744	5,361
Gas and electric . . . . .	102,194	102,018
Goats . . . . .	3,668	3,388
Grandstand . . . . .	1,374,154	1,220,383
Greenhouse . . . . .	97,204	104,617
Horse show and rodeo . . . . .	99,349	108,421
Meats . . . . .	3,524	3,427
Miscellaneous custodial . . . . .	-0-	5,476
Natural resources . . . . .	-0-	1,117
Parking . . . . .	93,805	87,925
Poultry . . . . .	7,993	9,079
Public Safety . . . . .	272,439	246,685
Sanitation . . . . .	333,306	330,442
Senior citizens . . . . .	12,072	12,304



**EXPENSES (CONTINUED)**

For the years ended October 31

	1987	1986
Sheep . . . . .	5,582	4,921
Space Rental . . . . .	269,266	242,811
Swine . . . . .	7,841	6,471
Tickets . . . . .	115,026	140,656
Ticket audit . . . . .	4,248	3,883
Vegetables . . . . .	4,327	4,204
Youth Camp . . . . .	17,960	17,438
Total departmental . . . . .	<u>\$ 4,634,040</u>	<u>\$ 4,294,767</u>
Premiums:		
Bee culture . . . . .	\$ 2,588	\$ 2,037
Cattle . . . . .	68,475	64,752
Christmas trees . . . . .	1,320	1,195
Creative activities . . . . .	8,546	4,148
Dairy . . . . .	600	450
Education . . . . .	10,609	11,974
Farm crops . . . . .	12,271	10,967
Fine arts . . . . .	4,700	4,500
4-H Club . . . . .	63,418	57,018
FFA . . . . .	33,454	27,055
Flowers . . . . .	2,052	1,819
Fruit . . . . .	1,322	810
Goats . . . . .	7,500	5,793
Horses . . . . .	61,914	63,669
Poultry . . . . .	10,526	9,310
Sale of bulk milk . . . . .	10,471	11,855
Sale of market animals . . . . .	78,026	78,244
Sheep . . . . .	24,017	18,547
Swine . . . . .	17,826	17,799
Talent contest . . . . .	5,850	5,850
Vegetables . . . . .	3,133	2,632
Total premiums . . . . .	<u>\$ 428,618</u>	<u>\$ 400,424</u>
Other:		
Architectural and engineering service . . . . .	\$ 5,558	\$ -0-
Fire and police services . . . . .	102,461	52,634
Institutional tickets . . . . .	44,739	35,559
Interest . . . . .	71,386	73,495
Laundry services . . . . .	1,506	2,132
Miscellaneous . . . . .	19,590	29,988
Off-season rentals . . . . .	400,628	417,941
Property and casualty losses . . . . .	998	3,984
Property taxes . . . . .	5,855	5,603
Signs . . . . .	24,655	13,120
Veterinary services . . . . .	25,250	23,627
Water and sewer . . . . .	69,076	58,951
Total other . . . . .	<u>\$ 771,702</u>	<u>\$ 717,034</u>



**EXPENSES (CONTINUED)**

For the years ended October 31

	1987	1986
Maintenance:		
Electrical plant . . . . .	\$ 94,978	\$ 52,798
Fuel, oil, and gas . . . . .	13,994	19,525
Labor:		
Fair set-up/tear-down . . . . .	299,745	243,461
General . . . . .	476,266	443,134
Watchmen . . . . .	47,072	38,508
Land:		
Fence and guard rail . . . . .	16,117	12,646
Gas distribution system . . . . .	713	1,359
Grading, sod, and trees . . . . .	12,526	7,372
Sewer system . . . . .	4,417	23,091
Streets, sidewalks, and parking lots . . . . .	39,718	45,051
Water distribution system . . . . .	10,938	7,445
Storm damage . . . . .	2,129	538
Structure repairs . . . . .	291,015	241,684
Supplies . . . . .	31,004	28,184
Vehicle and personal property . . . . .	166,124	170,942
Total maintenance . . . . .	<u>\$ 1,506,756</u>	<u>\$ 1,335,738</u>
Depreciation		
Electric plant . . . . .	\$ 47,921	\$ 46,616
Fence and guard rail . . . . .	7,818	7,895
Gas distribution system . . . . .	686	626
Land improvements . . . . .	25,508	25,141
Personal property . . . . .	74,499	66,481
Sewer system . . . . .	8,634	7,527
Structures . . . . .	398,239	389,104
Water distribution system . . . . .	8,340	8,031
Total depreciation . . . . .	<u>\$ 571,645</u>	<u>\$ 551,421</u>
TOTAL EXPENSES . . . . .	<u>\$ 9,026,125</u>	<u>\$ 8,335,631</u>
NET INCOME . . . . .	<u>\$ 293,753</u>	<u>\$ 641,389</u>



# SUPPORTING SCHEDULE—CASH REPORT

Herewith find the report of cash balance of the State Agricultural Society for the fiscal year ending October 31, 1987.

Beginning cash balance November 1, 1986:

Imprest fund-cash on hand .....	\$ 350
Checking accounts .....	237,359
Securities .....	1,921,129
Trust fund .....	<u>471</u>

Total .....	<b>\$2,159,309</b>
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Add cash receipts .....	\$11,439,538
Less cash disbursements .....	<u>11,661,474</u>

Excess of disbursements over receipts .....	<b><u>(221,936)</u></b>
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Ending Cash Balance October 31, 1987 .....	<b><u>\$1,937,373</u></b>
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Detail of Year-End Cash Balance:

Imprest fund-cash on hand .....	\$ 200
Checking accounts .....	48,875
Securities .....	1,887,798
Trust fund .....	<u>500</u>

**\$1,937,373**

Respectfully submitted,  
Mike Heffron, General Manager

St. Paul, Minnesota  
October 31, 1987





STATE OF MINNESOTA

**OFFICE OF THE LEGISLATIVE AUDITOR**

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

JAMES R. NOBLES, LEGISLATIVE AUDITOR

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Representative Phillip J. Riveness, Chairman  
Legislative Audit Commission

Members of the Legislative Audit Commission

Mr. Sulo Ojakangas, President  
Board of Managers  
State Agricultural Society

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

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, 1987. Section I provides a brief description of the Society's activities and finances. 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 15, 1988.

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, 1987;
- study and evaluate major SAS internal control systems, including ticket and space rental revenue, and administrative disbursements; and
- verify that financial transactions were made in accordance with applicable laws, regulations, and policies, including Minnesota Statute Chapter 37.

**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.



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, 1987. Our audit opinion, dated January 15, 1988, is included within the 1987 SAS Annual Report.

In our opinion, except for the issue raised in Section II, finding #1, the system of internal accounting control of the State Agricultural Society in effect as of October 31, 1987, taken as a whole, was sufficient 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 authorizations.

In our opinion, for the year ended October 31, 1987, SAS administered its programs in compliance, in all material respects, with applicable finance-related laws and regulations.

The recommendations included in this audit report are presented to assist you in resolving the audit findings and in improving account procedures and controls. Progress on resolving these findings will be reviewed during our audit next year.

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

March 30, 1988



# AUDITOR'S RECOMMENDATIONS

## ***Audit Participation***

The following staff from the Office of the Legislative Auditor prepared this report:

John Asmussen, CPA	Deputy Legislative Auditor
Jim Riebe, CPA	Audit Manager
Carl Otto, CPA	Auditor-in-Charge
Chris Buse	Staff Auditor
Joan Haskin	Staff Auditor

## ***Exit Conference***

The finding and recommendations presented in this report were discussed with the following staff of the State Agricultural Society at an exit conference held on February 3, 1988:

Mike Heffron	Secretary—General Manager
Jim Frost	Assistant Manager
Ken Wenzel	Assistant Manager
Rick Frenette	Accounting
Marshall Jacobson	Accounting
Mike Kirch	Accounting
Mary Pittelko	Accounting

## ***I. Introduction***

The State Agricultural Society (State Fair) was legally organized as a public corporation in 1860. The Society operates under Minn. Stat. Chapter 37. However, it is a self-governing body and is not required to comply with finance-related rules and regulations of Minnesota's executive branch.

The operation of the annual State Fair exposition and maintenance of the fairgrounds is administered by the Minnesota State Agricultural Society Board of Managers. The ten member board is comprised of one representative from each of the Society's nine regional districts, and a president. Annually, the board elects a secretary who is the chief operating officer of the Society. Mike Heffron is the secretary-general manager of the Society.

The State Agricultural Society is financially self-sufficient. For the year ended October 31, 1987, the Society reported income of approximately \$9.3 million and expenses of \$9 million, resulting in net income of \$282,000. The primary sources of revenue are derived from ticket sales and space rentals. Significant expense classifications include grandstand and other departmental operations, maintenance costs, and administrative charges.

## ***II. Current Finding and Recommendations***

### ***1. Internal controls over off-season vehicle storage receipts need improvement***

During fiscal year 1987, the State Agricultural Society (SAS) collected approximately \$145,000 in vehicle storage receipts. A significant amount of these receipts are collected in cash. Prenumbered vehicle storage contracts are prepared in advance of when the lessees arrive with their property to be stored. The off-season rental manager, who is assisted by other SAS personnel, measures the items and determines the appropriate rental fee. The rental fee is required to be paid in advance. SAS personnel write the rental fee on the contracts and provide a copy of the signed contract to the lessee as proof of ownership. At the end of each day, the off-season rental manager reconciles the cash and checks collected to the dollar value of the contracts issued. The reconciled receipts are sent to the cashier for deposit.

An inadequate separation of duties exists whenever the same person who collects receipts has complete responsibility for reconciling them to source documents. As a result, the possibility of errors or irregularities occurring is increased. Therefore, someone independent of the receipt process should verify the completeness and accuracy of the receipt reconciliation performed by the off-season rental manager.

Another control weakness under current procedures is that an accounting of all contracts printed, issued, and voided is not completed. This procedure, in conjunction with the independent verification of the receipt reconciliation, should detect errors or irregularities and ensure that receipts are properly accounted for.

### ***Recommendations***

- An independent verification of the off-season vehicle receipt reconciliation should be performed.
- There should be an accounting of all off-season vehicle storage contracts printed, issued, and voided.



# MINNESOTA STATE FAIR

March 30, 1988

Mr. James R. Nobles  
Minnesota Legislative Auditor  
Veterans Service Building  
St. Paul, MN 55155

Dear Mr. Nobles:

Provided herewith is a response to the single recommendation contained in your preliminary audit report of the Minnesota State Agricultural Society for the year ending October 31, 1987.

We are in agreement with your evaluation of the need for improved internal control over off-season vehicle storage receipts and contracts. It is our intention to implement the suggestions you have set forth.

Rick Frenette, supervisor, finance group, along with Jim Sinclair, supervisor, rental services group and Pat Klinger, who is responsible for storage and rentals, will immediately implement the following procedures:

(1) Storage contracts will be shipped to and put into inventory by Mr. Frenette, who will issue them to Mr. Klinger using a receipt system. Contracts will be numbered by the printer.

(2) A representative of the finance group will verify and reconcile storage receipts at the end of each day of storage intake.

(3) All voided contracts will be listed on the receipt reconciliation and physically returned to Mr. Frenette's contract inventory.

We appreciate your generous cooperation in dealing with Society fiscal matters. If I can be of assistance in the ongoing audit process, please let me know.

Sincerely,



Mike Heffron  
General Manager

State Fairgrounds  
St. Paul, MN 55108-9983  
612-642-2200





# MEETING MINUTES

## SPACE RENTAL COMMITTEE MEETING

Radisson St. Paul Hotel  
Sunday, January 18, 1987 — 11:00 A.M.

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

Also present: Jim Frost and John Galus.

Meeting was called to order by Chairman Korff at 11:00 a.m.

On a motion by Mr. Lund, seconded by Mr. Ojakangas and carried the following list of participation/percentage attraction concession agreements for 1987 and the percentage or amount payable the State Fair under each was approved (Aye-4; Nay-0):

### Participation/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 ..... 33-1/3 %  
Desplenter Novelties = Novelty Concessions—Guarantee of \$16,500 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 ..... 33-1/3 %  
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  
Miscellaneous and Bandshell Entertainer Merchandise Sales ..... 15 %  
Miscellaneous 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  
Ventnor Place, Inc. = Space Tower ..... 25 %  
Ye Old Mill Amusements, Inc. = Old Mill Canal Boat Ride ..... 33-1/3 %

The preceding represent percentages payable the Minnesota State Fair on receipts from operation of the above concessions/attractions. Percentages are applied as follows: state sales tax is deducted from the gross receipts and reconciliation between the State Fair and concessionaire is made on the balance.

The following list of 3.2 non-intoxicating malt liquor (beer) concession agreements for 1987 was presented to the committee for review and approved on a motion by Mr. Lund, seconded by Mr. Annexstad and carried (Aye-4; Nay-0):

### Beer Concessions

Brede Enterprises, Inc.—Blk. 35, Bldg. 351, Food 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 and 268  
James W. Crocker—Blk. 31, Lots 16, 17 & 18, Spaghetti Village  
Victor W. Elliott—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 Building, Spaces 16 through 21

The preceding represent concessions at the State Fair contracted to sell 3.2 beer. Reconciliation between the State Fair and said concessionaires is undertaken as follows: concessionaire pays State Fair \$5.65 per case of beer sold and \$40.00 per 1/2 barrel of tap/draft beer sold. 3.2 beer sales are based on 24 12-ounce bottles per case, sold by concessionaire at \$1.25 per bottle, including state sales tax. Tap/draft 3.2 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.

Discussion was undertaken regarding miscellaneous/multiple concession and exhibit holdings based on reports reflecting comparisons of exhibit/concession contracts for the years 1984 - 1985 - 1986 and food concession contracts for 1980 - 1985 - 1986 (see reports following), after which the following list of miscellaneous concession agreements to be issued for the 1987 Fair was reviewed and approved on a motion by Mr. Lund, seconded by Mr. Annexstad and carried (Aye-4; Nay-0):

### MISCELLANEOUS CONCESSIONS

CONCESSION NAME	DESCRIPTION	NUMBER OF LOCATIONS
Coliseum Concessions	Food, Beverages and 3.2 beer	4
Compure	Heart Rate Machines	6
Robert W. Crocker	Root Beer	3
James A. Davis	Ice Cream and Snow Cones	5
Lynn Davis	Ice Cream and Snow Cones	5
Maxine Davis	Ice Cream and Snow Cones	5
Desplenter Novelties**	Novelties	33
James F. Hannasch	Snow Cones	6
James Hartley	Cotton Candy	5
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. LaVaque	Snow Cones	6
Matt Milner Sales	Novelties	2
Minneapolis Star & Tribune	Newspaper Stands	6

CONCESSION NAME	DESCRIPTION	NUMBER OF LOCATIONS
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
Theodore 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
Greg Tetrault	Ice Cream and Snow Cones	5
Townsend & Johnson	Foot Long Hot Dogs	9
USA Today	Newspaper Stands	6
U.S. Bench Corporation	Advertising Park Benches	40
Jane G. Volin	Cigarettes	4

\*\*Denotes concession operations in the process of divestiture

## MINNESOTA STATE FAIR FOOD CONCESSION CONTRACT COMPARISON 1984 - 1985 - 1986

### NUMBER OF INDIVIDUAL LOCATIONS...HELD BY THE FOLLOWING NUMBER OF PERSONS

	1984	1985	1986
1	857	865	867
2	64	55	59
3	16	24	25
4	10	10	7
5	4	4	9
6	0	0	2
7	2	3	3
8	1	0	0
9	1	1	1
11	1	0	0
12	0	0	1
13	1	0	0
26	1	1	0
33	1	1	1
Total Number of Locations Available	1,203	1,196	1,220
Number of Persons Holding Locations	958	964	975
% of Persons Holding 4 or Fewer Locations	99 %	99 %	98 %
% of Locations Held in Units Smaller Than 5	91 %	91 %	89 %
Number of Locations Held by Minnesota Residents	896	876	888
% of Locations Held by Minnesota Residents	74 %	73 %	73 %

## MINNESOTA STATE FAIR FOOD CONCESSION CONTRACT COMPARISON 1980 - 1985 - 1986

### NUMBER OF INDIVIDUAL LOCATIONS...HELD BY THE FOLLOWING NUMBER OF PERSONS

	1980	1985	1986
1	131	147	147
2	19	29	30
3	9	15	14
4	7	6	4
5	1	2	6
7	2	2	2
8	2	0	0
9	1	1	1
12	1	0	0
15	1	0	0
26	0	1	0
27	1	0	0
Total Number of Locations Available	322	333	318
Number of Persons Holding Locations	175	203	204
% of Persons Holding 4 or Fewer Locations	95 %	97 %	96 %
% of Locations Held in Units Smaller Than 5	68 %	82 %	83 %
Number of Locations Held by Minnesota Residents	288	292	273
% of Locations Held by Minnesota Residents	89 %	88 %	86 %

A request by Mr. Lee N. Bahr to transfer ownership of the two concessions he had operated at the Fair permanently located on lot 29 in block 31 (The Lunch Box) and in block 38 on lot M (The Mexican Hat Cafe) to Phillip J. Bahr and Vickie R. Vogt, respectively, was approved on a motion by Mr. Keenan, seconded by Mr. Lund and carried (Aye-4; Nay-0).

Meeting was adjourned at 11:50 a.m.

## PLANNING COMMITTEE MEETING

Radisson St. Paul Hotel  
Sunday, January 18, 1987—2:00 P.M.

Members present: Lund, chairman; Annexstad; Korff; Lilliquist; Ojakangas; Morris; Tiffany, ex officio; Heffron, ex officio; Wenzel, ex officio. Also present: Frost; Fischler; Keenan.

A proposed 1987 improvement/maintenance budget totaling \$1,923,855 was presented by Mr. Wenzel and reviewed by the committee. Also discussed was a deferred project list totaling \$726,050.

