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MINNESOTA STATE



1988 annual report

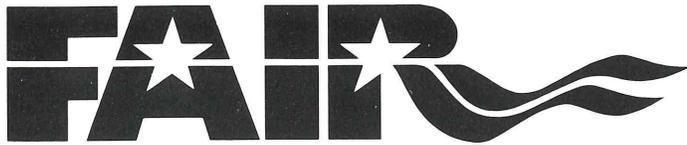
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The Minnesota State Agricultural Society is charged with the conduct of the annual State Fair as well as control and management of the State Fairgrounds. As required by statute, a preliminary report on fiscal 1988 was submitted to the governor December 27. 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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MINNESOTA STATE



Honorable Rudy Perpich
Governor
State of Minnesota
130 Capitol
St. Paul, MN 55155

December 27, 1988

Dear Governor Perpich:

Will success spoil the Minnesota State Fair?

The question may appear self serving, but it is not. Rather, it reflects the simple recognition that this enterprise requires constant evaluation and strategy development if it is to grow and prosper in a responsible way.

Many areas of society have experienced the negative impact of intemperate growth. As a result, social engineers often find themselves going back to "redesign the wheel." For each two steps forward, one step back is often required for repair and for reassessment of the structural model.

A companion question- one of equal importance to us- is almost simplistic: How does the exposition measure real growth?

The obvious template is that of visitor attendance. The Minnesota State Fair has increased its clientele steadily since the mid-'50s when attendance first passed the one million mark. Visitor growth, however, has been recorded at an even, moderate pace reaching 1.57 million in 1986 and 1.62 million in 1988- a rate of 1.9 percent per year. In terms of real numbers (or real people), that's slightly less than 20,000 additional customers each year.

Other, less obvious measurements might more accurately calibrate the fair's business growth. As an example. . . gross income (the money we handle) has doubled over the past decade from \$5 million to \$10 million. Meanwhile, net income (the money we keep after paying the bills) has grown only slightly from \$240,000 in 1979 to \$463,000 this year. (The exposition's average, annual operating gain during the 10 year period ending in 1988 was \$295,000.)

Additionally, sums we (must) spend for maintenance of our physical plant have increased by 80 percent. Moreover, our plant improvement program now exceeds \$1 million on a regular basis. By contrast, during some years of the early 1980s, our improvement budget was under \$250,000. Another positive growth factor to be considered is a 19 percent increase in prize money paid to competitive exhibitors, a payout which now exceeds \$435,000.

An assessment of these changes suggests orderly progress and measured growth. It also suggests that the exposition is disciplined and that it lives within its financial means.

The Minnesota State Fair enjoyed an outstanding year during 1988. The annual celebration began at the end of August coincidentally with the first comfortable weather during what had been up until then, a "long, hot summer." Fortunately, the fair's beginning also signaled the end of a season-long drought for Minnesota farmers. Our attendance was up 9,000 people; our net gain was up \$171,000. Both factors reflect a desirable level of growth.

As we look towards the future and hope for continued progress, we also begin a thoughtful needs assessment and a process of strategic planning so as to anticipate a growing audience with growing needs. How carefully and well we do this work will likely determine whether the exposition is to be spoiled by success or better able to serve the public because of it.

The management staff wishes to note with pride and affection the support and fine work undertaken by President Sulo Ojakangas and the board of managers during 1988. Let us all join hands to face the challenge of the coming year.

Respectfully submitted,


Mike Heffron
General Manager

“Numerous records were set during the ’88 State Fair including new standards for overall attendance, adult admissions, income and expense.”

The 1988 edition of the Minnesota State Fair lived up to its billing as the Great Minnesota Get-Together—the largest and best-attended event in the state. Numerous records were set during the ’88 State Fair including new standards for overall attendance, adult admissions, income and expense.

A total of 1,621,279 persons attended the 12-day exposition, held Aug. 25 through Labor Day, Sept. 5. It was the fifth straight year of record attendance for the State Fair and the sixth consecutive year of steadily-increased attendance. Since 1982, attendance has grown by 300,000 people—an overall increase of 22 percent.

Three daily attendance records were also set during the ’88 exposition. On

Aug. 25, the opening day of the fair, 87,414 people visited the State Fair, passing the old mark of 85,221 set in ’87. A new record was set for Tuesday when 109,731 people attended the State Fair Aug. 30. The old record for that day of 108,488 stood since 1969. On Sept. 2, record attendance for the State Fair’s second Friday was set when 134,065 people attended, surpassing the old mark of 130,132 set in ’86.

The hottest, driest summer in 50 years came to a close just prior to the opening of the fair. Temperatures were generally in the low to mid-70s and, although precipitation was recorded on eight of the fair’s 12 days, rainfall was negligible.

Special promotions included Coca-



Cola Youth Day, when persons 17 and under were admitted free, and two Senior Citizens Days, featuring free gate admission to persons 65 and over. Also offered was a weekday discount coupon booklet that featured savings at 88 food, merchandise and admission concessions.

The Incredible Acrobats of China, appearing for the first time ever at the State Fair, drew capacity crowds to most of their shows at the 2,500-seat acrobat theater. Wildly enthusiastic audiences cheered for a variety of performers including jar jugglers, balancing acts, a boomerang artist, a slackwire acrobat and a 12-year-old contortionist. The acrobats were originally scheduled to perform 10 shows

daily, but extra shows were added to meet the demand for tickets.

Regular outside gate admission to the State Fair was \$3.75 for adults 16 and over, \$2 for youths 5 through 15 and free for children under 5. Advance sale discount tickets for adult admission were available for \$3 at Holiday Station Stores statewide and at the State Fair ticket office on the fairgrounds.

Vehicle parking in all State Fair lots was free every day of the fair. On Saturdays and Sundays, free parking with 50-cent shuttle service to the fairgrounds was available from eight locations near the fairgrounds.

Complete daily attendance and weather information is listed below.

1988 MINNESOTA STATE FAIR

DATE	DESIGNATION	WEATHER (temp., rainfall)	ATTENDANCE
Thursday, Aug. 25	Senior Citizens and 50-Year Award Day	75-60, 0	87,414
Friday, Aug. 26	Health and Disability Awareness Day	79-52, trace	109,426
Saturday, Aug. 27	FFA Day	71-50, .27"	181,385
Sunday, Aug. 28	Volunteer Day	67-46, trace	175,622
Monday, Aug. 29	Coke Youth and Education Day	75-48, 0	127,208
Tuesday, Aug. 30	Natural Resources Day	77-50, 0	109,731
Wednesday, Aug. 31	Fine Arts Day	86-55, trace	99,836
Thursday, Sept. 1	Senior Citizens and Rodeo Day	76-62, .52"	130,315
Friday, Sept. 2	Agriculture Awareness and Scavenger Hunt Day	83-57, trace	134,065
Saturday, Sept. 3	Milk Run Day	67-55, .10"	179,329
Sunday, Sept. 4	4-H Day	74-54, .05"	177,312
Monday, Sept. 5	Miller High Life 300 Stock Car Race Day	67-43, 0	109,636
Total Attendance (record)			1,621,279

“...over 14,000 people entered 35,000 animals and items in the fair’s variety of contests.”

What makes a fair a fair? Cows, pigs, chickens, horses, rabbits, sheep, goats, quilts, cakes, cookies, farm crops, dairy products, flower shows, fruits and vegetables, fine arts, crafts, school projects and blue ribbons.

The 1988 State Fair delivered all of these in a big way as over 14,000 people entered 35,000 animals and items in the fair’s variety of contests. The entries were displayed in 14 major exhibit buildings, including a livestock complex with stabling and coops for 8,000 animals. Winning exhibitors shared a record \$437,551 in prize money, plus ribbons and trophies.

A new competition featured in '88 was the State Fair’s first-ever llama show. Thirty-one exhibitors showed over 100 animals that were judged on wool quality and a variety of handling categories. Other livestock competitions included open class swine, sheep, cattle, poultry, horse and dairy goat shows.

4-H competitions drew the largest number of participants. Over 5,800

youths ages 11 through 18 competed in events including livestock showmanship, vegetable gardening and computer science.

Future Farmers of America members entered over 1,700 cattle, sheep and swine at the '88 exposition. The State Fair’s FFA livestock show is the largest of its kind in the world.

At the Agriculture-Horticulture Building, the state’s finest fruits, flowers, vegetables, Christmas trees and farm crops were displayed. Winning butter, cheese and meats were shown in the Dairy-Animal Products Building and over 1,000 school projects were featured in the Education Building.

The 77th annual State Fair fine arts show featured artists ranging in age from 12 to 92. The competition is the largest juried art show in the state.

Other contests included the 16th annual State Fair Amateur Talent Contest and the fourth annual Milk Run, a five-mile foot race starting and ending at the Grandstand Speedway.



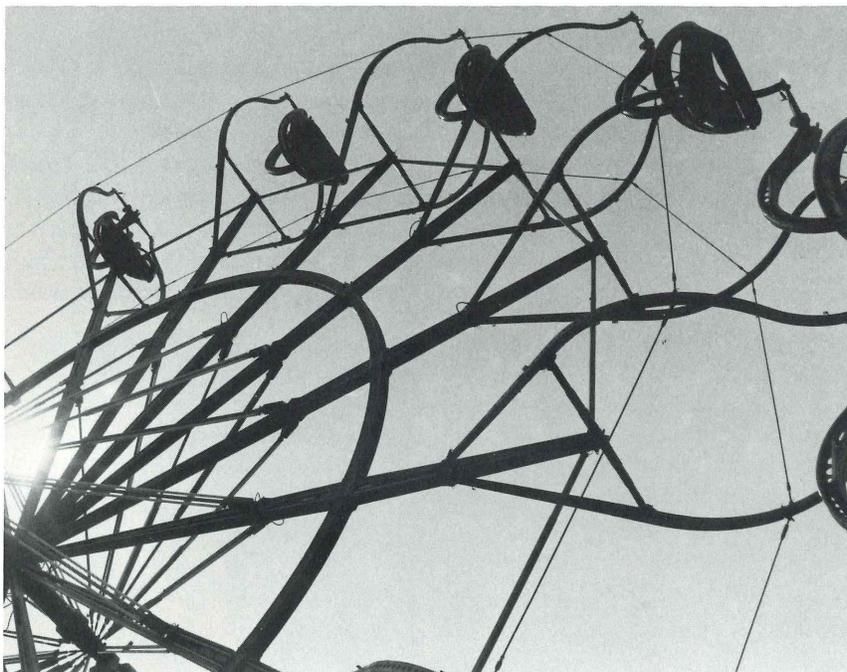
“Visitors to the 1988 State Fair were presented with an incredible marketplace of food, goods, services and amusements.”

Visitors to the 1988 State Fair were presented with an incredible marketplace of food, goods, services and amusements. Artisans, educational institutions, import vendors, manufacturers, news media, politicians and over 350 food vendors offered an opportunity to see and sample the latest products, technology and culinary creations.

Special commercial display areas included the international Bazaar, featuring food and merchandise from around the world. Heritage Square featured early-American arts and crafts, along with the State Fair History Museum and the Minnesota Letterpress Museum. Eighty acres of farm and yard equipment was displayed on Machinery Hill, the largest exhibit of its type in the world.

Forty acres of midway rides, games and Kiddieland attractions were provided by Royal American Shows. Other amusements included the Sky Ride, Space Tower, Ye Old Mill, Giant Slide, White Water Raft Ride, Haunted Mansion, Antique & Classic Car Show, Giant Merry-Go-Round and arcades.

The rental of commercial exhibit space accounted for one-fourth of the State Fair's income. Thirteen hundred space rental contracts were issued, generating \$2,630,502 in revenue. This total includes \$860,706 in fees from carnival rides, shows and games.



“The Grandstand concert lineup featured everything from roots rock’n’roll and ‘new’ traditional country music to new wave pop and comedy.”

A stellar lineup of the world’s top performers attracted 164,523 people to 16 performances at the Grandstand. Another 11,630 saw the Miller High Life 300 late model stock car race on Labor Day, boosting total Grandstand attendance to 176,153.

The Grandstand concert lineup featured everything from roots rock’n’roll and “new” traditional country music to new wave pop and comedy. The lineup, combined with the Grandstand’s excellent sound system, two giant Diamond Vision video screens and low ticket prices, gave concert-goers a value unavailable anywhere else. According to information published in “Billboard” and “Pollstar,” the price of State Fair concert tickets was roughly half of the national average ticket price for the same acts.

In the Miller High Life 300, Butch Miller overcame some pretty heady competition to win the American Speed Association stock car race. Miller’s list of all-star competitors included NASCAR stars Dale Earnhardt and Rusty Wallace along with ASA stars Dick Trickle, Harold Fair and Mike Eddy. For his efforts, Miller earned \$9,175 from a record purse of \$76,598.

The complete Grandstand lineup, ticket prices and attendance are listed below.

<i>Date</i>	<i>Attraction</i>	<i>Tickets</i>	<i>Attendance</i>
Aug. 25	Alabama with K. T. Oslin	\$11 & \$6	9,374
Aug. 26	Alabama with K. T. Oslin	\$11 & \$6	15,764
Aug. 27	The Beach Boys with Sawyer Brown (matinee)	\$11 & \$6	10,554
Aug. 27	The Beach Boys with Sawyer Brown	\$11 & \$6	18,223
Aug. 28	Peter, Paul and Mary (matinee)	\$ 9 & \$5	6,321
Aug. 28	Randy Travis and The Judds	\$11 & \$6	20,931
Aug. 29	Belinda Carlisle and Limited Warranty (matinee)	\$ 8 & \$5	7,742
Aug. 29	Chuck Berry and The Fabulous Thunderbirds	\$10 & \$6	6,241
Aug. 30	REO Speedwagon	\$10 & \$6	14,617
Aug. 31	The Manhattan Transfer	\$11 & \$6	6,466
Sept. 1	Roger Whittaker	\$11 & \$6	8,410
Sept. 2	Willie Nelson with Emmylou Harris	\$10 & \$6	9,242
Sept. 3	The Everly Brothers (matinee)	\$ 9 & \$5	5,920
Sept. 3	Jay Leno	\$10 & \$6	7,528
Sept. 4	The Dirty Dancing Concert Tour (matinee)	\$11 & \$6	9,602
Sept. 4	Reba McEntire with Southern Pacific	\$ 9 & \$5	7,588
Sept. 5	Miller High Life 300	\$ 9 & \$6	11,630

“In 1988, over 700 performances by a variety of nationally- and regionally- famous entertainers were offered...”