Following a detailed discussion by the committee and staff, it was moved by Mr. Korff, seconded by Mr. Ojakangas 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-5; Nay-0).

Meeting adjourned.

## LIFE MEMBER ADVISORY COMMITTEE MEETING

Radisson St. Paul Hotel  
Monday, January 19, 1987—2:30 P.M.

Members present: J.G. Tiffany, chairman; Norris Carnes; Harveydale Maruska; Deke Grussendorf; Jerry Hammer, ex officio (secretary).

Committee recommended that staff conduct a research program exploring alternative uses for the auto race plant.

Committee commended the staff for producing another record-breaking fair, and for the selection of Machinery Exhibits Superintendent M.C. Hardy as principal speaker during the society's general business session earlier that day.

Meeting adjourned.

## MEETING OF THE GOVERNING BOARD MINNESOTA STATE AGRICULTURAL SOCIETY

Radisson St. Paul Hotel  
Monday, January 19, 1987—2:30 p.m.

Members present: Sulo Ojakangas, president; Bert Lund & Richard Keenan, vice president(s); Martin Annexstad; William Korff; Willis Lilliquist; Howard Morris; Vern Prokosch; Eileen Roehlke; Don Simons; Mike Heffron, secretary.

Also present: Jim Frost; Ken Wenzel; Jerry Hammer; John Galus; Jim Sinclair.

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

It was moved by Mr. Keenan, seconded by Mr. Lund 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 \$64,000. 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 17 board meeting, previously mailed to the members, were approved upon a motion by Mr. Lund, seconded by Ms. Roehlke and carried (Aye-9; Nay-0).

A motion to approve minutes in vacation for the period November 12, 1986 through January 16, 1987, and the administrative action noted therein, was offered by Mr. Korff, seconded by Mr. Prokosch and carried (Aye-9; Nay-0).

Secretary presented the financial statement of December 31, 1986 as follows:

<b>Cash Activity General Fund-December 31, 1986:</b>		
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		\$ 260,696.19
Less:		
Bi-Weekly Payroll Ending December 10	\$ 47,291.78	
Bi-Weekly Payroll Ending December 24	46,919.63	
December Disbursements Paid	144,370.28	238,581.69
Cash Balance General Fund December 31, 1986		\$ 22,114.50

### 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
Total Cash Balances—December 31, 1986	\$1,902,264.06

### 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

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

A financial resume, covering 1976 through 1986, was circulated for information only (copy attached).

It was moved by Mr. Lund, seconded by Mr. Prokosch and carried that the First National Bank of St. Paul be designated as depository for the 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. Lund, seconded by Mr. Prokosch and carried that the following signatures be authorized for Society accounts (Aye-9; Nay-0).

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

**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 R. Wenzel (signature plate is authorized for Premium Fund).

Upon a motion by Mr. Annexstad, seconded by Mr. Lilliquist and carried, the following standing committee assignments were made for 1987 (Aye-9; Nay-0).

**Finance Committee**—Roehlke, chair; Korff; Lilliquist; Morris; Lund; Keenan; Ojakangas, ex officio; Heffron, ex officio; Wenzel, ex officio; Frost, ex officio.

**Governmental Affairs Committee**—Keenan, chair; Korff; Lilliquist; Roehlke; Lund; Prokosch; Ojakangas, ex officio; Heffron, ex officio; Wenzel, ex officio; Frost, ex officio.

**Life Member Advisory Committee**—Tiffany, chair; Sprengeler, vice chair; Muckle; Keskinen; Grussendorf; Sincok; Lammers; Bob Lund; Wilkins; Johnston; LaPointe; Maruska; Carnes; Franke; Ojakangas, ex officio; Heffron, ex officio; Frost, ex officio; Hammer, ex officio (secretary).

**Operations Committee**—Lilliquist, chair; Korff; Morris; Prokosch; Keenan; Simons; Ojakangas, ex officio; Heffron, ex officio; Wenzel, ex officio.

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

**Public Affairs Committee**—Morris, chair; Korff; Lilliquist; Roehlke; Annexstad; Simons; Ojakangas, ex officio; Heffron, ex officio; Frost, ex officio; Hammer, ex officio.

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

**Space Rental Committee**—Korff, chair; Roehlke, Lund; Annexstad; Prokosch; Keenan; Ojakangas, ex officio; Heffron, ex officio; Wenzel, ex officio; Sinclair, ex officio.

It was moved by Mr. Korff, seconded by Mr. Morris and carried that the following be appointed department coordinators and superintendents for 1987 (Aye-9; Nay-0).

**Admissions** (Lilliquist) Lyle Anderson  
**Agriculture Day** (Lilliquist) M.C. Hardy  
**Ag-Hort** (Keenan) Duane Smith—Crops; Dan Hollerbach—Bees; Greg Ustruck—Christmas Trees; Martha Carnes—Flowers; Louis Quast—Fruits and Vegetables  
**Amusements** (Roehlke) Karen Leach  
**Cattle** (Annexstad) Ray Arthaud  
**Communications** (Morris) Jerry Hammer  
**Creative Activities** (Roehlke) Evelyn Hagen  
**Dairy Products** (Annexstad) Cliff Markuson  
**Education** (Simons) Bob Anderson  
**Fine Arts** (Lund)  
**4-H Club** (Simons) Juanita Reed  
**FFA** (Morris) Paul Day  
**Forage** (Annexstad) Dan Elmer  
**Goats** (Simons) Jim Sheldon  
**Grandstand** (Roehlke) Ken Giannini—Box Office; Neil Larson—Production  
**Horse** (Lund) Harold Arnehan  
**Legislative Editorial** (Keenan) None  
**Meats** (Prokosch) Ed Butler  
**Parking** (Prokosch)  
**Plant Management** (Lilliquist) Joe Fischler—Plant Management; Bill Hermes—Greenhouse; Phil Fisher—Plant Services  
**Poultry** (Simons) Harold Thomforde  
**Public Safety** (Korff) Art Blakey  
**Rental Services** (Korff) Jim Sinclair  
**Sanitation** (Keenan) Scot Ribar  
**Senior Citizens** (Prokosch) Marj Krueger  
**Sheep** (Morris) Bob Jordan  
**Swine** (Annexstad) Jerry Hawton  
**Ticket Audit** (Korff) Dick Reinhardt  
**Tickets** (Roehlke) Rick Frenette  
**Youth Camp** (Lund) Darrell Vanyo

## OPERATIONS COMMITTEE MEETING

Members present: Lilliquist, chair; Korff; Morris; Prokosch; Keenan; Simons; Ojakangas, ex officio; Heffron, ex officio; Wenzel, ex officio.

It was moved by Mr. Morris, seconded by Mr. Korff and carried that the following outside gate "all pay policy" be reaffirmed and extended through 1987: "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. Annexstad and carried to approve the following outside gate fee schedule for 1987: adult admission—\$3.50; child admission—\$2.00; 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. Keenan 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: Morris, chair; Korff; Lilliquist; Annexstad; Roehlke, Simons; Ojakangas, ex officio; Heffron, ex officio; Frost, ex officio; Hammer, ex officio.

The following proposed advertising and communications budgets for 1987 were introduced:

### ADVERTISING BUDGET

<b>Media</b>		
Print	\$ 176,000	
Radio	62,000	
Television	250,000	
Total Media		\$ 388,000
<b>Production</b>		
Print	\$35,000	
Radio	4,000	
Television	28,000	
Miscellaneous	20,000	
Total Production		\$ 87,000
		\$ 475,000

### COMMUNICATIONS BUDGET

Payroll:		
Full time	\$ 36,000	
Part time	12,000	



Info services	5,500	
Gophers	1,500	
		\$ 55,000
Printing:		
Newsletters	\$ 20,000	
Daily Schedules	6,000	
Daily News	750	
Plate pages	1,200	
Ed/Leg materials	450	
Posters	1,000	
Maps	1,500	
		\$ 30,900
Miscellaneous advertising:		3,000
Photography:		6,000
MNA & misc. subscriptions:		2,000
Office supplies & rentals:		2,500
Ed/Leg supper:		4,000
Miscellaneous		
Groundswide tapes	\$ 700	
Signs	1,000	
Media reimbursement	400	
Awards	500	
Give-aways	1,000	
Sundries	4,000	
		7,600
		\$ 111,000

Following discussion, budgeted advertising expenditures of \$475,000 and communications expenditures of \$111,000 were approved for 1987 on a motion by Mr. Lilliquist, seconded by Mr. Korff and carried (Aye-5; Nay-0).

Committee meeting adjourned.

### RULES/PREMIUM LIST COMMITTEE MEETING

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

Upon a motion by Mr. Lund, seconded by Mr. Morris 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 1987 operating budget (Aye-5; Nay-0).

Committee meeting adjourned.

### FINANCE COMMITTEE MEETING

Members present: Roehlke, chair; Korff; Lilliquist; Morris; Lund; Keenan; Ojakangas, ex officio; Heffron, ex officio; Frost, ex officio; Wenzel, ex officio.

Secretary presented proposed operating, maintenance and improvement budget(s) for 1987, stating that the maintenance/improvement portion of the proposed expenditures had been approved by the planning committee on January 18, 1987.

After review and discussion, it was moved by Mr. Lund, seconded by Mr. Morris and carried that the 1987 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 Ms. Roehlke and carried (Aye-9; Nay-0).

It was moved by Mr. Prokosch, seconded by Mr. Annexstad and carried that secretary be authorized to adjust staff salaries effective the pay period beginning January 17, 1987 (Aye-9; Nay-0).

The following schedule of vehicle storage rates for 1987-1988 was approved on a motion by Mr. Lund, seconded by Mr. Morris and carried (Aye-9; Nay-0):

Lengths	1985-1986	1986-1987	1987-1988
0' - 16'	\$ 70	\$ 70	
0' - 20'			\$100
20' - 25'	\$120	\$120	\$140
25' - 30'	\$150	\$150	\$175
30' - 35'	\$190	\$190	\$220
Over 35'	\$225	\$225	\$270

Mr. Frost reviewed for the Board the status of contract negotiations with acts and attractions for night Grandstand, Bandshell, Coliseum and other entertainment areas (No action required).

Proposed contract renewals, covering the services of MS/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. Lund, seconded by Mr. Annexstad and carried (Aye-9; Nay-0).

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. Lilliquist, seconded by Mr. Lund and carried (Aye-9; Nay-0).

Mr. Wenzel indicated that the Society and the Federation were holding a joint three-year option on the Radisson St. Paul Hotel for annual meeting use. Execution, however, was being delayed pending a detailed report from the Radisson on planned physical changes to the property...how they would affect number of rooms and when they would be undertaken (No action required).

Secretary reported on current status of negotiations with MN DOT relative Snelling Avenue property and the Central Shop facility, as well as providing an update on the Snelling construction schedule. A custodial transfer of property was approved by the Executive Council on December 18. The fair loses .78 acres of property and will be paid \$62,000 in

return. MN DOT must be paid \$67,000 for the shop building upon transfer of this facility to the fair, therefore net out of pocket is \$5,000. Snelling construction is set to start March 15. If construction is not complete before the 1987 State Fair, the street will be opened and work suspended until after the fair ends. The entire summer schedule of fairground events, particularly the "4th of July" fireworks show, will be adversely affected by this project (No action required).

Secretary indicated measures would be introduced during the coming legislative session on behalf of the Society to (1) clarify coverage under the tort claims law and (2) exempt the fair from the collection/payment of sales tax on gate and show admission(s). Members will be given update reports as the bills proceed. (No action required.)

Mr. Ojakangas set an agenda call for the next meeting of the Board on Friday, June 12, 10 a.m.

Meeting adjourned.

### MINUTES IN VACATION

#### January

19 - Gordon Fickett, long time horse show official and life member of the Society, died in St. Paul of complications after lung cancer surgery.

23 - Heffron met with Messrs. Loren Vantries and Carl Robinson to discuss whether State Fair facilities would be suitable for harness racing activities. Norris Carnes, Bert Lund, Pooch and Heffron attended funeral services for Gordon Fickett. Mr. Carnes spoke at the funeral. Frost met with staff of Peat-Marwick Company to discuss a proposed economic impact study.

26 - Frost met with Jim Freeman, fireworks consultant, to discuss 1987 fireworks programs.

27 - Pooch met with representatives of the 4-H rabbit and poultry show to discuss movement of the show into the Poultry Barn.

28 - Sinclair and M.C. Hardy met with Mr. Ken Austin to discuss plans for Agriculture Progress Day at the 1987 Fair.

30 - Wenzel, Frost and Heffron met with Wayne Olson of Toltz, King, Duvall to discuss the Machinery Hill restoration project.

#### February

2 - Frost and Heffron met with Governor Perpich's staff and several legislators on pending legislative matters.

3 - Frost met with executive committee of the Minnesota Alliance to discuss entertainer withholding legislation.

4 - Frost and Heffron appeared before the Minnesota Senate Subcommittee on Civil Law, which subcommittee heard and recommended passage of the Fair's tort liability bill (SF 87).

5 - Sinclair and Hardy Hosted a meeting at Holiday Inn Airport for major agriculture equipment exhibitors to discuss plans for the 1987 Fair and Agriculture Progress Day, Wednesday, September 2.

6 - A legislative audit exit conference was attended by Wenzel, Frost, Frenette, Gravelle and Heffron. The audit staff made a short presentation and indicated no recommendations would be submitted for 1986.

10 - Wenzel and Goiffon attended a "Hiring/Firing" seminar at the Radisson Hotel, Minneapolis, MN. The executive committee approved the January 31, 1987 financial statement as follows:

#### Cash Activity General Fund—January 31, 1987

Cash Balance—December 31, 1986	\$ 22,114.50
Add:	
Interest Income	\$ 7,318.24
Bank Securities Cashed	160,000.00
January Cash Receipts	16,829.13
Total Cash Available Before Disbursements	\$ 206,261.87
Less:	
Bi-Weekly Payroll Ending January 7	\$ 47,919.57
Bi-Weekly Payroll Ending January 21	44,511.63
January Disbursements Paid	101,109.73
Cash Balance General Fund January 31, 1987	\$ 12,720.94

#### Cash Balances All Accounts—January 31, 1987

General Fund Account	\$ 12,720.94
Trust Fund Account	471.06
Petty Cash	550.00
Securities Mature 02/10/87	\$ 1,427,000.00
Securities Mature 03/05/87	292,128.50
Total Cash Balances—January 31, 1987	\$ 1,732,870.50

#### Cash Balances All Accounts—January 31, 1986

General Fund Account	\$ 30,150.21
Trust Fund Account	435.86
Petty Cash	550.00
Securities—mature 02/10/86	1,537,000.00
Total Cash Balances—January 31, 1986	\$ 1,568,136.07

Representatives of BRW Engineering (Larry Gardner and Ralph LeClaire) made a presentation on behalf of the U of M transitway project. In attendance were Fischler, Wenzel and Heffron. Frost and Heffron met with State Revenue Commissioner Tom Triplet and aide Dorothy McClung to discuss the Fair's legislative introduction on sales tax.

11 - SF 87 (State Fair tort liability bill) was heard by the full Senate Judiciary Committee. It was recommended for passage. Wenzel and Heffron attended; Heffron testified.

13-17 - Frost and Heffron attended a meeting of the Mid West Fairs Association in Tampa and while there visited the Florida State Fair.

18 - Representatives of the Minnesota Department of Health met with Sinclair regarding 1987 Fair concession operations and inspections.



24 - Heffron met with Henry Kaynes of Amber Research to discuss a customer survey project for the Fair.

26-27 - Heffron attended and spoke at the IAFE Zone 7 conference in Denver.

27 - Frost attended a meeting of the House Judiciary Civil Law subcommittee where the Society's tort claims bill was heard and passed.

#### March

2 - Heffron, Wenzel and Fischler met a second time with Ralph LeClair (BRW Engineering) on the U of M transitway.

4 - Wenzel, Fischler, and Heffron met with Tom Kirk of Toltz, King, Duvall to discuss watershed district planning.

9 - Frost and Heffron met with Carol Heen of the Minnesota Newspaper Foundation to discuss plans for building a replica of the "Maynard News" in Heritage Square as the Minnesota Letterpress Museum.

10 - The Fair's tort liability bill was heard and recommended for passage by the House Judiciary Committee. Frost and Heffron attended the hearing. Executive Committee approved the February 28, 1987 financial statement as follows:

#### Cash Activity General Fund—February 28, 1987

Cash Balance—January 31, 1987		\$	12,720.94
Add:			
Interest Income	\$	3,604.08	
Bank Securities Cashed		200,000.00	
February Cash Receipts		95,822.54	299,426.62
Total Cash Available Before Disbursements		\$	312,147.56
Less:			
Bi-Weekly Payroll Ending February 4	\$	54,350.58	
Bi-Weekly Payroll Ending February 18		49,428.96	
February Disbursements Paid		205,231.37	309,010.91
Cash Balance General Fund February 28, 1987		\$	3,136.65

#### Cash Balances All Accounts—February 28, 1987

General Fund Account	\$	3,136.65
Trust Fund Account		471.06
Petty Cash		700.00
Securities Mature 03/10/87	1,227,000.00	
Securities Mature 03/05/87	292,128.50	1,519,128.50
Total Cash Balances—February 28, 1987		\$ 1,523,436.21

#### 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 02/10/86		1,472,000.00
Total Cash Balances—February 28, 1986		\$ 1,549,349.08

16 - Frost and Grandstand Superintendent Neil Larson met with representatives of the stage hands union (IATSE).

18 - Work began on Snelling Avenue widening and new surface, a project scheduled for completion August 15. Heffron and Frost attended a reception and fund raiser in St. Paul for State Senator Florian Chmielewski. Fischler attended a public hearing on the Snelling Avenue project at Falcon Heights City Hall.

21-22 - A weapon collectors show was staged in the Coliseum.

23 - Ramsey County Sheriffs Department held a training exercise on Machinery Hill.

24 - Representatives of the Minnesota Newspaper Foundation met with Hammer, Frost, Sinclair and Heffron to finalize plans for construction of a letterpress museum in Heritage Square. A pre-construction meeting was held to discuss the new water tower which will be erected in Block 17 (Campgrounds). Participants from the contractor (Aqua Storage, Inc.), architect (TKDA) met with Fischler, Wenzel and Heffron.

25 - Sinclair, Wenzel and Heffron met with John and Shirley Reibold to discuss control and management of Pronto Pup concessions on the Fairgrounds.

26 - A truck and trailer auction was held on the Midway area.

26-28 - A VIP car and truck sale was held on the North Lot.

27 - Hammer spoke at a meeting of the Crystal Rotary Club.

28-29 - A Twin City Ceramics Show was staged in the Coliseum.

30 - Frost and Leach met with representatives of the musician's union. Sinclair and Hammer met with representatives from Kodak regarding promotions at the 1987 Fair.

#### April

1 - Pooch met with the Purebred Dairy Cattle Association regarding possible changes in the dairy classes at the 1987 Fair.

1-3 - State Fair hosted the IAFE Zone 4 spring conference which headquartered at Sunwood Inn in Bandana Square. Sinclair served as coordinator of the conference; a number of staff people participated. A special working tour of the grounds was held on April 2.

9 - Wenzel and Heffron met with representatives of Falcon Heights, Ramsey County, MN DOT and PCI to formulate plans for traffic management on Senling and Larpenteur Avenue(s), July 4. A meeting of Public Safety Department supervisors was held in the Administration Building.

10 - The Executive Committee approved the March 31, 1987 financial statement as follows:

#### Cash Activity General Fund—March 31, 1987:

Cash Balance—February 28, 1987		\$	3,136.65
Add:			
Interest Income	\$	12,827.76	
Bank Securities Cashed		667,128.50	
March Cash Receipts		134,226.32	814,182.58
Total Cash Available Before Disbursements		\$	817,319.23

Less:

Bi-Weekly Payroll Ending March 4	\$	54,330.70
Bi-Weekly Payroll Ending March 18		54,080.21
Bank Securities Purchased		486,282.17
March Disbursements Paid		196,565.72
Cash Balance General Fund March 31, 1987		\$ 26,060.43

#### Cash Balances All Accounts—March 31, 1987

General Fund Account	\$	26,060.43
Trust Fund Account		471.06
Petty Cash		700.00
Securities Mature 04/10/87	852,000.00	
Securities Mature 09/05/87	486,282.17	1,338,282.17
Total Cash Balances—March 31, 1987		\$ 1,365,513.66

#### Cash Balances All Accounts—March 31, 1986

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

10-12 - A Now Sports Bicycle Sale was conducted in the Education Building and Annex. The Gopher State Rod & Custom Show was held in the Coliseum.

14-15 - Heffron attended and spoke at the IAFE Zone 6 conference in Knoxville, Tennessee.

17 - The first two of nine advertising agency interviews were conducted by Frost, Hammer and Heffron. Presentations were made by Miller/Meester and by Carmichael/Lynch. Frost and Hammer met with staff of Bolin Advertising and Midwest Federal to discuss July 4 fireworks show.

20 - Spangeler/Fisher and Hoke/Fowler agencies were interviewed on this date.

20-21 - MN DOT conducted sign tests on Machinery Hill.

21 - Three more agencies (Kosmo/Carlson, Kolaris/Hartwell and Kosmas) were interviewed by Frost, Hammer, and Heffron.

22 - Final ad agency proposals were heard from Clarity/Coverdale and M.R. Bolin.

24 - Sinclair began conducting interviews for the position of Special Events Superintendent. Sinclair met with John Hausladen, Minnesota Turkey Growers Association, to review plans for the organization's new concession structure to be placed on the fairgrounds.

24-29 - Wenzel, Frost and Heffron attended the IAFE spring management conference in Lincoln, Nebraska. At this meeting, association certification was awarded to Frost, Hammer, Sinclair and Wenzel.

25 - St. Paul Police held training exercises on Machinery Hill.

25-26 - A "Great Minnesota Canoe Event" was staged in the Education Building, Annex and Children's Theater.

28 - FFA livestock judging was conducted in the Coliseum.

30-May 2 - An Evangelical Garage Sale was held in the Crossroads Chapel.

30-May 3 - United Stores held a camping equipment sale in the Merchandise Mart.

#### May

1-3 - Steichen Sporting Goods held a sale in the Home Improvement Building. The Sahara Sands Horse Show was staged in the Coliseum.

3 - An antique toy show and sale was held in the Dairy Building.

5 - Wenzel met with Gerald Tank, Unisys Company, to discuss satellite lot at Fairview and Minnehaha Avenues.

7 - Ford Motor Company held a ride and drive demo on the Carnival Lot.

8-10 - Leader Marketing held a stereo equipment sale in the Dairy Building.

11 - Frost and attorneys for the Minnesota Alliance began a series of meetings with legislators and Revenue Department personnel to discuss entertainer withholding.

8-13 - A furniture liquidation sale and auction was held in the Education Building.

9 - A model railroad equipment sale was conducted in the Merchandise Mart while a golfers' swap meet was held at the Dog Building.

9-10 - Spring Sportacular, a sports memorabilia collectors meet, was held in Modern Living.

10 - The Executive Committee approved the April 30, 1987 financial statement as follows:

#### Cash Activity General Fund—April 30, 1987

Cash Balance—March 31, 1987		\$	26,060.43
Add:			
Interest Income	\$	3,808.87	
Bank Securities Cashed		230,000.00	
March Cash Receipts		82,611.14	316,420.01
Total Cash Available Before Disbursements		\$	342,480.44
Less:			
Bi-Weekly Payroll Ending April 1	\$	54,330.70	
Bi-Weekly Payroll Ending April 15		51,006.01	
Bi-Weekly Payroll Ending April 29		49,031.56	
April Disbursements Paid		185,310.33	339,404.59
Cash Balance General Fund April 30, 1987		\$	3,075.85

#### Cash Balances All Accounts—April 30, 1987

General Fund Account	\$	3,075.85
Petty Cash		200.00
Securities Mature 05/10/87	622,000.00	
Securities Mature 09/05/87	486,282.17	1,108,282.17
Total Cash Balances—April 30, 1987		\$ 1,111,558.02



**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 06/05/86	295,313.00
<b>Total Cash Balances—April 30, 1986</b>	<b>\$ 1,026,278.61</b>

11-16 - The Reining Association horse show was staged in the Coliseum.

13 - Mr. Dan Carr, Badger Exposition Service, met with Sinclair to discuss decorating plans for the 1987 Fair.

14 - A Space Rental review meeting was held in the Administration Building (see minutes which follow).

**SPACE RENTAL COMMITTEE MEETING**

Administration Building, State Fairgrounds  
Thursday, May 14, 1987—10:00 A.M.

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

Meeting was called to order by Chairman Korff at 10:00 a.m. Mr. Sinclair reviewed the basis for staff denial of the space rental application submitted on behalf of Equipment Resources, Inc. by William and Grace Becker for the presentation of birthday and anniversary journals at the 1987 Minnesota State Fair...existence of concessions offering products similar to those applied for by the Beckers. Mrs. Becker appeared before the committee to point out the quality of her proposed product and improved/enhanced formats in which it is presented. Based on the unusual nature of the product's form it was moved by Mr. Lund, seconded by Mr. Prokosch and carried that the staff be directed to place the subject application if an "if space becomes available" status to be given further consideration should space appropriate to and suitable for presentation of the product become available between this date and the 1987 Fair (Aye-4; Nay-0).

The committee reviewed a request by the Newman Center and Chapel to transfer ownership of its food and beverage concession structure and equipment located on lot U in block 39 to Mr. Robert D. Andrus. Mr. Sinclair advised the committee that a satisfactory sale price had been mutually agreed upon, whereupon it was moved by Mr. Annexstad, seconded by Mrs. Roehlke and carried that the transfer be approved (Aye-4; Nay-0).

It was moved by Mr. Lund, seconded by Mr. Annexstad and carried that the personal property/food and beverage structure and equipment belonging to Ross C. Mills, known as Adeline's Scandinavian Kitchen, located in Block 44 on Lot U be approved for transfer to Richard N. Henninger (Aye-4; Nay-0).

Mr. Sinclair reviewed proposed revisions in the participation/percentage and miscellaneous concession agreement between the Fair and Desplenter Novelties, originally approved at the January 18, 1987 committee meeting, brought about through reduction of the 33 concession holdings previously contracted to Arthur J. Desplenter/Desplenter Novelties. On a motion by Mr. Lund, seconded by Mr. Annexstad and carried contractual terms for the 1987 Space Rental Agreement between Desplenter Novelties/Arthur J. and Richard Desplenter and the Minnesota State Fair were approved as follows (Aye-4; Nay-0);

Desplenter Novelties shall be allowed to place 27 concession stands about the fairgrounds in locations mutually agreeable to the parties for the sale of novelty items as mutually agreed between the parties, with the understanding that the number of concessions will be further reduced to 25 in 1988 with the discontinued operation of 2 t-shirt concessions. Terms of the agreement for such privilege shall call for payment by Desplenter Novelties to the State Fair of a guarantee of \$16,500.00 and 30% of gross sales (after state sales tax) over \$65,000.00.

Adjournment was moved by Mr. Lund, seconded by Mr. Annexstad and carried at 11:20 a.m. (Aye-4; Nay-0).

**MINUTES IN VACATION (CONTINUED)**

15-17 - A country folk art show and sale was held in the Education Building. Leader Marketing held a stereo sale in the Dairy Building.

16 - St. Paul Police conducted a training exercise on Machinery Hill.

21 - An Admissions Department supervisors meeting was held in the Administration Building.

26 - Wayne Olson of Toltz, King, Duvall met with Wenzel, Frost, Fischler and Heffron to review plans for the Machinery Hall restoration.

28 - Wenzel and Heffron met with Steve Buffington and John Galus of the Attorney General's office to discuss the current status of lawsuits directly related to the water ride and parking ramp.

28-29 - Heffron attended a meeting in Atlanta called by the IAFE executive committee and toured the campus of Georgia State where an IAFE-sponsored degree program in fair management is now in its second semester.

31 - A General Motors car show was held in the Infield. A U of M-sponsored bicycle race was held on West Randall Avenue.

**June**

2 - Wenzel attended memorial services for Walter Long, past president of the Minnesota Federation of County Fairs. Wenzel and Sinclair met with representatives of the St. Paul Convention Bureau to discuss facility usage for the 1989 N.S.R.A. Street Rod Nationals.

5-7 - A sale, sponsored by Plymouth Minnesota and Lyndale Garden Center, was held in the Education Building and Annex.

6-7 - A computer show was staged in the East Room.

8-12 - Minnesota Department of Public Safety used Machinery Hill streets for a bus inspection program.

10-14 - The Minnesota Arabian Horse Show was conducted in the Coliseum.

11 - Heffron made a presentation on the State Fair to the Midway Rotary Club.

**SPACE RENTAL COMMITTEE MEETING**

Administration Building, State Fairgrounds  
Friday, June 12, 1987—9:00 A.M.

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

Also present: Lilliquist; Morris; Simons and John Galus.

Meeting was called to order by Chairman Korff at 9:00 a.m.

Sinclair reviewed the application for concession space submitted by Mr. Jerald Peterson for a "make your own salad" concession at the 1987 Minnesota State Fair and the staff basis for denial of same...existing concessions at the Fair already offering salad products similar to those applied for and the number of applications for truly unique and different food and beverage products which are unrepresented. It was moved by Mr. Prokosch, seconded by Mr. Keenan and carried that the action of staff relative to Mr. Peterson's application be supported (Aye-5; Nay-0).

Messrs. Eric Johnson and Dick Stuck appeared before the committee requesting review of earlier staff action denying the concession application of Humphrey Volunteer Committee to sell apple rollover pastries. Mr. Sinclair advised that prior staff action had been based on present level of availability of apple products at the Fair and the large number of concession space applications for food and beverage products which were not only unrepresented, but quite unique and different from those food and beverage products already available at the Fair or applied for by the Humphrey Volunteer Committee. Sinclair further indicated that staff had expressed willingness to consider the subject application for exhibit space to publicize the Humphrey political campaign should the applicant desire. Mr. Johnson indicated that a portion of any proceeds from concession sales would be contributed to charity, but was advised that, though admirable, such contributions could not be a factor in the consideration of applications for concession/exhibit space at the Fair. On a motion by Mr. Keenan, seconded by Mr. Lund and carried staff was asked to evaluate the subject application on an equal basis with all other food and beverage space requests for the limited amount of space available for such operations based on the product applied for in relationship to the uniqueness of other food/beverage applications (Aye-5; Nay-0).

On a motion by Mr. Lund, seconded by Mr. Annexstad and carried the following list of ride and show ticket prices for percentage/participation attractions was approved for the 1987 Fair (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. Aqua Management, Inc.—White H <sub>2</sub> O Raft Ride	.....\$ 2.00**
D. Brede Carrousel, Inc.—Carrousel	.....\$ .75**
E. K & M Recreation—Haunted House	.....\$ 2.00
F. Ye Old Mill Amusements—Canal Boat Ride—(Kids)	.....\$ .75*
(Adults)	.....\$ 1.00*
G. Royal American Shows Inc.—Carnival—(Single Coupon)	.....\$ .40*
(Coupon Sheets—Fair-time)	
30 coupons for	.....\$10.00
(Coupon Sheets—Advance)	
20 coupons for	.....\$ 6.00
H. Ventnor Place, Inc.—Space Tower—(Kids)	.....\$ .50
(Adults)	.....\$ 1.25

\*\* = contract issuance pending

\* = price change since 1986

Discussion was undertaken by the committee regarding a request by Brede Carrousel, Inc. to transfer ownership of the carrousel located on lots O, P and Q in block 31 at the northeast corner of Underwood Street and Commonwealth Avenue to Bergerud-Whitney, Inc. It was moved by Mr. Lund, seconded by Mrs. Roehlke and carried that the transfer be approved (Aye-5; Nay-0).

Adjournment was ordered on a motion by Mr. Simons, seconded by Mr. Prokosch and carried.

Meeting adjourned.

**MEETING OF THE GOVERNING BOARD  
MINNESOTA STATE AGRICULTURAL SOCIETY**

Administration Building, State Fairgrounds  
Friday, June 12, 1987—10:00 A.M.

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

Also present: Ken Wenzel; John Galus; Steve Buffington; Jim Frost; Jim Sinclair; Steve Pooch; Pat Klinger.

Meeting called to order by president Ojakangas at 10:20 a.m.

Upon a motion by Mr. Annexstad, seconded by Ms. Roehlke and carried, minutes of the January 19 Board Meeting, previously mailed to the members, were approved (Aye-9; Nay-0).

Mimeographed copies of the Minutes in Vacation, covering the period January 19 through June 11, 1987, and the administrative action noted therein, were approved upon a motion by Mr. Lilliquist, seconded by Mr. Morris and carried. This action included approval of a Space Rental Committee meeting held on May 14 (Aye-9; Nay-0).

Secretary presented the May 31 financial statement as follows:

**Cash Activity General Fund—May 31, 1987**

Cash Balance—April 30, 1987		\$ 3,075.85
Add:		
Interest Income	\$ 7,742.11	
May Cash Receipts	467,774.26	468,516.37
Total Cash Available Before Disbursements		\$ 471,592.22



Less:		
Bi-Weekly Payroll Ending May 13	\$ 56,877.42	
Bi-Weekly Payroll Ending May 27	52,528.92	
Bank Securities Purchased	100,000.00	
May Disbursements Paid	234,450.87	443,857.21
Cash Balance General Fund May 31, 1987		<u>\$ 27,735.01</u>

#### Cash Balances All Accounts—May 31, 1987

General Fund Account		\$ 27,735.01
Petty Cash		200.00
Securities Mature 06/10/87	722,000.00	
Securities Mature 09/05/87	486,282.17	1,208,282.17
Total Cash Balances—May 31, 1987		<u>\$ 1,236,217.18</u>

#### 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		<u>\$ 1,120,932.70</u>

After review of the statement and of Society cash/investment balance(s), it was moved by Mr. Simons, seconded by Mr. Lund and carried that the financial statement of May 31, 1987 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 Mr. Lund and carried (Aye-9; Nay-0).

Upon a motion by Mr. Simons, seconded by Mr. Morris 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 media-political-business representatives, were approved (Aye-9; Nay-0).

It was moved by Mr. Lund, seconded by Mr. Annexstad 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).

The following resolution was offered by Ms. Roehlke, seconded by Mr. Simons 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, 1988 and, at that time, shall be brought forward for reconsideration.

Board considered and approved seven damage claims from the 1986-87 storage season as follows: D. Francisco—\$250.00; B. Hedblom—\$69.58; J. Holm—\$150; R. Lehrke—\$289.95; C. Miller—\$200.00 and; D. Putz—\$54.60. This action was undertaken on a motion by Mr. Lund, seconded by Mr. Prokosch and carried (Aye-9; Nay-0). A Creative Activities claim dating back to 1984 and made on behalf of a Ms. Tammy Berkeley, was denied on the basis that timely notice had not been given by the claimant. Denial was moved by Mr. Annexstad, seconded by Ms. Roehlke and carried (Aye-9; Nay-0).

Departmental payroll schedules for 1987, as prepared by superintendents under budgetary guidelines and confirmed by appropriate supervisors, were presented and approved on a motion by Mr. Korff, seconded by Mr. Lillquist and carried (Aye-9; Nay-0).