From humble beginnings in the mid-`60s, the State Fair’s free entertainment program has grown into an overwhelming extravaganza of music, comedy and special attractions.

Two decades ago, the State Fair’s modest free show schedule consisted of several daily performances by local concert bands and choral groups, presented on a temporary stage near the present site of the Bandshell. In 1988, over 700 performances by a variety of nationally- and regionally-famous entertainers were offered at eight first-class entertainment facilities throughout the fairgrounds.

The Schmidt Bandshell’s roster included Billy Joe Royal, Doug Kershaw, Desert Rose Band, Williams and Ree, Asleep At The Wheel, Judy Rodman, Helen Cornelius and Regency. Bandleader Ray Komischke, a veteran of the State Fair’s early days of free stage shows, led his concert orchestra through early evening presentations at the Bandshell. Also featured at the Bandshell was the 16th annual State Fair Amateur Talent Contest.

Performing at the Miller Lite Stage in the Bazaar were the Memories, Dan Riley, Skip De Vol and Fred Anderson. Presented nightly except Labor Day

was the Comedy Hour, showcasing a rotating lineup of the region’s top stand-up comedians.

Budweiser’s Baldwin Park Stage headlined the Rockin’ Hollywoods, Hand Picked, Steve Millar, Bob and the Beachcombers, Panama and Live and Kickin’.

At the Heritage Square Stage, the Limelitters, Riders In The Sky and the Chmielewski Fun Time Show were featured. Adjacent to the stage, the Hollywood Spectacular Stunt Show and State Fair History Museum were presented.

The Campbell Children’s Theater lineup included daily performances by cartoonist Albert Heisenfelt, juggler David Cohan, Willy Wonka and the Teddy Bear Band.

Cliff Brunzell and his Celebrity Strings gave daily concerts at the Creative Activities Building. Additional stage shows were presented at the Senior Citizens Building by a variety of special acts.

Early every evening except Labor Day, the State Fair went on parade with floats, clowns, marching bands and special attractions.



“...a busy schedule of special events ensures that the fairgrounds are used at an optimum level year-around.”

The Minnesota State Fairgrounds is one of the region's busiest all-purpose facilities. The exposition center is best-known as home to the annual Minnesota State Fair, but a busy schedule of special events ensures that the fairgrounds are used at an optimum level year-around.

Horse and livestock shows, sales of every type, athletic events, collector and hobby shows, auto exhibitions, meetings and training sessions are held almost daily during the spring, summer and fall. Nearly every portion of the fairgrounds is used for special events, with the multi-purpose Coliseum serving as the primary facility. Other buildings popular with off-sea-

son promoters include the Education Building, Grandstand, Merchandise Mart, Dairy and Animal Products Building and Home Improvement Building.

The full and varied schedule of events is significant to the continued growth and financial stability of the State Fair. In 1988, off-season rentals generated a net income of \$374,376 based on gross income of \$821,858 and event-related expenses of \$447,482. A total of 150 special events were held at the State Fairgrounds in '88, attracting total attendance of over 1 million.



“Members of the board set policy for the administration of the fair...”

The Minnesota State Agricultural Society is the governing body of the State Fair, made up of delegates from the state's 87 county fairs, the fair's board, 45 various agribusiness groups and honorary life members in the society. Each January, these delegates meet to conduct formal society business, including elections to fill alternating positions on the 10-member State Fair board of managers.

The State Fair board is made up of

one representative from each of the society's nine regional districts plus a president, who serves in an at-large capacity.

Members of the board set policy for the administration of the fair, serve on committees dealing with specific areas of the fair's operation and provide liaison between the board and various State Fair departments.

The 1988 State Fair board of managers is pictured below.



Sitting (left to right): Howard Morris, Cokato (sixth district manager); Richard Keenan, Minneapolis (fifth district vice president); Bert Lund, St. Paul (fourth district vice president); and Willis Lilliquist, Kennedy (ninth district manager).

Standing (left to right): Vern Prokosch, Bird Island (seventh district manager); William Korff, Faribault (first district manager); Donald Simons, Grand Rapids (eighth district manager); Sulo Ojakangas, Hibbing (president); Martin Annexstad, St. Peter (second district manager); and Eileen Roehlke, Rogers (third district manager).

“A cast of thousands is required to present the annual State Fair.”

Fair-time Superintendents

Lyle R. Anderson, Admissions; Dan Hollerbach, Bee Culture; Wallace Wolff, Care & Assistance; Ray Arthaud, Cattle; Art Blakey, Chief of Police; Greg Ustruck, Christmas Trees; Evelyn Hagen, Creative Activities; Cliff Markuson, Dairy Products; Robert M. Anderson, Education; Duane Smith, Farm Crops; Paul M. Day, Future Farmers of America; Pat Kennedy Crump, Fine Arts; Frank Junghans, Fire Marshal; Martha Carnes, Flowers; Dan Elmer, Forage; Juanita Reed, 4-H; Louis Quast, Jr., Fruits; Kevin LeVoir, Goats; Neil Larson, Grandstand; Harold Arneman, Horse; Verne K. Greenlee, Llama; Ed Butler, Meats; Marty Rossini, Midway Ticket Takers; Ron Vannelli, Parking; Harold Thomforde, Poultry; Scot Ribar, Sanitation; Marge Krueger, Senior Citizens; Robert Jordan, Sheep; Tony Zigneigo, State Fair Youth Camp; Jerry Hawton, Swine; Dick Reinhardt, Ticket Audit; Curt Klint, Vegetable.

A cast of thousands is required to present the annual State Fair. A core of 43 full-time employees and a fair-time staff of 2,300 provide hundreds of services that make the Great Minnesota Get-Together a reality.

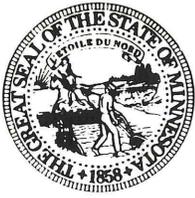
Duties performed by the year-around staff include plant management functions such as building, grounds and vehicle maintenance, security services and off-season events. Administrative functions include accounting, competitive events, scheduling of entertainment, marketing and space rental.

Many other services essential to the operation of the fair are handled by a seasonal staff that performs such diverse functions as parking, sanitation, information services, police, competitive events, stage show production and medical aid.

Full-time staff members as of Oct. 31, 1988, were: Lyle Anderson, plant services assistant; Jim Andert, plant services assistant; Bob Armstrong, purchasing superintendent; Myron Clasemann, plant services assistant; Joe Fischler, plant management supervisor; Phil Fisher, plant services superintendent; Joan Frawley, communications assistant; Rick Frenette, finance supervisor; Jim Fritsche, plant services assistant; Jim Frost, assistant manager- public affairs; Ken Gianini, box office superintendent; Gregg 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; Mike Heffron, secretary and general manager; Bill Hermes, greenhouse superintendent; Cheryl Huber, reception and telephone; Marshall Jacobson, finance assistant; Art Johnson, plant services assistant; Dave Juettner, plant services assistant; Gloria Kensler, space rental assistant; Mike Kirch, finance assistant; Patrick Klinger, special events superintendent; Karen Leach, amusements supervisor; Gene Nardini, Coliseum superintendent; Carroll Nienhaus, greenhouse assistant; William 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 and telephone.

The State Fair's fair-time superintendents direct a variety of functions handled largely by the exposition's seasonal staff. The superintendents are listed at left.



STATE OF MINNESOTA
OFFICE OF THE LEGISLATIVE AUDITOR
VETERANS SERVICE BUILDING, ST. PAUL, MN 55155 • 612/296-4708
JAMES R. NOBLES, LEGISLATIVE AUDITOR

Independent Auditor's Report

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

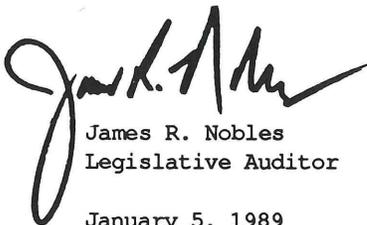
Mr. Michael D. Heffron
Secretary-General Manager
State Agricultural Society

We have audited the accompanying balance sheets of the State Agricultural Society as of October 31, 1988 and 1987, and the related statements of income, retained earnings, and cash flows for the years then ended as presented on pages 12 to 16. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State Agricultural Society as of October 31, 1988 and 1987, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Our examination was made for the purposes of forming an opinion on the basic financial statements as a whole. The supplemental financial information included on pages 17 to 21, which is the responsibility of the Society's management, 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
January 5, 1989


John Asmussen, CPA
Deputy Legislative Auditor

BALANCE SHEET

For the years ended October 31	1988	1987
ASSETS		
Current assets:		
Cash and cash equivalents.....	\$ 1,550,890	\$ 1,738,167
Investments.....	492,063	199,206
Accounts receivable (note 2).....	116,179	168,128
Accrued interest receivable.....	19,101	3,249
Pre-paid insurance.....	58,706	12,858
Pre-paid expenses.....	<u>4,546</u>	<u>12,123</u>
Total current assets.....	2,241,485	2,133,731
Property, structures and equipment (note 3).....	<u>11,140,911</u>	<u>10,720,456</u>
Total assets.....	<u>\$13,382,396</u>	<u>\$12,854,187</u>
LIABILITIES & EQUITY		
Current liabilities:		
Accounts payable.....	\$ 258,593	\$ 202,883
Accrued salaries.....	37,400	27,406
Accrued interest payable.....	6,682	8,238
Compensated absences (note 4).....	187,785	155,347
Deferred income (note 6).....	148,683	138,193
Current portion of long-term liabilities (note 7).....	<u>826,972</u>	<u>108,767</u>
Total current liabilities.....	1,466,115	640,834
Long-term liabilities:		
Note, contract and lease payable (less current portion) (note 7).....	<u>146,796</u>	<u>907,088</u>
Equity		
State Agricultural Society		
Designated for building fund (note 12).....	199,527	-0-
Unreserved retained earnings.....	<u>11,569,958</u>	<u>11,306,265</u>
Total liabilities & equity.....	<u>\$ 13,382,396</u>	<u>\$ 12,854,187</u>

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

INCOME AND EXPENSES

For the years ended October 31	1988	1987
Income:		
Ticket sales.....	\$ 6,130,020	\$ 5,575,909
Departmental.....	2,848,816	2,493,790
Other.....	<u>1,243,262</u>	<u>1,250,179</u>
Total income.....	10,222,098	9,319,878
Expenses:		
Administrative.....	1,041,747	1,094,596
Departmental.....	5,258,112	4,634,040
Premiums.....	437,551	428,618
Other.....	846,320	804,464
Maintenance.....	1,533,980	1,492,762
Depreciation.....	<u>641,168</u>	<u>571,645</u>
Total expenses.....	<u>9,758,878</u>	<u>9,026,125</u>
Net income.....	<u>\$ 463,220</u>	<u>\$ 293,753</u>

RETAINED EARNINGS

For the years ended October 31	1988	1987
Retained earnings at beginning of year.....	\$ 11,306,265	\$ 11,012,512
Add:		
Net income.....	<u>463,220</u>	<u>293,753</u>
Retained earnings at end of year.....	<u>\$ 11,769,485</u>	<u>\$ 11,306,265</u>
Retained for working capital and improvements.....	\$ 1,402,814	\$ 1,601,665
Designated for building fund.....	199,527	-0-
Book value of fixed assets		
net of debt obligations.....	<u>10,167,144</u>	<u>9,704,600</u>
	<u>\$ 11,769,485</u>	<u>\$ 11,306,265</u>

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

STATEMENT OF CASH FLOWS

For the years ended October 31	1988	1987
Cash flow from operating activities:		
Net income for the year.....	\$ 463,220	\$ 293,753
Add: Depreciation expense.....	641,168	571,646
Changes in working capital:		
Current assets-increase (decrease):		
Accounts receivable.....	51,949	(57,106)
Interest receivable.....	(15,853)	(814)
Prepays.....	(38,271)	43,500
Current liabilities- (increase) decrease:		
Accounts payable.....	55,710	48,800
Salaries payable.....	9,995	965
Compensated absences.....	32,438	22,385
Interest payable.....	(1,555)	(1,391)
Deferred income.....	10,490	(10,594)
Net cash provided by operations.....	<u>1,209,291</u>	<u>911,144</u>
Cash flow from investing activities:		
Proceeds from sales of investments.....	-0-	292,129
Payment for purchases of investments.....	(292,857)	(199,206)
Additions to fixed assets:		
Electrical system.....	(23,834)	(45,403)
Fence and guard rail.....	(28,070)	(21,463)
Land improvements.....	(9,497)	(33,462)
Personal property.....	(118,808)	(91,708)
Sewer system.....	(1,000)	(32,447)
Structures.....	(855,664)	(790,715)
Gas distribution system.....	-0-	(1,805)
Water distribution system.....	(24,751)	(6,626)
Net cash used in investing activities.....	<u>(1,354,481)</u>	<u>(930,706)</u>
Cash flow from financing activities:		
Increase (decrease)		
Note payable.....	(73,378)	(73,377)
Contract for deed.....	(28,267)	(25,318)
Lease payable.....	59,558	(10,756)
Net cash used for financing.....	<u>(42,087)</u>	<u>(109,451)</u>
Increase (decrease) in cash.....	(187,277)	(129,013)
Cash & cash equivalents beginning of year.....	<u>1,738,167</u>	<u>1,867,180</u>
Cash & cash equivalents end of year.....	<u>\$ 1,550,890</u>	<u>\$ 1,738,167</u>

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

FOOTNOTES

NOTE 1: SUMMARY OF ACCOUNTING POLICIES

The Minnesota State Agricultural Society is charged with the conduct of the annual State Fair and management of the State Fairgrounds, as outlined by Chapter 37 of Minnesota Statutes. Financial information is formulated and presented according to non-profit accounting principles. 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

	1988	1987
Gross accounts receivable	\$ 158,852	\$ 211,539
Less allowance for doubtful accounts	<u>42,673</u>	<u>43,411</u>
Net Accounts Receivable	<u>\$ 116,179</u>	<u>\$ 168,128</u>

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. The Attorney General's office approved cancellation of \$1,665 in uncollectible debts reported in 1988.