Mr. Galus indicated that he and Mr. Buffington were prepared to report on the current status of legal disputes among parties to the whitewater raft ride, but cautioned the Board that said report would contain privileged client-attorney information. It was therefore moved by Mr. Keenan, seconded by Mr. Lund and carried that the meeting be closed and that a separate non-public record be retained as required by statute (Aye-9; Nay-0).

At the conclusion of reports submitted by Messrs. Galus and Buffington, it was moved by Mr. Keenan, seconded by Mr. Lund and carried that the meeting be re-opened on the public record (Aye-9; Nay-0).

Based on the discussion of a pending lawsuit in the whitewater raft ride matter, it was moved by Mr. Keenan, seconded by Mr. Lund and carried that secretary be authorized to exercise ongoing decisions concerning that lawsuit and to work with counsel in asserting claims and defenses as appropriate (Aye-9; Nay-0).

Mr. Frost updated the Board on the Fair's 1987 sponsorship program indicating that approximately \$123,000 would be realized in direct income from various commercial firms along with advertising/promotion commitments for radio, TV and newspaper placement, per the list below:

Attraction	Sponsor	Fee/Consideration
Auto Race	Miller High Life	\$24,000
Baldwin Park	Miller High Life	15,000
Balloon Race	KS95 Radio	2,500
Bandshell	Schmidt	25,000
Daily Schedule	Marshall's Stores	4,500
4th of July Fireworks	Midwest Federal	10,000
Heritage Square	Pepsi	9,000
High Dive Show	Pepsi	7,500
Milk Run	American Dairy Assn. of MN	2,500
Tractor Pull	Budweiser	5,625
Youth Day	Coca-Cola	17,500
Camera Day at the Races	Kodak	Promotion, prizes
Kodak Day at the Carnival	Kodak	Promotion
Milk Run	WCCO Radio	Promotion
Poster Promotion	Kodak	Poster production, promotion
Tractor pull equipment	Various dealers	Support vehicles
Youth Day	Coca-Cola	Extensive promotion, including 30 billboards, broadcast ads, in-store materials

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

Business and staff memberships in the following organizations were approved upon a motion by Mr. Lund, seconded by Ms. Roehlke and carried (Aye-9; Nay-0):

Organization	Amount
Greater Minneapolis Chamber of Commerce	230.00
St. Paul Area Chamber of Commerce	225.00
Midway Civic and Commerce Association	180.00
Executive Women's International	190.00
International Association of Fairs & Expositions	600.00
Minnesota Safety Council	60.00
Professional Grounds Maintenance Association	85.00
Midwest Fairs Association	100.00
Country Music Association	35.00
Minnesota Newspaper Association	200.00
Outdoor Amusement Business Association	20.00
Minnesota Paint Horse Association	15.00
American Paint Horse Association	10.00
American Horse Shows Association	500.00
American Horse Shows Association (Senior Member)	50.00
American Horse Shows Association (Saddle Seat)	35.00
American Dairy Goat Association	106.00
Appaloosa Horse Club	20.00
Minnesota Hunter/Jumper Association	50.00
Minnesota Quarter Horse Association	15.00
Palomino Horse Breeders	35.00
Tri-State Horseman's Association	50.00
Better Business Bureau	150.00
Federal Surplus Property	30.00
MN Chapter National Institute of Governmental Purchasing	25.00
Twin City Purchasing	130.00
Minnesota Society of Association Executives	75.00
Suburban Area Chamber of Commerce	350.00
Minnesota Ice Arena Managers	50.00
Box Office Management	95.00
Minnesota Cooperative Purchasing Venture	250.00
North Suburban St. Paul Kiwanis Club	60.00
International Country Music Buyer's Association	100.00
St. Paul Winter Carnival	115.00
Minnesota Alliance	250.00
American Miniature Horse Association	25.00
Canadian Association of Exhibitions	100.00
Citizen's League	30.00
Minnesota Chiefs of Police Association	40.00
Minnesota Music Academy	15.00
Minnesota Employee Recreation & Services Council	110.00
N.A.B.E.R.	40.00

State Fair regulations (1.18, 1.19 and 1.20) were amended on a motion by Mr. Simons, seconded by Mr. Korff and carried (Aye-9; Nay-0). New language as follows:

1.18 - Pets. No dogs or other pets, other than seeing-eye dogs, shall be permitted on the State Fairgrounds at any time. This prohibition does not apply to the State Fair campgrounds or to other exhibit areas expressly designated by Secretary-General Manager.

1.19 - Roller Skates and Skateboards. Use of roller skates or skateboards shall not be permitted on the State Fairgrounds at any time except in an exhibit contracted by the Society.

1.20 - Practice Driving. The State Fairgrounds may not be used by any person, organization or firm to conduct lessons for or to practice driving automobiles or other motor vehicles, unless such activity is covered under a contract with the Society.

Grandstand, Coliseum, free stage and other entertainment contracts were reviewed and approved upon a motion by Mr. Korff, seconded by Mr. Lillquist and carried (Aye-9; Nay-0). It was indicated that the approximate total for approved contracts (\$1,400,000) includes \$365,000 for free acts and attractions. Following is a specific breakdown of contract costs:

Grandstand	Dates	Terms
Naked Zoo Enterprises	8/27-9/7	\$19,000
Naked Zoo Enterprises	8/27-9/7	\$12,000
Garden State Fireworks	8/27-9/7	\$28,500
H.L. Freeman (Fireworks Consultant)	9/1	\$250
Mobilevision	8/27-9/1	\$95,000
Night Ranger	8/27	\$50,000 plus 80 % over \$95,000
Willie Nelson & Family	8/28 & 29	\$102,000 plus 90 % over \$197,000
George Jones	8/28 & 29	\$54,400 plus \$2,000 production cost
The Jones Boys	8/28 & 29	\$3,600
Special Promotions, Inc. (Moe Bandy & Country Showdown)	8/29	\$8,000 plus \$3,500 production cost to Willie Nelson
Peter, Paul & Mary	8/30	\$50,000 plus 80 % over \$72,500
Mike Wolfram/The Jets	8/31	\$40,000 plus 60 % over \$81,000
Thomas Harens/Limited Warranty	8/31	\$10,000 plus 20 % over \$81,000
Foreign Imported Productions & Publishing, Inc. f/s/o Miami Sound Machine	8/31	\$35,000 plus 70 % over \$75,000
Ruth Enterprises, Inc.	9/1	\$65,000 plus 80 % over \$100,000
June Enterprises, Inc.		plus \$5,000 production cost
f/s/o The Pointer Sisters		



Grandstand	Dates	Terms
Jayson Promotions, Inc. (Grand National Tractor and Truck Pull)	9/2 & 3	\$123,000 plus 80 % over \$153,750
F.M. Frattalone Excavating & Grading, Inc. (Pull Track)	9/2 & 3	\$25,080
Red Skelton	9/3	\$40,000 plus 70 % over \$75,000
Agency for the Performing Arts, Inc. (Red Skelton Commission)	9/3	\$4,000
Wildcountry, Inc. f/s/o Alabama	9/4	\$50,000 plus 80 % over \$85,000 plus \$17,500 production cost plus \$3,500 to Restless Heart
Wildcountry, Inc. f/s/o Alabama	9/5	\$50,000 plus 80 % over \$85,000 plus \$17,500 production cost plus \$3,500 to Restless Heart
Helvering Agency (Sandi Patti)	9/6	\$50,000 plus 80 % over \$80,000
The Oak Ridge Boys	9/6	\$40,000 plus 70 % over \$60,000 plus \$2,500 production cost
Southern Pacific	9/6	\$5,000
Bobby Allison	9/7	\$6,500
Dale Earnhardt	9/7	\$10,000
Rusty Wallace	9/7	\$5,000
<b>Free Stage Sound</b>		
Southern Thunder Sound	8/27-9/7	\$11,900
Southern Thunder Sound	9/27-9/7	\$5,300
Southern Thunder Sound	8/27-9/7	\$2,700
Southern Thunder Sound	8/27-9/7	\$2,700
Southern Thunder Sound	8/27-9/7	\$1,500
<b>Special Attractions</b>		
Jay Cochran (High Wire)	8/27-9/7	\$24,893
Harbor Performance Corporation f/s/o U.S. High Diving Stage and Stunt Show	8/27-9/7	\$23,850
<b>Bandshell</b>		
The Mamas & The Papas	8/27-9/1	\$22,500
The Jack D'Johns	8/27-9/1	\$14,000
Clyde Foley Cummins	8/27-9/1	\$12,000
The Gairrett Brothers	8/27-9/1	\$7,108
Danny Davis & The Nashville Brass	9/2-9/7	\$27,500
Williams & Ree	9/2-9/7	\$18,000
Steve Canaday/Ozark Mountain Daredevils	9/2-9/7	\$10,000
Doug Kershaw	9/2-9/7	\$22,500
<b>Baldwin Park</b>		
James B. Russell/Triology	8/27-9/1	\$3,500
The Rockin' Hollywoods	8/27-9/1	\$8,500
Zig Zag	8/27-9/1	\$6,000
Swinging Ambassadors	9/2-9/7	\$5,000
Mike Peterson/High Noon	9/2-9/7	\$4,000
The Whitesidewalls	9/2-9/7	\$7,500
<b>The Bazaar</b>		
Thomas M. Baumgartner— Comedy Gallery Productions (Comics)	8/27-9/6	\$8,000
Gary Mule Deer	8/27-9/1	\$9,000
The Memories	8/27-9/1	\$5,500
Roberta Stephenson/Stryker	9/2-9/7	\$1,700
Little Bo Pink, Inc. f/s/o Pinkard & Bowden	9/2-9/7	\$9,000
<b>Heritage Square</b>		
Hollywood Spectacular Stuntshow	8/27-9/7	\$23,000
Paul Hubler (Blacksmith)	8/27-9/7	\$1,500
John & Mary Block (Log Cabin Family)	8/27-9/7	\$3,500
Scott Nelson/Texpistols	8/27-9/1	\$1,700
Elmer Scheid Band	8/27-9/1	\$5,126
Riders In The Sky	9/2-9/7	\$14,054
Chmielewski Funtime Show	9/2-9/7	\$7,500
<b>Children's Theater</b>		
The Teddy Bear Band	8/27-9/7	\$7,500
Albert Heisenfelt (Cartoonist)	8/27-9/7	\$4,200
David Cohan (Juggler & M.C.)	8/27-9/7	\$6,000
Alan Sands (Magician)	8/27-9/7	\$4,800
<b>Creative Activities</b>		
Cliff Brunzell & The Celebrity Strings	8/27-9/7	\$6,466
<b>Senior Citizens</b>		
D.L. Luchsinger	8/27	\$100 + Admission
The Scandinavians Orchestra	8/27 & 28 & 9/3 & 4	\$1,460 + Admission
Rhythm Kings	8/28	\$100 + Admission
Second Wind Harmonica Band	8/30	\$200 + Admission
Memories of Yesteryear	8/31-9/1	\$100 + Admission
Nordkap Male Chorus	8/31-9/2	\$500 + Admission
Sauk Rapids Pop Singers	9/2	Admission
Paul & Archie	9/3-9/7	\$800 + Admission
Grantsburg High School Polka Band	9/4 & 5	\$200 + Admission
Light Musical Theater	9/5-9/7	\$1,050

Horse Show and Rodeo	Date(s)	Terms
Shirley Trimble	8/28-9/6	\$135
Minnesota Horse Pullers	9/2	\$7,200
Barnes P.R.C.A. Rodeo	9/3 & 4	\$20,000 plus \$6,000 prize money plus Admission
<b>Veterinarian Services</b>		
W. J. Mackey, D.V.M.	8/25-9/7	\$8,000
William H. Sweeney, D.V.M.	8/25-9/7	\$17,250
<b>Dog Exhibit Building</b>		
MN Purebred Dog Breeders Association	8/27-9/7	\$4,970
<b>Milk Run</b>		
John Magnuson (Race Director)	9/5	\$595
Barb Thoenke	9/5	\$100
Steve Hoag	9/5	\$100
Kurt Grebner	9/5	\$50
Vicki Knutson	9/5	\$100
<b>Agriculture Horticulture</b>		
MN State Horticultural Society	8/27-9/7	\$2,400
North Central Florists Association	8/27-9/7	\$8,750
Twin City Nursery	8/27-9/7	\$1,700
Minneapolis Farmers Market	8/27-9/7	\$400
Minnesota Apple Growers Association	8/27-9/7	\$900
St. Paul Growers Association	8/27-9/7	\$350
MN State Horticultural Society	8/27 & 28	\$1,200
African Violet Society of Minnesota	8/27 & 28	\$1,200
Minnesota Gladiolus Society	8/29 & 30	\$1,550
Federated Garden Clubs of Minnesota	9/2 & 3	\$1,550
Orchid Society of Minnesota	9/4 & 5	\$1,200
Minnesota State Bonsai Society	9/4 & 5	\$1,200
Minnesota Dahlia Society	9/6 & 7	\$1,550
<b>Parades</b>		
Winona Cotter H.S.	8/27	\$300
Henning H.S.	8/27	\$400
St. Francis H.S.	8/27	\$200
Random Lake H.S.	8/27	\$600
Caledonia H.S.	8/28	\$300
South Central H.S.	8/28	\$300
Chatfield H.S.	8/28	\$300
Rushford H.S.	8/28	\$300
Chetek H.S.	8/29	\$400
New Auburn H.S.	8/29	\$400
Gilmanton H.S.	8/29	\$400
Goodhue H.S.	8/30	\$200
Waseca H.S.	8/30	\$300
St. Peter H.S.	8/30	\$200
Omro H.S.	8/30	\$600
Burnsville H.S.	8/31	\$200
Prescott H.S.	8/31	\$200
Colby H.S.	8/31	\$500
Morris H.S.	8/31	\$400
St. James H.S.	9/1	\$300
Winona H.S.	9/1	\$300
Albert Lea H.S.	9/1	\$300
Richfield H.S.	9/1	\$200
Ashby H.S.	9/2	\$400
Jordan H.S.	9/2	\$200
Anoka H.S.	9/2	\$200
East Central H.S.	9/2	\$300
Spring Lake Park H.S.	9/3	\$200
Loyal H.S.	9/3	\$400
Elmwood H.S.	9/3	\$200
Elk River H.S.	9/3	\$200
Glenville H.S.	9/4	\$300
Spring Valley H.S.	9/4	\$300
Owatonna H.S.	9/5	\$200
Jackson H.S.	9/5	\$400
Bloomington-Kennedy H.S.	9/5	\$200
Elk Mound H.S.	9/5	\$400
Glencoe H.S.	9/6	\$200
Hudson H.S.	9/6	\$200
Marshfield Columbus H.S.	9/6	\$500
Cathedral H.S.	9/6	\$300

Copies of the Legislative Audit report, covering the Society's 1986 fiscal year, were circulated to the Board on March 24. It was moved by Mr. Prokosch, seconded by Mr. Lund and carried that said report be accepted (Aye-9; Nay-0).

Mr. Wenzel reviewed a written report on the 1986/1987 Coliseum ice season, which report showed a net profit for the period of \$31,866.92. No action necessary.

A procedure to allow \$.50 per seat discount on horse show box seats, when all seats in the box are purchased for all English or all Western shows was approved on a motion by Mr. Simons, seconded by Mr. Lund and carried (Aye-9; Nay-0).

A report by Secretary Heffron (as follows) on the "independent midway" concept was discussed at length and accepted on a motion by Mr. Lund, seconded by Mr. Morris and carried (Aye-9; Nay 0):

In response to your request of November 7, I am providing herewith a staff evaluation of the "independent midway vs. organized carnival" question. For the sake of time, it has been reduced to an executive summary. Detailed support material is available if needed.



My resource persons for this inquiry were Wayne Gallagher, Executive Vice President, Texas State Fair, Dallas and Evan McGugan, General Manager, Western Fair, London, Ontario. These two gentlemen are (easily) the most experienced and knowledgeable managers of fairs with successful independent midways in the U.S. and Canada. Evan, Wayne and I exchanged correspondence and also met together to discuss the subject February 15, April 27 and May 29.

The Minnesota State Fair presents or sponsors carnival attractions so as to entertain its audience in a safe and wholesome manner and to produce revenue. We presently do reasonably well in both categories...our carnival contractor has an excellent safety record; income from midway operations last year reached a record \$739,000.

Changing to an independent operation would enhance direct control and quality selection of rides and shows, but increase costs and labor.

The two most critical elements in successfully acquiring the services of quality independent ride owners are size (we have no problem on this point) and timing (major competition on our dates could cause a problem here). Our wish to select the very best of independent operators could be frustrated by the fact that most are committed to a full summer season (thru Labor Day) with a carnival contractor or with an amusement park.

For the sake of argument, let's say we're reasonably satisfied that adequate, quality equipment would be available (to us) on our dates. (Games are not a problem in this respect. We can get all the games we need at any quality level.)

We now go to independent status...and are in the coupon selling business so we need ticket booths, containers, electronic scales and shredder. Staffing includes sellers, coupon control, cash control and pick up/weighting room personnel. We also assume full cost of printing coupons (which is a substantial element).

Electric generators must be rented or purchased or we must capitalize electric service in the midway area. We must employ an experienced (and trustworthy) midway coordinator and a qualified safety director.

Insurance coverage becomes our responsibility. Royal American will pay this year a premium of approximately \$190,000 for \$2 million coverage over 12 days...up from \$135,000 last year for the same coverage. Be warned...this calculation is a simple prorate for our dates only. Obviously, the premium would be a good deal higher if purchased for selected dates rather than a full season.

Does an independent operation guarantee higher income? Only marginally so. Dallas, as an example, experienced a percentage on ride gross last year of 41 points...our's with a contracted operator was 39%...a difference of \$30,000. Independent game and concession space could possibly produce \$90,000 over our present revenue.

It seems obvious on its face that an increase as low as \$120,000 or even as high as \$200,000 would not justify an independent operation for the Minnesota State Fair. I would advise against seriously considering such a profound change in procedure.

An amendment to the sick leave provision of Employee Bulletin #2, to provide for special fitness program reimbursement was approved on a motion by Mr. Korff, seconded by Mr. Keenan and carried (Aye-9; Nay-0).

Secretary provided a short update on several internal construction projects, including the water tower and on the major external construction project which bears on the Fair, Snelling Avenue widening and paving work. No action required.

Mr. Frost outlined the procedure under which numerous advertising agencies were invited to submit proposals for representation of the Fair during 1988/1990 and of the interview process undertaken by staff to evaluate the nine responding agencies. After discussion, it was moved by Mr. Lund, seconded by Mr. Annexstad and carried that a three-year contract (subject to annual review) with Carmichael-Lynch, Inc. be authorized (Aye-9; Nay-0).

The following individuals were approved to serve as department superintendents for 1987 on a motion by Mr. Annexstad, seconded by Mr. Lilliquist and carried (Aye-9; Nay-0). Vegetables—Curt Klint; Fine Arts—Paul Kramer; Parking—Ron Vannelli.

Secretary made a report on legislative activity undertaken by staff during the 1987 season. A bill introduced to include the Society under State tort liability provisions was passed and signed into law. A second introduction to exempt the Fair from collection and payment of state sales tax on its outside gate, Grandstand and Coliseum admissions, failed to receive a hearing but remains active for the second half of the session (1988). Staff will continue to press for its passage. Mr. Frost updated the Board on some of the difficulties that have re-appeared with respect to tax withholding on entertainers. This matter remains a serious, unresolved problem. No action required.

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

Mr. Ojakangas set an agenda call for the next meeting of the Board on Friday, August 28 at 10 a.m.

Meeting adjourned.

## MINUTES IN VACATION

### June

15-19 - The annual 4H Junior Leadership Conference was staged in the 4H Building.

16 - Sinclair, Klinger and Machinery Superintendent, M.C. Hardy, attended a meeting with the State Fair's major farm equipment exhibitors.

17 - Wenzel and Heffron met with Paul Ciernia (Falcon Heights Councilman) and Jan Weissner (City Administrator) to discuss Larpeur traffic management on the 4th of July.

20-21 - Minnesota Street Rod Association staged its summer weekend show on Machinery Hill.

22 - Over-the-counter sale of State Fair tickets began today.

23 - Wenzel, Sinclair and Machinery Superintendent M.C. Hardy attended Ken Austin's retirement dinner in Owatonna.

23-28 - The Tanbark Horse Show was staged in the Coliseum.

25-July 1 - A "car wars" car and truck sale was held on the North Parking Lot.

26-28 - A gem and mineral show was held in the Education Building.

27 - A craft show was staged in Modern Living.

29 - A meeting with Toltz, King, Duvall, Anderson (architect) to discuss the Machinery Hill restoration project was attended by Frost, Wenzel, and Heffron.

30 - Frost, members and attorneys of the Minnesota Alliance met with Commissioner Tom Triplett and other staff persons from the Revenue Department.

### July

2 - Various staff members visited with representatives of Peat, Marwick, Main & Co. regarding an economic impact study on the Fair, scheduled to be undertaken during the next several months. Communications Supervisor Jerry Hammer, Grandstand Superintendent Neil Larson and Frost met with Steve Stubbs, Miller Motor Sports, regarding Miller Beers auto race sponsorship.

4 - A special July 4th show and fireworks display, sponsored by the Fair and Midwest Federal, was staged at the Bandshell, Baldwin Park and in the Grandstand. Attendance for the event was 23,077.

6 - The State Employment Service opened its Fairgrounds branch office which remains in service until Labor Day.

8 - Victor Elliott, a veteran State Fair concessionaire and one of the original Mexican Village sponsors, died in Los Angeles after a lengthy illness. Frost and Hammer met with staff persons from Carmichael-Lynch Advertising to begin planning for promotion of the 1988 State Fair.

8-12 - North Central Morgan Horse Show was held in the Coliseum and Horse Barn.

9 - Frost and Heffron met with Jane Eastwood and Jim Orange, St. Paul and Minneapolis planners to discuss a 1996 Olympic stadium proposal. Wenzel and Sinclair attended a meeting with Aqua Management representatives to discuss pricing and operations of the Whitewater Raft Ride for 1987. Sinclair met with D.N.R. representative, Judy Melander, to discuss plans for the agency's exhibit at the 1987 fair.

10 - Frost and Heffron met with DJ. Leary and Wyman Spano to discuss legislative strategy for 1988. Executive Committee approved the June 30, 1987 financial statement as follows:

#### Cash Activity General Fund—June 30, 1987

Cash Balance—May 31, 1987		\$	27,735.01
Add:			
Interest Income	\$	4,519.87	
Bank Securities Cashed		85,000.00	
Ticket Fund Transfers		539,800.00	
June Cash Receipts		122,772.08	752,091.95
Total Cash Available Before Disbursements			\$ 779,826.96
Less:			
Bi-Weekly Payroll Ending June 10	\$	58,211.38	
Bi-Weekly Payroll Ending June 24		71,234.78	
Bank Securities Purchased		175,000.00	
May Disbursements Paid		439,862.25	744,308.41
Cash Balance General Fund June 30, 1987			\$ 35,518.55

#### Cash Balances All Accounts—June 30, 1987

General Fund Account	\$	35,518.55
Ticket Fund Account		57,908.45
Petty Cash		1,800.00
Securities Mature 07/10/87		812,000.00
Securities Mature 09/05/87		486,282.17
Total Cash Balances—June 30, 1987		\$ 1,393,509.17

#### Cash Balances All Accounts—June 30, 1986

General Fund Account	\$	46,515.89
Trust Fund Account		435.86
Petty Cash		200.00
Ticket Fund 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		\$ 992,156.10

11 - A golf equipment swap meet was held in the Dog Building.

12 - A Corvette car show was presented in the Education Building.

15 - Klinger met with Margaret Savard and Dick Tretsen of the Department of Agriculture to discuss bus trips from outstate Minnesota to the fair's Agriculture Progress Day, Wednesday, September 2, 1987.

16 - Frenette, Frost, Wenzel and Heffron met with representatives of First Banks (Dick Swanberg and Florance Musenbach) to discuss investment opportunities and procedures. Sinclair met with Midway Ticket Takers Superintendent, Marty Rossini, to review plans for the 1987 fair.

27 - Sinclair, Kensler and Klinger hosted a meeting of Space Rental Department building area/superintendents to discuss plans for the 1987 fair.

29 - A series of nine preliminary auditions for the amateur talent contest were initiated this date in the Bandshell. Frost, Mike Kirch and Mary Goffron met with John Know, U.S. Immigration and Naturalization Service to discuss procedures related to the new Immigration Reform Act.

30 - Sinclair, Kirch and Klinger visited the Northern Wisconsin State Fair, Chippewa Falls.

31 - Several members of the staff (Frost, Fischler, Wenzel and Heffron) met with Neil Bakkanist, Mark Pace and Clint Hewitt of the University to discuss necessary repair work on the drainage system serving the U of M-leased racetrack parking lot. Frost visited the Northern Wisconsin State Fair, Chippewa Falls, and met with tractor pull officials regarding this years pulls.

### August

3 - Frost and Wenzel met with MTC staff on satellite parking bus service.

6 - A Space Rental review meeting was held in the Administration Building (see minutes which follow). A special meeting to plan a "Snelling Avenue Reopening" ceremony was held in the Falcon Heights Community Building and attended by Heffron.



10 - The Executive Committee approved the July 31, 1987 financial statement as follows:

#### Cash Activity General Fund—July 31, 1987

Cash Balance—June 30, 1987	\$	35,518.55
Add:		
Interest Income	\$	6,199.20
Bank Securities Cashed		1,298,282.17
Ticket Fund Transfers		211,528.73
July Cash Receipts		205,369.30
Total Cash Available Before Disbursements		<u>1,721,379.40</u>
		\$ 1,756,897.95

Less:

Special Payroll July 4, 1987	\$	5,282.63
Bi-Weekly Payroll Ending July 8		78,718.45
Bi-Weekly Payroll Ending July 22		70,818.08
Bank Securities Purchased		762,000.00
July Disbursements Paid		516,765.27
		<u>1,433,584.43</u>
Cash Balance General Fund July 31, 1987		\$ 323,313.52

#### Cash Balances All Accounts—July 31, 1987

General Fund Account	\$	323,313.52
Ticket Fund Account		54,731.69
Petty Cash		1,800.00
Securities-Government Funds		562,000.00
Securities-MSF Building Fund		200,000.00
		<u>762,000.00</u>
Total Cash Balances—July 31, 1987		\$ 1,141,845.21

#### Cash Balances All Accounts—July 31, 1986

General Fund Account	\$	390,301.71
Trust Fund Account		435.86
Ticket Fund Account		10,664.30
Petty Cash		1,800.00
Securities		1,096,116.33
		<u>1,499,318.20</u>
Total Cash Balances—July 31, 1986		\$ 1,499,318.20

13 - Hammer and Sinclair met with representatives of Carmichael Lynch and Lee Williams Ent. to discuss a Happenings coupon book for the 1988 fair.

19 - State Fair campgrounds opened today. A 4H "Arts-In" luncheon for sponsors and guests were attended by Heffron, Wenzel, Frost, Sinclair, Armstrong and Pittelko met with insurance consultant Don MacMeekin.

20 - Frost, Hammer and Heffron met with three gentlemen representing Minneapolis minority media to review State Fair advertising space allocations. A ribbon-cutting ceremony was held to note the reopening of Snelling Avenue after several months of construction; Wenzel and Heffron attended. A reception to note the opening of a special letterpress museum in Heritage Square was attended by Frost and Heffron. A meeting of all concessionaries selling 3.2 beer at the State Fair, called by the Space Rental Department, to discuss responsible alcohol management was attended by Sinclair, Klinger and Public Safety staffer, Bill Johnson.

25 - The fine arts preview was held at the Arts Center.

26 - Preliminary English horse show events were staged in the Coliseum. The Princess Kay Coronation, sponsored by ADAM/Minnesota was held in the Bandshell. A meeting with Royal American Shows staff to discuss policies relating to the 1987 fair was attended by Sinclair, Rossini and Klinger.

27 - The 1987 Minnesota State Fair opened to the public at 6 a.m.

#### SPACE RENTAL COMMITTEE MEETING

Administration Building, State Fairgrounds

Thursday, August 6, 1987—9:00 A.M.

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

Also present: John Galus.

Meeting was called to order by Chairman Korff at 9:00 a.m.

The space rental application of Superior Senior Services, Inc., was placed before the committee for review. Sinclair explained that staff action denying the application had been based on lack of sufficient physical space for the 1987 Fair. Mr. David Rachie, representing Superior Senior Services, described the purpose and service of his firm...employment services for those 45 years old and older. On a motion by Mr. Lund, seconded by Mr. Annexstad and carried earlier staff action was supported. Based on the merit of the applicant's service, staff was asked to place the subject application in an "ok—if space becomes available" status to be given further consideration should space suitable for presentation of the service become available prior to the 1987 Fair (Aye-4; Nay-0).

Messrs. Larry Hafferman and Jeff Doherty appeared on behalf of Kinetico Water Processing Systems to request application review and explain the unique nature of their product in relationship to similar water softening products exhibited at the State Fair. Mr. Sinclair explained that 8 to 10 water conditioning, distilling and processing exhibits were contracted for space at the Fair and staff action had been based on the number of such exhibits offering generically similar products and services. It was moved by Mr. Lund, seconded by Mrs. Roehlke and carried that the subject application be denied on the basis stated (Aye-4; Nay-0).

Frozfruit natural frozen fruit bars were presented to the committee for sampling by space applicant, Thomas L. Rasmussen. Mr. Rasmussen explained the unique, wholesome nature of his product, its availability in 11 flavors and his flexibility relative to space requirements. Sinclair indicated that staff review of Mr. Rasmussen's application lead to the determination that his product was one of quality which would be welcome at the Fair, but lack of sufficient space did not make accommodation possible. The committee asked staff to place Mr. Rasmussen's application in a "ok—if space becomes available" status to be given further consideration should space suitable for presentation of the product become available prior to the 1987 Fair. Moved by Mr. Annexstad, seconded by Mr. Lund and carried (Aye-4; Nay-0).

Mr. Sinclair explained circumstances surrounding staff denial of the space rental application submitted by Mr. Ola Benson for his firm, The Talking Drum...failure to apply for space held at the 1986 Fair until June of 1987, six months after the deadline for reapplication; earlier dated applications for comparable products, late date of application receipt and lack of sufficient space for the 1987 Fair. On a motion by Mr. Prokosch, seconded by Mrs.

Roehlke and carried staff action was supported (Aye-4; Nay-0).

Ms. Colleen Illg and her counsel, Jeff Carpenter, appeared before the committee requesting review of the Space Rental Department's earlier denial of her application to sell frozen yogurt cones, sundaes, and fruit cups at the 1987 Fair. Sinclair explained that staff action had been based on the fact that existing concessions at the Fair already offered the products applied for and available space for 1987 was insufficient to accommodate further representation of like products. Mr. Heffron explained that the Committee and staff experienced frustration similar to the applicant at not being able to accommodate good applications for quality products. The committee reviewed Ms. Illg's request in correspondence from her counsel to be considered an existing exhibitor entitled to priority space for the 1988 Fair under State Fair renewal policy, based on her inability to prepare for the 1987 Fair in the remaining time allotted. It was moved by Mr. Lund, seconded by Mr. Annexstad and carried that such action would be contrary to the intent of such policy and unfair to other new applicants for space at the 1988 Fair (Aye-4; Nay-0).

On a motion by Mr. Lund, seconded by Mr. Prokosch, transfer of a building located on lot 3 in block 12 from James P. Amble/Ambles Machinery & Supply to John T. Swanson/The Nut & Bolt Warehouse was approved and carried contingent upon understanding by both parties that no future sale or transfer of the personal property would be possible or permitted by the purchaser; (Aye-4; Nay-0).

Discussion was undertaken by the committee regarding a request by Black's Photography to transfer ownership of their personal property (structure and equipment) located on lot K in block 37 for use as an exhibit by Parker Communications Company/KTCZ FM radio. It was moved by Mr. Lund, seconded by Mr. Prokosch and carried that the transfer be approved contingent upon understanding by the parties that no commercial/sales activity should take place from the location and no future sale or transfer of the personal property would be possible or permitted by the purchaser based on the age of the structure and its presence in a park area (Aye-4; Nay-0).

Mr. Sinclair presented requests by four 3.2 beer concessionaires and information relative to sale of Champagne 3.2 malt coolers from their concessions at the 1987 Fair. Concerns were expressed by Wenzel regarding the young market to which such products tend to be directed, the level of general public alcohol consumption and associated problems. Heffron opined that presentation of the product may be acceptable if done under specific guidelines reflective of the Fair's ongoing concern regarding expanded alcohol consumption and difficulties associated therewith. Following further discussion presentation of the product was approved under the following conditions:

1. 3.2 malt coolers may be sold and consumed only in a closed, controlled environment.
2. The product must be dispensed in a cup, easily discernible as different from those used for soft drinks, 3.2 beer or other beverages.
3. No "take out" sales of this product or 3.2 beer for consumption outside the vending establishment or about the fairgrounds should be permitted by those establishments offering 3.2 malt coolers.
4. Sale of 3.2 malt coolers must conform to pricing and portion sizes consistent with 3.2 beer pricing and portion sizes.

Moved by Mr. Lund, seconded by Mr. Annexstad and carried (Aye-4; Nay-0).

Mr. Wenzel presented a request by counsel for Aqua Management, Inc. to increase the cost of a ticket for admission to the attraction in 1987 from \$2.00 to \$2.25 per person. On a motion by Mr. Lund, seconded by Mr. Prokosch and carried implementation of the proposed ticket price increase was approved for 1987 (Aye-4; Nay-0).

Meeting was adjourned.

#### MEETING OF THE GOVERNING BOARD MINNESOTA STATE AGRICULTURAL SOCIETY

Administration Building

Friday, August 28, 1987—10:00 A.M.

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

Also present: Jim Frost; John Galus; Jim Donnelly.

President Ojakangas opened the meeting by welcoming all members to the 1987 Minnesota State Fair.

Upon a motion by Mr. Lund, seconded by Mr. Keenan 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 6, 1987, were approved on a motion by Mr. Korff, seconded by Mr. Annexstad and carried (Aye-9; Nay-0).

Copies of the Minutes in Vacation, covering the period June 15 through August 27, 1987, and the administrative action noted therein, were approved upon a motion by Mr. Lilliquist, seconded by Ms. Roehlke and carried (Aye-9; Nay-0).