NOTE 3: FIXED ASSETS -- LAND, STRUCTURES, UTILITIES & EQUIPMENT

	1988	1987
Land	\$ 2,013,778	\$ 2,013,778
Land improvements	975,442	965,945
Structures and improvements	17,343,746	16,490,078
Electrical plant	1,744,416	1,720,582
Fence and guard rails	256,274	228,204
Gas distribution system	88,845	88,845
Sewer system	431,793	430,793
Water distribution system	473,503	448,752
Personal property	625,694	573,355
	<u>23,953,491</u>	<u>22,960,332</u>
Less accumulated depreciation	<u>12,812,580</u>	<u>12,239,856</u>
Net Book Value	<u>\$ 11,140,911</u>	<u>\$ 10,720,476</u>

NOTE 4: COMPENSATED ABSENCES

	1988	1987
Accrued vacation	\$ 88,294	\$ 71,051
Vested sick leave	<u>99,490</u>	<u>84,296</u>
Total Compensated Absences	<u>\$ 187,784</u>	<u>\$ 155,347</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 \$43,817 for 1987 and \$51,688 in 1988.

NOTE 6: DEFERRED INCOME

	1988	1987
Unearned winter storage income	\$ 130,533	\$ 134,398
Off-season show deposits	2,500	-0-
Advance Coliseum ice rental	<u>15,650</u>	<u>3,795</u>
Total Deferred Income	<u>\$ 148,683</u>	<u>\$ 138,193</u>

NOTE 7: CURRENT AND LONG-TERM LIABILITY ALLOCATIONS

	1988		1987	
	Current	Long-term	Current	Long-term
Contract for deed				
(note 8)	\$ 31,835	\$ 89,674	\$ 28,266	\$ 121,509
Note payable				
(note 9)	770,465	-0-	73,378	770,465
Lease payable				
(note 10)	<u>24,672</u>	<u>57,122</u>	<u>7,123</u>	<u>15,114</u>
	<u>\$826,972</u>	<u>\$146,796</u>	<u>\$108,767</u>	<u>\$907,088</u>
Net increase				
(decrease)	<u>\$718,205</u>	<u>\$(760,292)</u>		

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 leases payable represent four leases for financing of two copiers, a computer system and a phone system. The equipment was capitalized and the lease payable obligations were computed using the present values of the total lease payments.

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

Class of Property	Asset Balances at October 31	
	1988	1987
Office Equipment	\$ 112,958	\$ 38,210
Less: Accumulated amortization	<u>(30,233)</u>	<u>(11,463)</u>
	<u>\$ 82,725</u>	<u>\$ 26,747</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, 1988:

Year ending October 31:	
1989	\$ 33,272
1990	30,953
1991	19,628
1992	10,927
1993	<u>5,205</u>
Total minimum lease payments	99,985
Less: Amount representing interest (1)	<u>18,191</u>
Present value of net minimum lease payments	<u>\$ 81,794</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: 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.

NOTE 12: DESIGNATED FUNDS

This represents designated funds approved by board action to establish a matching fund to meet the forgone sales tax liability from fair-time ticket sales and sponsored events, as set forth by Minnesota Statutes, Section 297A.25, in effect beginning 1989.

SUPPORTING SCHEDULE - INCOME AND EXPENSES

For the years ended October 31	1988	1987
INCOME		
Tickets Sales:		
Coliseum.....	\$ 91,188	\$ 104,062
Grandstand.....	1,466,238	1,229,420
Outside gate.....	4,544,662	4,215,136
Trackless train.....	<u>27,932</u>	<u>27,291</u>
	6,130,020	5,575,909
Departmental:		
Agriculture -Horticulture.....	1,799	450
Amusement.....	13,162	11,931
Cattle.....	10,387	10,911
Forage.....	38,934	32,477
FFA.....	2,980	3,102
Gas & Electric.....	63,222	27,257
Goat.....	941	1,170
Horse.....	73,101	70,369
Llama.....	680	-0-
Poultry.....	2,113	2,113
Public Safety.....	7,244	7,282
Sheep.....	3,064	3,825
Space Rental.....	2,630,502	2,322,150
Swine.....	<u>687</u>	<u>753</u>
	2,848,816	2,493,790
Other:		
Campgrounds.....	44,203	38,232
Interest.....	74,795	88,892
Miscellaneous.....	32,856	95,974
Off-season activity.....	821,858	812,414
Sale of bulk milk.....	12,495	10,473
Sale of market animals.....	84,123	78,032
Sale of materials.....	5,255	9,762
Sponsorship.....	<u>167,677</u>	<u>116,400</u>
	<u>1,243,262</u>	<u>1,250,179</u>
Total Income.....	<u>\$10,222,098</u>	<u>\$ 9,319,878</u>

EXPENSES

For the years ended October 31

Administrative:

	1988	1987
Annual meeting.....	\$ 4,324	\$ 5,237
Bad debt.....	928	3,508
Board Honoraria.....	10,400	10,400
Bonds and insurance.....	129,926	160,331
Computer.....	32,347	4,444
Dues and subscriptions.....	8,255	7,456
Legal services.....	4,570	26,295
Legislative audit.....	19,648	19,552
Mailing service.....	28,750	32,643
Medical insurance.....	78,496	59,641
Postage.....	80,480	68,228
Printing and supplies.....	44,030	46,101
Retirement fund.....	49,732	43,934
Salaries.....	319,989	393,293
Social security.....	110,134	105,535
Staff training.....	8,687	2,242
Telephone.....	47,198	52,733
Travel expense.....	42,425	36,575
Unemployment compensation.....	4,309	1,640
Workers compensation.....	17,119	14,808
	<u>1,041,747</u>	<u>1,094,596</u>

Departmental:

Admissions.....	113,581	107,943
Advertising.....	607,408	477,223
Bee culture.....	6,359	6,054
Box office.....	128,929	116,177
Campgrounds.....	19,770	12,976
Care and assistance.....	1,620	1,936
Cattle.....	33,227	31,897
Christmas tree.....	2,525	2,800
Communications.....	204,091	161,819
Competitive exhibits.....	76,225	75,172
Creative activities.....	37,161	34,141
Dairy products.....	1,142	985
Education.....	19,758	19,618
Farm crops.....	9,356	7,632
Finance.....	116,265	5,957
Fine arts.....	19,199	17,261
Flower and agriculture shows.....	24,711	22,314
Flowers.....	6,461	4,884
Forage.....	35,750	32,974
4-H Club.....	107,329	91,604
Free entertainment.....	550,836	550,435
Fruit.....	5,914	5,744
FFA.....	27,676	22,536

EXPENSES (CONTINUED)

For the years ended October 31

	1988	1987
Gas and electric.....	113,518	102,194
Gate tickets.....	99,023	115,026
Goat.....	3,385	3,668
Grandstand.....	1,524,522	1,374,154
Greenhouse.....	109,560	97,204
Horse and rodeo.....	116,811	99,349
Llama.....	4,093	-0-
Meats.....	4,262	3,524
Park and ride.....	22,072	-0-
Parking.....	90,185	93,805
Poultry.....	10,156	7,993
Public safety.....	265,661	272,439
Sanitation.....	350,683	333,306
Senior citizen.....	16,363	12,072
Sheep.....	6,348	5,582
Space rental.....	332,414	269,266
Swine.....	7,924	7,841
Ticket audit.....	4,539	4,248
Vegetable.....	4,186	4,327
Youth Camp.....	17,114	17,960
	<u>5,258,112</u>	<u>4,634,040</u>

Premiums:

Bee Culture.....	2,836	2,588
Cattle.....	71,268	68,475
Christmas tree.....	1,320	1,320
Creative activities.....	8,794	8,546
Dairy products.....	600	600
Education.....	9,856	10,609
Farm crops.....	11,493	12,271
Fine arts.....	5,000	4,700
Flowers.....	2,173	2,052
4-H Club.....	62,780	63,418
Fruit.....	1,087	1,322
FFA.....	33,565	33,454
Goat.....	7,037	7,500
Horse.....	62,111	61,914
Llama.....	2,735	-0-
Poultry.....	10,754	10,526
Sale of bulk milk.....	12,410	10,471
Sale of market animals.....	84,117	78,026
Sheep.....	20,120	24,017
Swine.....	18,905	17,826
Talent contest.....	5,850	5,850
Vegetable.....	2,740	3,133
	<u>437,551</u>	<u>428,618</u>

EXPENSES (CONTINUED)

For the years ended October 31

1988

1987

Other:

Architectural and engineering.....	13,360	5,558
Fire & Police service.....	89,718	102,461
Fuel, oil and gasoline.....	16,410	13,994
Institutional tickets.....	47,195	44,739
Interest.....	68,116	71,386
Miscellaneous.....	33,644	39,864
Off-Season activity.....	447,482	400,628
Property and casualty loss.....	1,139	998
Property tax.....	6,150	5,855
Signs.....	16,003	24,655
Veterinarian service.....	26,598	25,250
Water and sewer.....	80,505	69,076

846,320

804,464

Maintenance:

Electric plant.....	51,950	94,978
Fence and fixtures.....	9,551	16,117
Gas system.....	641	713
General.....	384,251	476,266
Grading, sod, trees.....	16,335	12,526
Personal property.....	128,740	96,732
Set-up and take-down.....	425,066	299,745
Sewer system.....	25,030	4,417
Storm damage.....	1,327	2,129
Streets and sidewalks.....	50,241	39,718
Structures.....	254,898	291,015
Supplies.....	33,275	31,004
Vehicles.....	78,331	69,392
Watchmen.....	55,739	47,072
Water system.....	18,605	10,938

1,533,980

1,492,762

Depreciation:

Electric plant.....	47,650	47,921
Fence and fixtures.....	9,145	7,818
Gas system.....	686	686
Land improvement.....	25,701	25,508
Personal property.....	89,753	74,499
Sewer system.....	8,107	8,634
Structures.....	450,506	398,239
Water system.....	9,620	8,340

641,168

571,645

Total Expense.....

\$ 9,758,878

\$ 9,026,125

NET INCOME.....

\$ 463,220

\$ 293,753

SUPPORTING SCHEDULE -- CASH & CASH EQUIVALENTS

Herewith find the report of cash and cash equivalents of the Minnesota State Agricultural Society for the year ending October 31, 1988:

Beginning balance November 1, 1987:

Imprest fund-cash on hand.....	\$ 200
Checking accounts.....	48,875
Cash equivalents.....	1,688,592
Trust fund.....	<u>500</u>

Total..... \$ 1,738,167

Increase (Decrease) in Cash for 1988..... (187,277)

Ending Cash Balance October 31, 1988..... \$ 1,550,890

Detail of Year-End Cash Balance:

Imprest fund-cash on hand.....	\$ 200
Checking accounts.....	57,915
Cash equivalents.....	1,492,363
Trust fund.....	<u>412</u>

Total..... \$ 1,550,890

Respectfully submitted,
Mike Heffron, General Manager

St. Paul, Minnesota
October 31, 1988



STATE OF MINNESOTA
OFFICE OF THE LEGISLATIVE AUDITOR
VETERANS SERVICE BUILDING, ST. PAUL, MN 55155 • 612/296-4708
JAMES R. NOBLES, LEGISLATIVE AUDITOR

Senator Randolph W. Peterson, Vice-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, 1988. 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 **Government Auditing Standards**, and accordingly, included such audit procedures as we considered necessary in the circumstances. Field work was completed on January 5, 1989.

The objectives of the audit were to:

express an opinion on the financial statements of the State Agricultural Society (the Society) for the year ended October 31, 1988;

study and evaluate major Society internal control systems, including ticket and space rental revenue, and administrative disbursements;

verify that financial transactions were made in accordance with applicable laws, regulations, and policies, including Minnesota Statute Chapter 37; and

determine status of the prior audit finding.

Management Responsibilities

The Management of the Society 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 Society 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 Society. The purpose of our testing of transactions was to obtain reasonable assurance that the Society had, in all material respects, administered their programs in compliance with applicable laws and regulations.

Conclusions

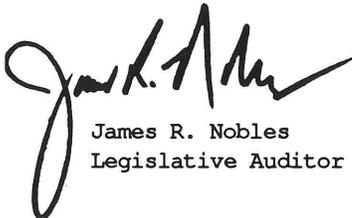
We have issued an unqualified opinion on the State Agricultural Society's financial statements for the year ended October 31, 1988. Our audit opinion, dated January 5, 1989, is included within the 1988 Annual Report.

In our opinion, the system of internal accounting control of the State Agricultural Society in effect as of October 31, 1988, 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 managements' authorizations.

In our opinion, for the year ended October 31, 1988, the Society administered its programs in compliance, in all material respects, with applicable finance-related laws and regulations.

The prior audit report on the Society contained one finding, which concerned off-season vehicle storage receipts. This finding has been fully resolved.

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



James R. Nobles
Legislative Auditor



John Asmussen, CPA
Deputy Legislative Auditor

February 8, 1989

MEETING MINUTES

MEETING OF THE GOVERNING BOARD Minnesota State Agricultural Society

Radisson Saint Paul Hotel
Saturday, January 16, 1988-2:00 P.M.

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

Also present: John Galus; Marshall Jacobson; Rick Frenette; Jim Frost; Ken Wenzel; Jim Sinclair.

Discussion was undertaken as to the proper sequence of business to come before the body. It was agreed upon a motion by Mr. Korff, seconded by Mr. Keenan and carried, that a recess should be ordered so that the Space Rental Committee might proceed with its agenda (Aye-9; Nay-0).

Meeting recessed.

MEETING OF THE SPACE RENTAL COMMITTEE

Radisson Saint Paul Hotel
Saturday, January 16, 1988—2:30 P.M.

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

Also present: Lilliquist; Morris; Simons; Galus; Jacobson; Frenette; Frost.

Discussion was undertaken regarding percentage attraction agreements for the 1988 Fair with particular attention given to current contract terms with Royal American Shows. As a part of the discussion, a suggestion was made that staff explore development of additional percentage brackets which might apply to carnival receipts in excess of \$1.5 million. After discussion, it was moved by Mr. Keenan, seconded by Mr. Lund and carried to approve the following percentage attraction agreements and corresponding ticket prices for 1988 (Aye-5; Nay-0):