Secretary presented the July 31, 1987 Society financial statement as follows:

#### Cash Activity General Fund—July 31, 1987

Cash Balance—June 30, 1987	\$	35,518.55
Add:		
Interest Income	\$	6,199.20
Bank Securities Cashed		1,298,282.17
Ticket Fund Transfers		211,528.73
July Cash Receipts		205,369.30
Total Cash Available Before Disbursements		<u>1,721,379.40</u>
		\$ 1,756,897.95

Less:

Special Payroll July 4, 1987	\$	5,282.63
Bi-Weekly Payroll Ending July 8	\$	78,718.45
Bi-Weekly Payroll Ending July 22		70,818.08
Bank Securities Purchased		762,000.00
July Disbursements Paid		516,765.27
		<u>1,433,584.43</u>
Cash Balance General Fund July 31, 1987		\$ 323,313.52

#### Cash Balances All Accounts—July 31, 1987

General Fund Account	\$	323,313.52
Ticket Fund Account		54,731.69
Petty Cash		1,800.00
Securities-Government Funds		562,000.00
Securities-MSF Building Fund		200,000.00
		<u>762,000.00</u>
Total Cash Balances—July 31, 1987		\$ 1,141,845.21



# **Cash Balances All Accounts—July 31, 1986**

General Fund Account	\$ 390,301.71
Trust Fund Account	435.86
Ticket Fund Account	10,664.30
Petty Cash	1,800.00
Securities	1,096,116.33
<b>Total Cash Balances—July 31, 1986</b>	<b>\$ 1,499,318.20</b>

Upon a motion by Mr. Korff, seconded by Mr. Prokosch and carried, the financial statement of July 31, 1987 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 Ms. Roehlike and carried (Aye-9; Nay-0).

It was moved by Mr. Simons, seconded by Mr. Annexstad and carried that Society Regulation SF 1.7/Vehicle Restrictions be amended and that the third sentence of said regulation henceforth read as follows: "When any police officer or security person finds a vehicle illegally parked on the Fairgrounds, he is authorized to provide for the removal and impoundment of such vehicle." (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 Bally Grand Hotel, Las Vegas, November 30 through December 3, 1987. It was moved by Mr. Annexstad, seconded by Mr. Morris 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).

Secretary provided a short report on advance ticket sales through August 27. No action required.

A list of entertainment contracts, not available for approval at the 6-12-87 Board meeting were submitted by Mr. Frost. Upon a motion by Mr. Lund, seconded by Mr. Annexstad and carried, the following contracts were approved (Aye-9; Nay-0).

Contractor	Date(s)	Terms	Venue
Great White Productions, Inc.	8/27	\$2,500	Grandstand
f/s/o Great White			
KS95 Balloon Race	8/27	\$1,450	Grandstand
Roadrunners, f/s/o The Monkees	8/30	\$100,000 plus 100% over \$175,000	Grandstand
Roadrunners, f/s/o Weird Al Yankovic	8/30	\$5,000	Grandstand
Pointer Sisters f/s/o Chas Elstner	9/1	\$2,000	Grandstand
Mark Martin	9/7	\$1,000	Grandstand
American Speed Association	9/7	\$3,500 (Sanction Fee) plus \$2,500 (Point Fund)	Grandstand
Ray Komischke/Orchestra	8/27-9/6	\$54,698.15	Bandshell
Tom Chepokas Quartet	8/27-9/7	\$5,244 plus overtime	Bandshell
Cindi Reusswig	8/27-9/7	\$1,100	Bandshell
Bobby Dale	8/27-9/7	\$2,400	Bandshell
Tom Baumgartner	8/27-9/7	\$2,100	Bandshell
Jimmy Allen (Talent Show Judge)	9/27-9/7	\$225	Bandshell
Bernie Aydt (Talent Show Judge)	8/27-9/27	\$225	Bandshell
Loni Lindholm (Talent Show Judge)	8/27-9/7	\$225	Bandshell
Minneapolis Commodore Chorus	9/3	\$1,050	Bandshell
Jack White/Neilsen White Band	8/27-9/1	\$3,000	Baldwin Park
Bob Payton	8/27 & 9/3	\$250 plus admissions	Sr. Citizens
Willie Hagen Combo	8/29	\$220	Sr. Citizens
Goodtime Gospel Quartet	8/29	\$75 plus admissions	Sr. Citizens
Leroy Karg Band	8/30 & 31	\$380 plus admissions	Sr. Citizens
Kitchen Kut Ups of New Brighton	9/2	Admissions	Sr. Citizens
Norm's Accordion Band	8/27	Admissions	Parade
John & Mary Block (Donkey Hitch)	8/27-9/6	\$1,375	Parade
Lou Ann Hanson (Llama Hitch)	8/27-9/6	\$900	Parade
Jim Tremmel (Motorcycle Dog Act)	8/27-9/6	\$1,300	Parade
Harry Forsberg (Float)	8/27-9/6	\$220	Parade
Rick Sterns Race Car	8/27-9/6	Admissions	Parade
Ted Cook Pace Car	8/27-9/6	Admissions	Parade
Elmer the Elm	8/27-9/6	Admissions	Parade
WAYL Whale	8/27-9/6	Admissions	Parade
Jake Esau (Count Dracula)	8/27-9/6	Admissions	Parade
Jukebox Saturday Night	8/27-9/6	Admissions	Parade
Saxon Firetruck	8/27-9/6	Admissions	Parade
Captain Ken's Pumper	8/27-9/6	Admissions	Parade
All American Judging Assn.	8/27-9/6	\$1,049	Parade
Mini Garbage Truck	8/27-9/7	Admissions	Parade
Chuck E. Cheese	8/28 & 29 & 9/4	Admissions	Parade
U of M Alumni Band	8/29	\$250 plus admissions	Parade
LaCrescent High School	8/29	\$300	Parade
Sky-Tracker Promotions	8/29 & 30 & 9/5 & 9/6	\$800	Parade
No. St. Paul-Tartan	8/31	\$200	Parade
Oscar Mayer Wiernermobile	8/31-9/3	Admissions	Parade
Inter-State Band	8/31 & 9/5	\$400 plus admissions	Parade
St. Anthony Park Community Band	9/1	Admissions	Parade
Sibley High School	9/3	\$200	Parade
Minnesota Freedom Band	9/4	\$50 plus admissions	Parade

Red Wing High School	9/4	\$200	Parade
Fairmont High School	9/5	\$300	Parade
Roosevelt Marching Line	9/5	Admissions	Parade
Perham All-Girl Escort Team	9/5	Admissions	Parade
Blooming Prairie	9/6	\$200	Parade
Parade Productions	9/6	\$1,500	Parade
Gopher State Garden Pullers Association	9/2	\$900	Special Attractions
Minnesota Association of Meet Processors	8/27-9/7	\$400	Meats
David Skiba/Diamond S. Farms	8/27-9/7	\$2,000	Cattle
Randy Roberts	8/27-9/7	\$1,600	Horse Show and Rodeo

The following contracts approved at the last board meeting have been cancelled:

James B. Russell/Triology	8/27-9/1	Baldwin Park
Sauk Rapids Pop Singers	9/2	Sr. Citizens
Random Lake High School	8/27	Parade
Colby High School	8/31	Parade
Loyal High School	9/3	Parade
Glennville High School	9/4	Parade
Spring Valley High School	9/4	Parade
Jackson High School	9/5	Parade
Hudson High School	9/6	Parade

It was moved by Mr. Lund, seconded by Mr. Korff and carried that Employee Bulletin #3/Travel Regulations be amended and that the following language be added after the first paragraph of Section #5 (Aye-9; Nay-0): "When a bona fide and necessary business purpose exists, the actual expense of second party (non-employee) meals incurred during a business meeting may be claimed by responsible employee(s) on behalf of the Society if approved in advance by the general manager. Reimbursement limits, as shown in the paragraph above, will be waived for second parties, but not for responsible employee(s). The amount claimed, which may include a reasonable gratuity, must be reasonable taking into consideration the location in which these meals are secured. There will be no reimbursement for purchase of alcoholic beverages."

A short discussion was undertaken on the agenda and format of a legislative hearing scheduled to be held on the Fairgrounds, September 3. This session, scheduled at the invitation of the Board, will background members of the House of Representatives General Legislation, Veterans Affairs and Gaming Committee on the Society, the Fair and on the specifics of a sales tax exemption bill due for consideration during the upcoming session. No action required.

Adjournment was moved by Mr. Lilliquist, seconded by Mr. Morris and carried (Aye-9; Nay-0).

Meeting adjourned.

## **MINUTES IN VACATION**

### **August**

27/September 7 - Visitors from other expositions and special guests at the 1987 Minnesota State Fair included: Mo Renaud, Ron Enns and Bob Lang, Red River Ex., Winnipeg; Jack Swain, Buffalo Day Ex., Regina; Bob Gray and Scott McConnell, Klondike Days Ex., Edmonton; Pat Lloyd and Denny Tuttle, Tulsa State Fair, Tulsa; Lewis Miller, IAFE, Springfield; Corky Teachworth, Virginia State Fair, Richmond; Louise Zepp, Amusement Business, Chicago; Gloria Chapelle, Arkansas State Fair, Little Rock; Ralph Hinds, Los Angeles County Fair, Pomona; Peg Horrigan, Betty Saunders and Betsey Kronish, Kentucky State Fair, Louisville; Charles Sullivan, Sullivan Stadium, Foxboro, Mass; Paul Laing, Erie County Fair, Hamburg, N.Y.; John Whitehouse, Gateway Fair, DuBois; Edward Schabinger, Delaware State Fair, Middletown.

28 - Frost, Wenzel, Fischler and Heffron met with Wayne Olson and Arnie Hedberg of Toltz, King, Duvall, Anderson to discuss plans for the Machinery Hall restoration.

29 - Members of the Board of the Minnesota County Fair Federation made use of Administration conference facilities for a meeting, after which they were hosted to a noon luncheon with the Society Board in the Officers Headquarters.

30 - Heffron met with Lewis Miller, IAFE and Pat Lloyd, IAFE convention program chairman to discuss plans for the December annual meeting of the Association. A special reunion luncheon, welcoming Life and Hall of Fame members of the Society, was held in the Officers Headquarters.

## **LIFE MEMBER COMMITTEE MEETING**

Administration Building  
Sunday, August 30, 1987—1:30 P.M.

Members present: J.G. Tiffany, chairman; Jerry Franke; Harveydale Maruska; Art Sprengeler; Birney Wilkins; Norris Carnes; Fred Lammers; Leo Keskinen; Ty Sincok; Deke Grussendorf. Also present: Jerry Hammer, secretary.

Mr. Carnes moved, Mr. Keskinen seconded and carried that the committee re-affirm its previous recommendation of Leonard Ramberg for Life Membership in 1988.

The committee commended the management of the fair for rehabilitating the Coliseum air conditioning and for cooperating with the Department of Transportation and City of St. Paul on the Snelling Avenue and water tower projects.

Meeting adjourned.

31 - Ojakangas, Keenan and Heffron met to discuss arrangements and protocol for a legislative meeting scheduled for September 3.

### **September**

2 - Representatives of various agricultural organizations, including farm equipment association members, were hosted by the Board at an "Agricultural Progress Day" luncheon.

3 - The Minnesota Livestock Breeders Association board attended a breakfast meeting with staff members of the Society to discuss livestock competition at the State Fair. Outstanding senior citizen awards for 1987 were presented at a ceremony in the Bandshell. The House General Legislation Committee held a meeting with Society representatives in the Administration conference room. A special picnic was held in the infield to honor editors, mayors, legislators, county fair and chamber executives from throughout the state. After dinner, the group was hosted to the evening Grandstand show featuring Mr. Red Skelton.



## Planning/Utilization Committee

Administration Building  
Saturday, September 5, 1987—10:00 A.M.

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

Also present: Vern Prokosch; Don Simons; Rich Keenan; Joe Fishler.

After a detailed presentation and discussion, it was moved by Ms. Roehlke, 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. Machinery Hall Restoration (Budgeted in January—\$450,000)	
Base Bid	\$297,500
Power Roof Ventilation	10,600
Re-Bid Windows	110,000
Electrical Duct Line	30,000
A/E Fees & Contingencies	45,000
	493,000
2. Elimination of PCB's in transformers (7)	120,000
3. Vomitory cover	2,000
4. Design concept for Heritage Square	2,500
5. Painting:	
a. Ag-Hort #451 (ext.)	26,000
b. Bandshell benches	7,500
	33,500
<b>TOTAL</b>	<b>\$696,000</b>

## MEETING OF THE GOVERNING BOARD MINNESOTA STATE AGRICULTURAL SOCIETY

Administration Building  
Sunday, September 6, 1987—10:00 A.M.

Members present: Sulo Ojakangas, president; Martin Annexstad; Rich Keenan; Vern Prokosch; Bill Korff; Willis Lilliquist; Howard Morris; Bert Lund; Eileen Roehlke; Don Simons; Mike Heffron, Secretary.

Also present: Jim Donnelly

Upon a motion by Mr. Lund, seconded by Mr. Korff and carried, minutes of the August 28 Board meeting were approved (Aye-9; Nay-0).

Secretary presented the August 31, 1987 Society cash statement as follows:

### Cash Activity General Fund—August 31, 1987

Cash Balance—July 31, 1987	\$	323,313.52
Add:		
Interest Income	\$	1,920.78
Bank Securities Cashed		500,000.00
Ticket Fund Transfers		465,000.00
August Cash Receipts		548,605.36
Total Cash Available Before Disbursements		1,515,526.14
Less:		
Bi-Weekly Payroll Ending August 5	\$	74,970.11
Bi-Weekly Payroll Ending August 19		81,045.82
Bank Securities Purchased		501,126.34
August Disbursements Paid		834,519.91
Total Cash Available Before Disbursements		1,491,662.18
Cash Balance General Fund August 31, 1987	\$	347,177.48

### Cash Balances All Accounts—August 31, 1987

General Fund Account	\$	347,177.48
Ticket Fund Account		2,139,409.36*
Petty Cash		1,800.00
Securities-Government Funds	563,862.53	
Securities-MSF Building Fund	199,205.56	763,068.09
<b>Total Cash Balances—August 31, 1987</b>	<b>\$</b>	<b>3,251,454.93</b>

### Cash Balances All Accounts—August 31, 1986

General Fund Account	\$	(277,073.03)
Trust Fund Account		535.86
Ticket Fund Account		1,443,423.74*
Petty Cash		1,900.00
Securities		3,099,116.33
<b>Total Cash Balances—August 31, 1986</b>	<b>\$</b>	<b>4,267,902.90</b>

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

On a motion by Mr. Morris, seconded by Ms. Roehlke and carried, the cash statement of August 31, 1987 was approved (Aye-9; Nay-0).

It was moved by Mr. Lilliquist, seconded by Mr. Annexstad and carried to adopt the report of Life Member Advisory Committee filed August 27, 1987 (Aye-9; Nay-0).

Mr. Lund presented a report of Planning Committee recommendations made pursuant to a meeting of that committee held September 5, 1987. Following discussion, it was moved by Mr. Lund, seconded by Mr. Annexstad and carried that the report be approved and that the outlined work be undertaken (Aye-9; Nay-0).

It was moved by Mr. Annexstad, seconded by Mr. Simons and carried that the dates of the 1988 Minnesota State Fair be Thursday, August 25 through Labor Day, Monday, September 5 (Aye-9; Nay-0).

After discussion, Mr. Ojakangas set an agenda date for the next meeting of the Board of Thursday, November 5 at 10:00 a.m.

Upon a motion by Mr. Keenan, seconded by Mr. Simons and carried, authority was granted for members of the Board to travel outside the state at Society expense in order to visit other state and regional fairs held during September, October and November, 1987 (Aye-9; Nay-0).

After discussion, it was moved by Mr. Keenan, seconded by Mr. Lund and carried to reaffirm the Board's travel policy, that being that Board travel outside the state be appropriate and that reimbursement of expenses pertaining to said travel be made subject to Board approval

(Aye-9; Nay-0).

Meeting adjourned.

10 - Executive Committee approved the August 31, 1987 financial statement as follows:

### Cash Activity General Fund—August 31, 1987

Cash Balance—July 31, 1987	\$	323,313.52
Add:		
Interest Income	\$	1,920.78
Bank Securities Cashed		500,000.00
Ticket Fund Transfers		465,000.00
August Cash Receipts		548,605.36
Total Cash Available Before Disbursements		1,515,526.14
Less:		
Bi-Weekly Payroll Ending August 5	\$	74,970.11
Bi-Weekly Payroll Ending August 19		81,045.82
Bank Securities Purchased		501,126.34
August Disbursements Paid		834,519.91
Total Cash Available Before Disbursements		1,491,662.18
Cash Balance General Fund August 31, 1987	\$	347,177.48

### Cash Balances All Accounts—August 31, 1987

General Fund Account	\$	347,177.48
Ticket Fund Account		2,139,409.36
Petty Cash		1,800.00
Securities-Government Funds	563,862.53	
Securities-MSF Building Fund	199,205.56	763,068.09
<b>Total Cash Balances—August 31, 1987</b>	<b>\$</b>	<b>3,251,454.93</b>

### Cash Balances All Accounts—August 31, 1986

General Fund Account	\$	(277,073.03)
Trust Fund Account		535.86
Ticket Fund Account		1,443,423.74*
Petty Cash		1,900.00
Securities		3,099,116.33
<b>Total Cash Balances—August 31, 1986</b>	<b>\$</b>	<b>4,267,902.90</b>

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

12 - Eileen Roehlke and Howard Morris attended the Clay County Fair in Spencer, Iowa.  
17-18 - Heffron attended an IAFE convention planning meeting at the Bally Hotel in Las Vegas.

17-20 - North Country Ski Equipment Sale was held in the Merchandise Mart.

17-Nov. 26 - In Town Apple Store opened in the Dog Exhibit Building.

19-21 - The Annual 4H Horse Show was staged in the Coliseum.

23-27 - Heffron attended and spoke at the annual meeting of the Eastern States Exposition in Springfield, Mass.

24-27 - The Lift Ski Swap/Sale was held in the Education Bldg./Annex.

24-30 - A new car sale was held on Machinery Hill. A pre-construction meeting with staff (Frost, Wenzel and Fischler), architect and contractor was held to discuss and plan work on Machinery Hill.

25-27 - A county folk art show was staged in the Lower Grandstand. The annual Western Saddle Horse Show was contested in the Coliseum. A Sportacular Show (sports collectors) was held in Modern Living.

26 - A Suburban Corvette auto show was held in the Dairy Building.

29 - Wenzel and Mary Goiffon met with several board members of the Minnesota Federation of County Fairs to finalize plans for the 1988 Annual Meeting.

### October

1-3 - An evangelical Garage Sale was held in Crossroads Chapel.

1-4 - An Arabian Horse Festival was staged at the Coliseum.

3 - The Junior League conducted a garage sale in the Education Building.

3-4 - An antique car show was held in the Infield.

3-5 - Martin Annexstad and Sulo Ojakangas visited the Mid South Fair, Memphis, the Oklahoma State Fair, Oklahoma City and the Tulsa State Fair, Tulsa.

6 - Wenzel, Fischler and Heffron met with Kent Reese of the University of Minnesota to discuss storm water drainage on the grounds. Wenzel, Fischler and Heffron met with Randy Hollenbeck of CNA Loss Control to discuss the liability insurance inspection process. A Mazda auto demonstration was held in the Infield.

6-11 - The Minnesota Fall Horse Show was staged in the Coliseum.

7 - Heffron, Frost, Pooch and Bert Lund met to discuss matters relevant to the horse department's supervision.

8-11 - Frost, Wenzel, Pooch and Heffron conducted management retreat sessions at Sunwood Inn.

10 - A model railroad equipment sale was held in the Education Building.

10-11 - A military relics show was conducted in the Merchandise Mart. Bill Korff and Howard Morris attended the State Fair of Texas in Dallas.

11 - An Americana Fair (crafts & collectibles) was staged in the Dairy Building.

13 - Sinclair met with Jeff Bowers at Alexander & Alexander, Inc. to discuss public liability insurance coverage for concessionaires and exhibitors. Storage of autos, motorhomes, boats and trailers began on the fairgrounds. Frost traveled to Nashville, Tennessee to attend meetings of the Country Music Association and the International Country Music Buyers Association.

14 - Executive Committee approved the September 30, 1987 financial statement as follows:



# **Cash Activity General Fund—September 30, 1987**

Cash Balance—August 31, 1987		\$ 347,177.48
Add:		
Ticket Fund Transfers	2,800,000.00	
September Cash Receipts	490,972.36	3,290,972.36
Total Cash Available Before Disbursements		\$ 3,638,149.84
Less:		
Bi-Weekly Payroll Ending September 2	\$ 131,370.69	
Bi-Weekly Payroll Ending September 16	160,724.49	
Bi-Weekly Payroll Ending September 30	60,824.95	
Bank Securities Purchased	2,000,000.00	
September Disbursements Paid	1,096,762.84	3,449,682.97
Cash Balance General Fund September 30, 1987		\$ 188,466.87

# **Cash Balances All Accounts—September 30, 1987**

General Fund Account	\$ 188,466.87	
Ticket Fund Account	158,369.91	
Petty Cash	200.00	
Securities-Government Funds	2,563,862.53	
Securities-MSF Building Fund	199,205.56	2,763,068.09
Total Cash Balances—September 30, 1987		\$ 3,110,104.87

# **Cash Balances All Accounts—September 30, 1986**

General Fund Account	\$ 26,518.43	
Trust Fund Account	535.86	
Ticket Fund Account	23,019.32	
Petty Cash	450.00	
Securities	2,896,128.50	
Total Cash Balances—September 30, 1986		\$ 2,946,652.11

15 - Storage in-take day.

15-25 - A Berman's Leather Warehouse sale was held in the Dairy Building.

17 - Kruse Antique and Custom Car Auction was staged in the Infield.

20 - Ford Ride & Drive demonstration held on the Carnival Lot.

21 - An LP Gas Show was conducted in Block 30. Storage in-take day. Pooch met with representatives of the MN Llama Association regarding the possibility of adding a show for llamas in 1988.

23 - Pat Klinger and Marshall Jacobson discussed sales taxes on off-season event charges with a representative of the Minnesota Department of Revenue, Taxpayer Information Division.

24-27 - Frost visited the Texas State Fair, Dallas and the Louisiana State Fair, Shreveport.

26 - Heffron met with John Geisler, representing the St. Paul Area Chamber to discuss the Fair's sales tax exemption bill.

28 - A joint meeting of several service departments of the Fair, including Sanitation, Admissions, Service, Tickets, Public Safety, etc., was held in the Administration Conference Room. Storage in-take day.

30-Nov. 1 - Heffron attended the Louisiana State Fair in Shreveport.

# **November**

4 - Storage in-take day.

# **MEETING OF THE GOVERNING BOARD MINNESOTA STATE AGRICULTURAL SOCIETY**

Administration Building  
November 5, 1987—10:00 A.M.

Members present: Sulo Ojakangas, president; Eileen Roehlke; Martin Annexstad; Bert Lund; Howard Morris; Vern Prokosch; Willis Lilliquist; Don Simons; Richard Keenan; Bill Korff; Mike Heffron, secretary.

Also present: Rick Frenette; Ken Wenzel; Jim Frost; Jim Sinclair; Pat Klinger; Jim Donnelly; John Galus.

After being amended with the addition of: (1) a legislative report and (2) reports on Board/staff visitations to other fairs, it was moved by Mr. Lilliquist, seconded by Mr. Simons and carried that the meeting agenda, as circulated, be approved (Aye-9; Nay-0).

Motion made by Mr. Korff, seconded by Ms. Roehlke and carried that Board and committee meeting minutes, recorded during the 1987 Fair-period, be approved as submitted to the members by mail (Aye-9; Nay-0).

After being amended with the addition of: "October 3-5—Martin Annexstad and Sulo Ojakangas visited the Mid South Fair, Memphis, the Oklahoma State Fair, Oklahoma City and the Tulsa State Fair, Tulsa," minutes in vacation covering the period August 27 through November 4, 1987 and the administrative action noted therein were approved on a motion by Mr. Morris, seconded by Mr. Annexstad and carried (Aye-9; Nay-0).

Secretary presented an informal financial report, including an estimate of year-end gain and a resume of current investment positions. Report was approved upon a motion by Mr. Prokosch, seconded by Mr. Lund and carried (Aye-9; Nay-0).

It was moved by Mr. Morris, seconded by Mr. Annexstad and carried that \$300,000 of current surplus be placed in the Society building fund, bringing the total fund designation to \$500,000 (Aye-9; Nay-0).

A resolution authorizing Rick Frenette (finance supervisor) to transfer funds and purchase securities through the First Bank System was moved by Mr. Korff, seconded by Mr. Lilliquist and carried (Aye-9; Nay-0).

Jim Sinclair distributed a written report of the Space Rental Department for 1987 and presented specific highlights covering different categories, as well as summary comparisons with the prior year. After discussion, approval of the report was moved by Mr. Korff, seconded by Mr. Prokosch and carried (Aye-9; Nay-0).

A one-year contract with Charles L. Johnson, dba Coliseum Concessions, covering Coliseum food, beverage and catering services was approved upon a motion by Mr. Simons, seconded by Annexstad and carried (Aye-9; Nay-0).

Mr. Sinclair and Pat Klinger (special events) presented a report on off-season activity during 1987. No action required.

It was moved by Mr. Lund, seconded by Mr. Prokosch and carried that secretary be authorized to enter into contracts with acts and attractions for the 1988 Fair (Aye-9; Nay-0).

Following a presentation by Mr. Frost, it was moved by Mr. Lund, seconded by Mr. Keenan and carried that the following general advertising policy be implemented for 1988: The State Fair's basic advertising outlets shall be all daily and weekly newspapers in the State of Minnesota as well as broadcast outlets selected from the state's radio and television stations, plus selected newspapers and radio/television stations in surrounding states (Aye-9; Nay-0).

The following amendment (addition) to State Fair Rules and Regulations was moved by Mr. Annexstad, seconded by Mr. Simons and carried: The use of metal detectors or similar devices for the purpose of finding items of value shall be prohibited on the Fairgrounds. Furthermore, any activity of discovery, whether undertaken with or without a detection device, which results in digging, probing or otherwise disturbing the ground, shall be prohibited on the Fairgrounds. This rule shall neither limit nor prohibit activities or the use of detection devices as may be directed by the Secretary-General Manager in the legitimate conduct of Society work (Aye-9; Nay-0).

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

# **Grandstand**

8-27 Night/Ranger Great White	8 p.m.	87 @ \$ 9.00 Contract Provision
8-28 Willie Nelson/George Jones	8 p.m.	84 @ \$10.00 Contract Provision
8-29 Willie Nelson/George Jones	8 p.m.	105 @ \$10.00 Contract Provision
8-30 Peter, Paul & Mary	1 p.m.	68 @ \$ 8.00 Contract Provision
8-30 Monkees/Weird Al	6 p.m.	50 @ \$ 9.00 Contract Provision
8-30 Monkees/Weird Al	9 p.m.	32 @ \$ 9.00 Contract Provision
8-31 Jets	1 p.m.	70 @ \$ 8.00 Contract Provision
8-31 Miami Sound Machine	8 p.m.	28 @ \$ 8.00 Contract Provision
9-1 Pointer Sisters	8 p.m.	25 @ \$10.00 Contract Provision
9-3 Red Skelton	8 p.m.	771 @ \$ 9.00 Editors/Legislators/Seniors
9-4 Alabama/Restless Heart	8 p.m.	55 @ \$11.00 Contract Provision
9-6 Sandi Patti	1 p.m.	20 @ \$ 9.00 Contract Provision
		25 @ \$ 5.00 Contract Provision

9-6 Oak Ridge Boys/ Southern Pacific	8 p.m.	36 @ \$ 9.00 Contract Provision
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# **Coliseum**

8-28 English Horse Show	1 p.m.	5 @ \$ 4.50 Hunter/Jumper Judge
8-28 English Horse Show	1 p.m.	7 @ \$ 4.50 Trophy Box
8-28 English Horse Show	6 p.m.	5 @ \$ 4.50 Hunter/Jumper Judge
8-28 English Horse Show	6 p.m.	7 @ \$ 4.50 Trophy Box
8-29 English Horse Show	6:30 p.m.	5 @ \$ 4.50 Hunter/Jumper Judge
8-29 English Horse Show	6:30 p.m.	7 @ \$ 4.50 Trophy Box
8-30 English Horse Show	12:30 p.m.	7 @ \$ 4.50 Trophy Box
8-30 English Horse Show	6:30 p.m.	7 @ \$ 4.50 Trophy Box
8-31 English Horse Show	12:30 p.m.	7 @ \$ 4.50 Trophy Box
8-31 English Horse Show	6:30 p.m.	7 @ \$ 4.50 Trophy Box
9-1 English Horse Show	6:30 p.m.	7 @ \$ 4.50 Trophy Box
9-2 Horse Pull	7 p.m.	8 @ \$ 4.50 Announcer's Box
9-3 Rodeo	1 p.m.	8 @ \$ 4.50 Announcer's Box
9-3 Rodeo	7 p.m.	8 @ \$ 4.50 Announcer's Box
9-3 Rodeo	7 p.m.	71 @ \$ 4.50 Editors/Legislators
9-4 Western Horse Show	12 noon	7 @ \$ 4.50 Trophy Box
9-4 Rodeo	7 p.m.	8 @ \$ 4.50 Announcer's Box
9-5 Western Horse Show	5:30 p.m.	7 @ \$ 4.50 Trophy Box
9-6 Western Horse Show	12:30 p.m.	7 @ \$ 4.50 Trophy Box
9-6 Western Horse Show	6:30 p.m.	7 @ \$ 4.50 Trophy Box
9-7 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 1987 fair was submitted for reclassification as "non-pay". It was moved by Mr. Korff, seconded by Mr. Annexstad and carried that said tickets, total value \$106,191, be reclassified as "non-pay". Breakdown follows:

# **Administrative**

## Other—

State Agriculture Department	\$ 96.00
State Board of Electricity	66.00
State Employment Services	27.00
State Health Department	39.00
State Revenue Department	126.00
Miscellaneous	18.00
	\$ 372.00

# **Departmental:**

## Amusements/Free:

High School Bands	\$10,470.00
Guest Bands	1,020.00
Guest Units	1,944.00
Special Events	3,819.00
Miscellaneous	300.00
Bee Culture	36.00
Box Office	195.00
Cattle	72.00
Communications	916.00
Creative Activities	390.00
Education	1,950.00
4-H	26,214.00
Fruits	294.00
FFA	624.00
Grandstand	5,850.00
Horses	921.00
Meats	348.00



Public Safety	4,905.00
Senior Citizens	1,005.00
Space Rental	252.00
Youth Camp	120.00
<b>Institutional-Organizations:</b>	<b>\$61,645.00</b>
Access Ability, Inc.	129.00
Alpha Human Services	90.00
Amicus	300.00
Andrew, Inc.	300.00
Angelus Convalescent Home	90.00
Anoka Metro Regional Treatment Center	300.00
Big Brother-Big Sister	250.00
Bill Kelly House	60.00
Bristol Place	255.00
Camilla Rose Group Home	60.00
Camilla Rose Nursing Home	120.00
Care Co. Homes, Inc.	45.00
Carver Cty. Community Support	30.00
Center for Creative Living	135.00
Central Center for Family Res.	75.00
Charaka	210.00
Chart	150.00
Comm. Human Svc. (Adult Foster)	27.00
Comm. Human Svc. (Hearing Impaired)	33.00
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.-Volunteer Services	300.00
Courage Center	300.00
DeMar's Children's Home	60.00
Do-Trac Dakota Adult Trans. Center	75.00
Elliot Board & Care	24.00
Emerson Place North	6.00
Faribault Regional Center	300.00
Franklin Place East	45.00
Goodwill Industries, Inc.	300.00
Group Homes, Inc.	117.00
Guild Residences	180.00
Hennepin County Medical Center	150.00
Hennepin County Medical Center (Circle F)	135.00
Hennepin County Medical Center (Day Treatment)	105.00
Henry Hagen Residence	18.00
Hiawatha Valley MHC	150.00
Hoikka House, Inc.	150.00
Home Free	255.00
Homeward Bound, Inc. (Brooklyn Park)	96.00
Homeward Bound, Inc. (New Hope)	120.00
Horizon Nursing Home	45.00
House, The	60.00
Human Services Support Network	222.00
Jane Dickman House	114.00
Juels Fairbanks CDS	105.00
Kelly Institute	75.00
Little Sisters of the Poor	30.00
Lutheran Social Services	111.00
Lyngblomsten Care Center	150.00
March House	60.00
Midway Training Services	120.00
Minneapolis Park & Rec. Board	60.00
Minneapolis Society for Blind	300.00
MN Correctional Facility (Lino Lakes)	300.00
MN Indian Women Res. Center	150.00
MN Veterans Home	300.00
Multi Resources Center, Inc.	75.00
Muscular Dystrophy Assn.	300.00
Mykkanen, Art & Mary Lou	9.00
NEB Care Centers (East)	135.00
New Hope Center	90.00
New Life Homes Fam. Serv.	29.00
Northwest Residence	24.00
Omegon Residential	300.00
One Eighty Degrees, Inc.	102.00
Opportunity Workshops (G.V.)	162.00
Opportunity Workshops (Mtka.)	300.00
Orvilla	330.00
People, Inc. (Anchor)	45.00
People, Inc. (Apollo Center)	75.00
People, Inc. (Child Care)	75.00
People, Inc. (Petra Howard Hse.)	45.00
People, Inc. (LINK)	105.00
People, Inc. (Journey House)	39.00
People, Inc. (Peoples Apt. Net)	150.00
Phoenix Residence, Inc.	288.00
Pierce Cty. Dept. Human Serv.	45.00
Portland Residence	300.00
Prodigal House—MN Vets Home	105.00
Pyramid Mental Health Center	30.00
Ramsey Clinic	60.00
REM Lyndale	45.00
REM Pillsbury	105.00

Rose of Sharon Manor	90.00
St. Joseph's Childrens Home	130.00
St. Joseph's Hospital (Outpatient)	105.00
St. Louis Park Plaza Health Center	60.00
St. Paul Ramsey Med. Ctr. (Hearing Impaired)	36.00
St. Paul Ramsey Med. Ctr. (Psychiatry Dept.)	90.00
St. Paul Society for Blind	300.00
St. Paul YMCA	300.00
St. Peter Regional Treatment	300.00
Salvation Army	300.00
Senior Resources (Henn. Cty.)	72.00
Shalom Home, Inc.	255.00
Sharing Life, Inc.	600.00
Shriner's	9.00
Sister Kenney Institute	30.00
South Center Manor	84.00
State of MN. Dept. of Vets (Hastings)	63.00
Strive	42.00
Trevilla of Robbinsdale	300.00
United Blind of MN	300.00
United Hospital—Adolescent Day Treat.	60.00
University Health Care Ctr.	150.00
University of MN-Volunteer Serv.	300.00
Vail Place	225.00
Valentia (New Hope Ctr.)	30.00
Walker Methodist Health Ctr.	21.00
Way 12	135.00
Welcome Home	60.00
Wellspring Therapeutic Comm.	36.00
Wicklough	90.00
Wilder-Bush Memorial	90.00
Wilder Juvenile Horizons	54.00
Woody Lane	18.00

\$ 16,414.00

#### Institutional—Promotion:

Muscular Dystrophy Assn.	27,760.00
<b>TOTAL</b>	<b>\$106,191.00</b>

A review of fair-period payrolls was undertaken, after which it was moved by Mr. Lund, seconded by Mr. Morris and carried that the submitted payroll summary, totalling \$965,871.05, be approved (Aye-9; Nay-0).

Several Changes in Employee Bulletin #2 (Holiday, Leave and Severance Regulations), so as to make it consistent with current State personnel policy were approved upon a motion by Mr. Prokosch, seconded by Mr. Simons and carried (Aye-9; Nay-0).

On a motion by Mr. Lund, seconded by Mr. Annexstad and carried, the auto mileage allowance specified in Employee Bulletin #3, section 2 was reduced from 27¢ to 22.5¢ (Aye-9; Nay-0).