1988 MINNESOTA STATE FAIR PARTICIPATION/PERCENTAGE ATTRACTIONS

Concessionaire	Attraction	Ticket Price(s)	Percentage(s)
Antique Auto Club of America—Minnesota Region	Automobile Museum	\$.75	30%
Aqua Management, Inc.	Whitewater Raft Ride	\$2.25	5%
Arrow Enterprises, Inc.	Skyride	\$1.00-Child-One Way \$1.50-Child-Round Trip \$1.50-Adult-One Way \$2.25-Adult-Round Trip	25%
Bergerud-Whitney, Inc.	Giant Carrousel	\$.75	22½%
Desplenter Novelties	Novelty Concessions	Non-ticketed activity	Gtee. of \$16,500.00 and 30% of gross sales over \$65,000.00
Fairway Golf Range	Miniature Golf	Non-ticketed activity	33½%
Grandstand Entertainer Merchandise Sales	Entertainer Merchandise	Non-ticketed activity	15%
Genkin Concession Company	Food & Beverages (Grandstand Seating Area)	Non-ticketed activity	30% of the first \$20,000.00 in gross sales and 32½% of gross sales over \$20,000.00
K&M Recreation, Inc.	Haunted House	\$2.00	27% of gross sales through \$100,000.00 and 30% of gross sales over \$100,000.00
Misc. and Bandshell Entertainer Merchandise Sales	Entertainer Merchandise Sales	Non-ticketed activity	15%
Miscellaneous Merchandise Sales	Misc. Merchandise Sales	Non-ticketed activity	10%
Royal American Shows, Inc.	Carnival (Rides & Shows)	Single Coupon-\$40 Coupon Sheets: Advance - 20 Coupons for \$6.00 Fair-time - 30 Coupons for \$10.00	33% of ticket sales up to and including \$250,000.00; 35% of ticket sales from \$250,000.00-\$500,000.00; 38% of ticket sales from \$500,000.00-\$750,000.00; 40% of ticket sales from \$750,000.00-\$1,000,000.00; 43% of ticket sales from \$1,000,000-\$1,250,000.00; 45% of ticket sales over \$1,250,000.

Ventnor Place, Inc.	Space Tower	Children - \$.75 Adults - \$1.50	25% ****
Ye Old Mill Amusements, Inc.	Canal Boat Ride	Children - \$.75 Adults - \$1.00	33½%

***—contract issuance pending

****—increase in ticket price from 1987 (\$.25)

The preceding represent percentages payable the Minnesota State Fair on receipts from operation of the above 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.

On a motion by Mr. Lund, seconded by Mr. Annexstad and carried, the following list of 1988 malt beverage concession agreements were approved (Aye-5; Nay-0):

Brede Enterprises, Inc.—Blk. 35, Bldg. 351, Food Show Building, Beer Garden Section; Cleworth's Food & Beverage—Blk. 42, Bldg. 421, Arcade Building, Spaces 1 through 15; Coliseum Concessions—Blk. 50, Bldg. 501, Coliseum, Spaces 113 & 159, 200 & 250, 212 & 213 and 268; James W. Crocker—Blk. 31, Lots 16, 17 & 18, Spaghetti Village; 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 5; Richard C. Werner—Blk. 42, Bldg. 421, Arcade Building, Spaces 16 through 21.

Reconciliation between the State Fair and concessionaires is undertaken as follows: Concessionaire pays State Fair \$4.65 per case of beer sold and \$40.00 per 1/2 barrel of tap/draft beer sold. Sales are based on 24-12 ounce bottles per case, sold by concessionaire at \$1.25 per bottle, including state sales tax. Tap/draft sales are based on use of 12 and 20 ounce cups dispensed by concessionaire for \$1.25 per 12 ounce cup and \$1.75 per 20 ounce cup, including state sales tax.

The following multiple exhibit/concession contracts were reviewed. Also considered were reports reflecting comparisons of multiple contracts, 1975 through 1987. It was moved by Mr. Keenan, seconded by Mr. Lund and carried that the listed contracts be approved and that the accompanying reports be accepted. As a part of the motion, staff was instructed to continue implementation of the Board's divestiture policy (Aye-5; Nay-0):

CONCESSION NAME	DESCRIPTION	NUMBER
Coliseum Concessions	Food, Beverages and 3.2 Beer	4
Compurate	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	25
James F. Hannasch	Sno 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
Mpls. Star & Tribune	Newspaper Stands	12
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	12
William E. Salper	Peanuts	3
Televac Computer Co.	Handwriting Analysis	4
Greg Tetrault	Ice Cream and Sno Cones	5
Townsend & Johnson	Foot Long Hot Dogs	9
USA Today	Newspaper Stands	12
U.S. Bench Corp.	Advertising Park Benches	40
Jane G. Volin	Cigarettes	4
Kathy Yahr	Cotton Candy	3

Denotes concession operations where divestiture has taken place since 1987 Fair.

Minnesota State Fair Exhibit/Concession Contract Comparison 1984-1985-1986-1987

Number of Individual Locations	Held by the Following Number of Persons			
	1984	1985	1986	1987
1	857	865	867	874
2	64	55	59	53
3	16	24	25	25
4	10	10	7	7
5	4	4	9	8
6	0	0	2	0
7	2	3	3	3
8	1	0	0	0
9	1	1	1	1
11	1	0	0	0
12	0	0	1	0
13	1	0	0	0
26	1	1	0	0
27	0	0	0	1
33	1	1	1	0
Total number of locations available	1,203	1,196	1,220	1,180
Number of persons holding locations	958	964	975	972
Percentage of persons holding 4 or fewer locations	99%	99%	98%	99%
Percentage of locations held in units smaller than 5	91%	91%	89%	92%

Number of locations held by Minnesota residents	896	876	888	907
Percentage of locations held by Minnesota residents	74%	73%	73%	77%

These figures exclude gratis space held by 60 Minnesota based exhibitors in the Education Building.

Minnesota State Fair Exhibit/Concession Contract Comparison 1975-1980-1985-1987

Number of Food Locations	Held by the Following Number of Persons			
	1975	1980	1985	1987
1	95	131	147	157
2	20	19	29	25
3	4	9	15	17
4	5	7	6	3
5	3	1	2	6
7	0	2	0	0
8	0	2	0	0
9	1	1	0	0
12	1	1	0	0
13	2	0	0	0
14	2	0	0	0
15	0	1	0	0
17	1	0	0	0
26	0	0	1	0
27	0	1	0	0
32	1	0	0	0
Total number of locations available	306	322	333	323
Number of persons holding locations	135	175	203	211
Percentage of persons holding 4 or fewer locations	92%	95%	97%	96%
Percentage of locations held in units smaller than 5	55%	68%	82%	84%
Number of locations held by Minnesota residents	158	288	292	283
Percentage of locations held by Minnesota residents	52%	89%	88%	88%

A proposal, under which space rental contract categories would be revised, was presented by staff, as was a schedule of rate fees for each category. After discussion, it was moved by Mr. Lund, seconded by Mr. Annexstad and carried to approve the following changes. By action taken herein, approval is granted to change and correct specific language in State Fair rules. (Aye-5; Nay-0).

Concessions—increase from \$42 to \$52 per front foot; Exhibits—increase from \$31 to \$43; Exhibit Lots/Machinery Hill—increase each lot beyond the second from \$30 to \$40; Exhibit Space/Machinery Hall & Dairy-Animal Products—increase from \$.50 and \$.95 per square foot (respectively) to \$12 per front foot in both buildings; Carnival concessions—increase from \$47 to \$60 per front foot.

Gratis Space Use Permits—eliminate this category and replace said contracts with "Institutional Exhibitor" contracts (as defined herein) at a rate of \$28 per front foot. Institutional Exhibitor (definition)—Any institution or organization whose exhibit, in the discretion of the Rental Services Department, qualifies as educational or as a service to the State Fair and/or Fair-going public. No retail sales, order taking, deposit acceptance, contribution solicitation or product/service deliveries is allowed under the terms of this space rental agreement. Space, if available, may be provided upon proper and timely application and, if requested, upon submission of a showing of qualification.