Secretary presented a short report on the current status of the fair's legislative program. No action required.

Reports on visitations to other fairs were made by Ms. Roehlke and Mr. Morris (Clay County Fair, Spencer, Iowa); Messrs. Korff and Morris (Texas State Fair, Dallas) and; Messrs. Ojakangas and Annexstad (Mid South Fair, Memphis, Tennessee, Oklahoma State Fair, Oklahoma City and Tulsa State Fair, Tulsa, Oklahoma).

Meeting adjourned.

## MINUTES IN VACATION

### November

6 - Wenzel, Frost, Fischler and Heffron met with Wayne Olson and Warren Wunderlich of Toltz, King, Duvall, Anderson to discuss a structural inspection of the Grandstand building.

11-13 - Heffron attended and spoke at the Rocky Mountain Fair Association meeting in Billings, Montana.

12 - Public Safety supervisors meeting was held at Administration Building.

13 - Hammer, Sinclair, Fisher, Goiffon, Kensler and Frost attended a State Fair Appreciation Luncheon at Minneapolis A.V.T.I.

14 - An arcade game auction was held in Block 44.

15 - The Executive Committee approved the October 31, 1987 cash transaction summary as follows:

#### Cash Activity General Fund—October 31, 1987

Cash Balance—September 31, 1987		\$ 188,466.87
Add:		
Interest Income	\$ 24,729.47	
Bank Securities Cashed	900,000.00	
Ticket Fund Transfers	250,000.00	
October Cash Receipts	567,927.11	1,742,656.58
Total Cash Available Before Disbursements		\$ 1,931,123.45
Less:		
Bi-Weekly Payroll Ending October 14	\$ 67,379.05	
Bi-Weekly Payroll Ending October 28	57,227.31	
Bank Securities Purchased	24,729.47	
October Disbursements Paid	1,734,629.10	1,883,964.93
Cash Balance General Fund January 31, 1987		\$ 47,158.52

#### Cash Balances All Accounts—October 31, 1987

General Fund Account	\$ 47,158.52
Ticket Fund Account	2,215.93
Petty Cash	200.00
Securities—Government Funds	1,688,592.00
Securities—MSF Building Fund	199,205.56
Total Cash Balances—October 31, 1987	\$ 1,937,372.01



**Cash Balances All Accounts—October 31, 1986**

General Fund Account	\$ 47,158.52
Trust Fund Account	471.06
Petty Cash	350.00
Securities	1,921,128.50
<b>Total Cash Balances—October 31, 1986</b>	<b>\$ 2,159,307.93</b>

16 - Frost, Sinclair and Heffron met with MNA Foundation representative Carol Heen, Linda Falkman and Gene Johnson to review 1987 newspaper museum operations. Wenzel and Heffron met with St. Paul City Council member Kiki Sonnen to discuss neighborhood issues.

17-18 - Heffron attended a pre-convention planning session at IAFE headquarters in Springfield, Missouri.

19 - A legislative audit entrance conference was held at the Fairgrounds. In attendance from LAC were Jim Riebe (audit manager), Carl Otto (auditor-in-charge), Joan Haskins and Chris Buse (staff auditors). State attendees were Frost, Wenzel, Frenette, Pittelko and Heffron.

23 - John Galus and Steve Buffington of the Attorney General's office met with Wenzel and Heffron to provide an update on the Whitewater Raft Ride litigation. Frost met with Ed Flanagan to finalize terms for appearances of the Incredible Acrobats of China at the 1988 State Fair.

24 - Wenzel, Frost, Sinclair, Leach and Heffron met with Jim Waters and Dick Cohn of Design Stages, Inc. to discuss new design work for Heritage Square.

24-December 27 - Split Rock Christmas Tree Sale was held in Block 9.

25 - Frost, Pooch and Heffron conferred with Juanita Reed regarding 4-H matters.

26 - The In Town Apple Sale ended today.

29-December 3 - Frost, Wenzel, Hammer, Sinclair, Leach, Pooch, Frenette and Heffron, along with Board members Ojakangas, Morris, Keenan, Annexstad, Korff, Lilliquist, Prokosch, Roehlike and Simons, attended the annual convention of the International Association of Fairs & Expositions in Las Vegas.

**December**

8 - Frost, Wenzel, Fischler and Heffron met with Jim Waters and Dick Cohn of Design Stages, Inc. to discuss plans for converting Commonwealth Avenue, in front of the Grandstand, into a park or mall area. A meeting to discuss 4-H Building Code and safety requirements was attended by Juanita Reed and Ardis Hutchins, representing 4-H; Wayne Olson and Warren Wunderlich, representing Toltz, King, Duvall, Anderson; plus staff members Pooch, Fischler, Wenzel, Frost and Heffron. Pooch met with Gen McCarthy of the Minnesota Nurserymen's Association regarding the possibility of their organization receiving space in the Ag-Hort. Building for the '88 Fair.

9 - Wayne Olson and Warren Wunderlich of Toltz, King, Duvall, Anderson presented a preliminary report on the Grandstand structural inspection to Frost, Wenzel, Fischler and Heffron. Hammer and Frawley met with representatives of Happenings coupon books regarding a discount coupon book for the '88 fair.

10 - The Executive Committee approved the November 30, 1987 cash transaction summary as follows:

**Cash Activity General Fund—November 30, 1987**

Cash Balance—October 31, 1987	\$ 47,158.52
Add:	
Interest Income	\$ 8,130.17
Bank Securities Cashed	325,419.79
Ticket Fund Transfers	2,215.93
November Cash Receipts	174,102.57
<b>Total Cash Available Before Disbursements</b>	<b>\$ 557,026.98</b>
Less:	
Bi-Weekly Payroll Ending November 11	\$ 59,533.21
Bi-Weekly Payroll Ending November 25	47,400.21
Bank Securities Purchased	8,130.17
November Disbursements Paid	272,626.13
<b>Cash Balance General Fund January 31, 1987</b>	<b>\$ 169,337.26</b>

**Cash Balances All Accounts—November 30, 1987**

General Fund Account	\$ 169,337.26
Petty Cash	200.00
Securities—Government Funds	1,079,239.40
Securities—MSF Building Fund	491,268.54
<b>Total Cash Balances—November 30, 1987</b>	<b>\$ 1,740,045.20</b>

**Cash Balances All Accounts—November 30, 1986**

General Fund Account	\$ 48,579.62
Trust Fund Account	471.06
Petty Cash	250.00
Securities	1,996,128.50
<b>Total Cash Balances—November 30, 1986</b>	<b>\$ 2,045,429.18</b>

16 - Fischler, Frost, Wenzel, Pooch and Heffron met with Wayne Olson of Toltz, King, Duvall, Anderson to review 4-H Building safety reports.

18 - Frost, Wenzel, Fischler and Heffron met with Jim Waters and Dick Cohn of Design Stages, Inc. to discuss the Commonwealth Mall proposal.

21 - Fischler, Frost, Wenzel, Pooch and Heffron met with Wayne Olson of Toltz, King, Duvall, Anderson to review 4-H Building safety improvement plans. Frost met with former 4-H superintendent Leonard Harkness to discuss and evaluate building plans.

22 - An employee Christmas luncheon was held in the Administration Lower Conference Room.

23 - Frost and Heffron met with St. Paul Fire Chief Steve Conroy and a representative of the St. Paul Companies to discuss parade participation for 1988. Frost, Hammer, and

Frawley met with representatives of Coca-Cola Bottling Midwest regarding Coke's sponsorship of Youth Day during the '88 fair.

28 - Fischler, Frost, Wenzel and Heffron met with Jim Waters and Dick Cohn of Design Stages, Inc. to discuss Commonwealth Mall plans.

**January**

5 - Pooch met with Gary Honl and Fred Holte of the Minnesota Honey Producers Association to discuss ideas for improving participation in their show. Pooch and Horse Superintendent Arneman met with Laurie Eckloff, Tom Kaye, George Polta and Virgil Eisinger of the Minnesota Pony Exhibitors to discuss possible changes in their show for 1988.

7 - Hammer and Frawley met with Rick Lewko of Pepsi Cola Bottling, Inc. regarding sponsorship at the '88 fair.

10 - The Executive Committee approved the December 31, 1987 cash transaction as follows:

**Cash Activity General Fund—December 31, 1987**

Cash Balance—November 30, 1987	\$ 169,337.25
Add:	
Bank Securities Cashed	535,000.00
December Cash Receipts	34,896.52
<b>Total Cash Available Before Disbursements</b>	<b>\$ 739,233.78</b>
Less:	
Bi-Weekly Payroll Ending December 9	\$ 53,147.87
Bi-Weekly Payroll Ending December 23	50,700.30
December Disbursements Paid	356,886.40
<b>Cash Balance General Fund December 31, 1987</b>	<b>\$ 278,499.21</b>

**Cash Balances All Accounts—December 31, 1987**

General Fund Account	\$ 278,499.21
Petty Cash	500.00
Securities—Government Funds	544,239.40
Securities—MSF Building Fund	491,268.54
<b>Total Cash Balances—December 31, 1987</b>	<b>\$ 1,314,507.15</b>

**Cash Balances All Accounts—December 31, 1986**

General Fund Account	\$ 22,114.50
Trust Fund Account	471.06
Petty Cash	550.00
Securities	1,879,128.50
<b>Total Cash Balances—December 30, 1986</b>	<b>\$ 1,902,264.06</b>

11 - Fischler, Frost, Wenzel and Heffron met with TKDA's Wayne Olson and Warren Wunderlich to discuss Grandstand safety reports. Wenzel, Frost and Heffron met with Larry Anderson, Ray Jackson, Howard Hect and Gary Summerville to discuss the proposed U of M busway across the west side of the Fairgrounds. Wenzel and Goiffon attended pre-convention meeting at Saint Paul Radisson, finalizing plans for 1988 Annual Meeting.

14 - Fischler, Frost, Heffron and Wenzel again met with Messrs. Waters and Cohn on the Grandstand mall plan.

15 - Pooch met with Dorothy Johnson of the Minnesota Horticultural Society to discuss their display and possible changes for the '88 fair.

**Annual Meeting****Minnesota State Agricultural Society**

St. Paul Radisson Hotel  
January 16-18, 1988

The 129th annual meeting of the Minnesota State Agricultural Society opened with a day-long registration session on Saturday, January 16. Registration continued Sunday, January 17 and Monday, January 18. The Society's first general business session, chaired by president Sulo Ojakangas, Hibbing, was held at 9:15 a.m. Sunday for the purpose of appointing members to the credentials and resolutions committee.

The credentials committee met to conduct business at 10:15 a.m. Sunday. Delegates named to this committee were Sherman Jensen, Owatonna; Richard Johnson, St. Peter (chairman); Andrew Rozeboom, Maple Grove; Gordon Sinclair, White Bear Lake; Robert Lake, Aitkin; George Gehant, Madison; Ronald Oleheiser, Grand Rapids; Eugene LaDouceur, Karlstad.

Appointees to the resolutions committee, which also met at 10:15 a.m. Sunday, included Glen Ruble, Albert Lea; Keith Kreykes, St. Peter (chairman); Lyle Steltz, Rush City; Harry Schmidt, St. Paul; Don Gylling, Princeton; Marv Olson, Willmar; Jim Clark, Hibbing; William Ulrich, Thief River Falls.

At 3:30 p.m. Sunday, delegates from the seventh and ninth regional districts met in caucus to certify nominees for election to the Society's board of managers on Monday, January 18. Selected were: 7th district—Vern Prokosch, Bird Island; 9th district—Willis Lilliquist, Kennedy.

At 1:00 p.m., Monday, members of the Society met in general session. Secretary Mike Heffron offered the following report:

A question often asked of members of the board, as well as members of the staff in polite, social conversation is "What do you folks do with all the money the fair makes every year?"

Good question! But also a very frustrating one because the question is based on two assumptions, each of which is in error. First, it assumes that the exposition is very profitable, and furthermore, it assumes that we have neither need for profit nor an appropriate, public application for it.

We find no malice in the question. Neither do we find a flawed reasoning process. What we do find is an absence of awareness as to the financial viability and cash needs of this exposition.

We should first consider that the fair is not a high profit operation. It was never intended to be such. Our duty is to serve a public need. We do that by providing quality programs, quality exhibits and quality entertainment. We also serve the public by keeping admis-



sion fees as low as possible. Anyone who spends time shopping knows that there is a conflict here. Quality costs more.

However, quality is a precious commodity these days. The public appreciates quality because there's so little of it, and they respond when it is offered. I'm convinced that that is why our attendance continues to grow much faster than that of any other leisure event in the State of Minnesota. And, as it grows, our market broadens and we inherit the ability to hold prices down.

The fair's profit today in dollars is no more than it was a decade ago, even though its gross income has doubled. In 1976, our gross was \$4-1/2 million, our profit \$383,000. That's a ratio of 9 percent. This past year, our gross was up to \$9 million, our profit was only \$290,000 a ratio of 3 percent. From 9 percent to three percent, that's a two-thirds reduction in profitability.

Do we have need for reasonable profit? Certainly, we do, most particularly because we receive no subsidy, no outside support, no appropriations from any source. No entity can sustain itself out of thin air. We must operate in "the black" if we are to survive.

Furthermore, much of what we say about quality has to do with the fairgrounds itself, how it looks and how it works. Programs, exhibits and entertainment of quality cannot be produced and properly presented in less than adequate facilities.

Our pride in the physical plant of the Minnesota State Fair is justifiable. It represents one of the finest exposition facilities in the United States. It is lovingly maintained by a board and staff who realize how very important it is to the success of their enterprise.

Do we need to improve these facilities? Certainly we do, and I must acknowledge to you my frustration at always being behind with capital projects. We never seem to have near enough available cash to undertake the many improvements we have in mind. No subsidies here either! What we are able to spend to improve our facilities comes from our visitors and participants. It does not come out of tax dollars.

Do we spend profit appropriately? Certainly we do. Let me tell you how we applied our net gain and some of our surplus from 1986. We reduced long-term debt by \$100,000; we invested over \$1 million in facilities and, we established a new record high for exhibitor prize money paid at \$429,000. Our sales tax bill this year was also a record amount—\$356,000. Interestingly enough, this sales tax liability was nearly \$70,000 more than our so-called profit.

Does the State Fair provide economic benefit to the community and to the state? It certainly does! And we particularly invite you to take and read at your convenience the report we've distributed throughout the room. A well-regarded research firm, Peat Marwick, has analyzed the economic impact of the exposition and determined such impact to be profound—over \$49 million annually.

Is the Minnesota State Fair a financially healthy institution? Certainly it is! Its operational structure is strong; its viability in the marketplace is proven; its physical plant is efficient and workable; its cash reserves are adequate; but more than any of these, its public reputation is of the highest order.

The next time someone asks you what the State Fair does with all of its money, you tell them: It invests that money in the people of Minnesota, who truly own and deserve to share the highest benefits from their legacy. To this end we pledge our best efforts.

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, 1987.

Our opening cash balance, November 1, 1986, was \$2,159,309. During the year, cash receipts of \$11,439,538 and cash disbursements of \$11,661,474, resulted in a closing balance on October 31, 1987 of \$1,937,373.

This then, Mr. Chairman, is the operating and financial report of your secretary for 1987.

Thank you.

The following credentials committee report was presented by Chairman Richard Johnson and accepted by the membership.

Credential blanks submitted to the State Agricultural Society seeking the accreditation of County Agricultural Societies and State-Wide Associations have been inspected by the full committee.

All credentials have been found to be in order with the following exceptions:

- Minnesota Farmer's Union did not file with the Secretary of State.
- Yellow Medicine County Fair's credential was not signed by the president.

Resolutions committee report was given by Chairman Keith Kreykes. The following resolutions were adopted by the membership:

**RESOLUTION NO. 1:** Resolved that we, the members of the Minnesota State Agricultural Society, governing body of the Minnesota State Fair, recognize and appreciate the significance of an unprecedented fourth straight year of record attendance at the annual exposition.

**RESOLUTION NO. 2:** Be it therefore further resolved that the confidence we have in our board, secretary-general manager and his staff has again proved to be well founded and that these people will continue to enjoy our full support as they lead the society and fair during the coming year.

**RESOLUTION NO. 3:** Resolved, that in addition to board, general manager and all employees, many other groups share responsibility for a successful 1987. Included are 4-H, FFA, vocational and other educational institution students and staff; contractors and tradespersons; legislators and mayors; chambers of commerce and county fair personnel; reporters, editors, publishers and news directors; commercial and competitive exhibitors and concessionaires; entertainers, their agents, managers and crews; fire safety and police officers; sponsors; statewide agencies and elected officials; carnival and attraction staffs; and those persons who use our facilities during the off-season.

**RESOLUTION NO. 4:** Resolved, that the society is fortunate that residents in areas adjacent to the fairgrounds are generally understanding of the uniqueness of their huge neighbor and that we are appreciative of their forbearance during the periods when the grounds are the most densely populated 310 acres in the state.

**RESOLUTION NO. 5:** Be it finally resolved, that the affiliations between the society and the International Association of Fairs and Expositions and the society and the Minnesota

Federation of County Fairs are valuable in furthering the fair industry in this state and nationally. We will continue to support these organizations along with the format of our annual meeting which is held in conjunctions with that of the federation.

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

Sulo Ojakangas, Hibbing, president, one-year term; Richard Keenan, Minneapolis, vice president/fifth regional district, two-year term; Vern Prokosch, Bird Island, manager/seventh regional district, three-year term; Willis Lilliquist, Kennedy, manager/ninth regional district, three-year term; Leonard Ramberg, Edina, honorary (life) member of the Society.

There being no further business, the 129th annual meeting of the Minnesota State Agricultural Society was adjourned.