Upon determination by the Rental Services Department, all rates approved hereunder may be subject to discount or surcharge for specific, documented cause.

Discussion was undertaken relative to a request from Mrs. Adeline Pojar that she be allowed to transfer her food concession structure to another party and the subsequent denial of Mrs. Pojar's request. This report for information only . . . no action required.

Meeting adjourned.

**MEETING OF THE GOVERNING BOARD
Minnesota State Agricultural Society**

Radisson Saint Paul Hotel
Saturday, January 16, 1988—4:00 P.M.

Members present: All present.

Also present: Galus; Jacobson; Frenette; Frost; Wenzel; Sinclair.

Recessed meeting called back to order at 4:00 p.m.

Reports submitted and action taken by the Space Rental Committee approved upon a motion by Mr. Keenan, seconded by Ms. Roehlke and carried (Aye-9; Nay-0).

Meeting adjourned.

PLANNING COMMITTEE MEETING

Radisson Saint Paul Hotel
Sunday, January 17, 1988—9:00 A.M.

Members present: Lund, chair; Korff; Lilliquist; Roehlke; Morris; Annexstad; Ojakangas, ex officio; Heffron, ex officio; Wenzel, ex officio. Also present: Don Simons; Jim Frost; Joe Fischler.

A proposed 1988 improvement/maintenance budget totaling \$1,766,980 was presented by Mr. Wenzel and reviewed by the committee. Also discussed was a deferred project list totaling \$1,826,100.

Following a detailed discussion by the committee and staff, it was moved by Mr. Annexstad, seconded by Mr. Morris 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 18, 1988—2:30 P.M.

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

Committee commended the board and staff for another record-breaking fair.

Committee offered their support of efforts by the board and staff to keep State Fair admission prices low.

Meeting adjourned.

**MEETING OF THE GOVERNING BOARD
Minnesota State Agricultural Society**

Radisson Saint Paul Hotel
Monday, January 18, 1988—2:30 P.M.

Members present: Sulo Ojakangas, president; Bert Lund and 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 Sinclair; Jim Frost; Ken Wenzel; Jerry Hammer; Rick Frenette; Marshall Jacobson; Ken Giannini.

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 \$68,000. 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 5 board meeting, previously mailed to the members, were approved upon a motion by Mr. Lund, seconded by Mr. Annexstad and carried (Aye-9; Nay-0).

A motion to approve minutes in vacation for the period November 5, 1987 through January 15, 1988, and the administrative action noted therein, was offered by Mr. Lilliquist, seconded by Ms. Roehlke and carried (Aye-9; Nay-0).

Secretary presented the financial statement of December 31, 1987 as follows:

Cash Activity General Fund-December 31, 1987		
Cash Balance-November 30, 1987		\$169,337.26
Add:		
Bank Securities Cashed	\$535,000.00	
December Cash Receipts	34,896.52	569,896.52
Total Cash Available Before Disbursements		<u>\$739,233.78</u>
Less:		
Bi-Weekly Payroll Ending Dec 9	\$ 53,147.87	
Bi-Weekly Payroll Ending Dec 23	50,700.30	
December Disbursements Paid	356,886.40	460,734.57
Cash Balance General Fund December 31, 1987		<u>\$278,499.21</u>
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	1,035,507.94
Total Cash Balances-December 31, 1987		<u>\$1,314,507.15</u>
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	
Total Cash Balances-December 31, 1986		<u>\$1,902,264.06</u>

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

A financial resume, covering 1976 through 1987 was circulated for information only (copy attached).

It was moved by Mr. Annexstad, seconded by Mr. Lund 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. Prokosch, seconded by Mr. Morris 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 D. 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).

Upon a motion by Mr. Lund, seconded by Mr. Annexstad and carried, the following standing committee assignments were made for 1988 (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. Prokosch, seconded by Mr. Korff and carried that the following be appointed department coordinators and superintendents for 1988 (Aye-9; Nay-0).

ADMISSIONS (Lilliquist) Lyle Anderson	AGRICULTURE DAY (Lilliquist) M.C. Hardy
AG-HORT (Keenan) Duane Smith—Crops Dan Hollerbach—Bee Greg Ustruck—Christmas Tree Martha Carnes—Flowers Louis Quast—Fruits Curt Klint—Vegetable	AMUSEMENTS (Roehlke) Karen Leach
CREATIVE ACTIVITIES (Roehlke) Evelyn Hagen	CATTLE (Annexstad) Ray Arthaud
EDUCATION (Simons) Bob Anderson	COMMUNICATIONS (Morris) Jerry Hammer
4-H CLUB (Simons) Juanita Reed	DAIRY PRODUCTS (Annexstad) Cliff Markuson
FORAGE (Annexstad) Dan Elmer	FINE ARTS (Lund) Pat Kennedy Crump
GRANDSTAND (Roehlke) Ken Giannini—Box Office Neil Larson—Production	FFA (Morris) Paul Day
LEGISLATIVE-EDITORIAL (Keenan) None	GOATS (Simons) Jim Sheldon
LLAMA (Morris) Verne Greenlee	HORSE (Lund) Harold Arneman
PARKING (Prokosch) Ron Vannelli	MEATS (Prokosch) Ed Butler
POULTRY (Simons) Harold Thomforde	PLANT MANAGEMENT (Lilliquist) Joe Fischler—Plant Management Bill Hermes—Greenhouse Phil Fisher—Plant Services
RENTAL SERVICES (Korff) Jim Sinclair	PUBLIC SAFETY (Korff) Art Blakey
SENIOR CITIZEN (Prokosch) Marj Krueger	SANITATION (Keenan) Scot Ribar
SWINE (Annexstad) Jerry Hawton	SHEEP (Morris) Bob Jordan
TICKETS (Roehlke) Rick Frenette	TICKET AUDIT (Korff) Dick Reinhardt
Meeting recessed.	YOUTH CAMP (Lund) Tony Zigneigo

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. Simons, seconded by Mr. Keenan and carried that the following outside gate "all pay policy" be reaffirmed and extended through 1988: "Entry into the Minnesota State Fair shall be solely contingent upon the presentation and surrender of a valid ticket of admission." (Aye-5; Nay-0).

It was moved by Mr. Korff, seconded by Mr. Morris and carried to approve the following outside gate fee schedule for 1988: Adult admission—\$3.75; 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. Korff 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 1988 were introduced:

ADVERTISING BUDGET			
Agency Media			
Print: Preview tabloid	30,000		
Grandstand ads	77,000		
Generals ads	54,000		
Shuttle parking	8,000		
Miscellaneous	12,000	181,000	
Radio: Twin Cities	33,000		
Out-state	16,500		
Out-of-state	3,500	53,000	

TV.: Twin Cities	85,500		
Out-state	12,000		
Out-of-state	7,500	105,000	
Misc.: City Line	3,000		
Transtop	3,000	6,000	
		345,000	
Agency Production		90,000	
Agency Fees		80,000	
Advertising Placed by State Fair		5,500	
TOTAL		\$520,000	

COMMUNICATIONS BUDGET

Payroll: Full-time	57,500		
Part-time	7,200		
Information services	7,800		
Gophers	2,500	75,000	
Printing: Newsletters	20,000		
Daily schedules	6,000		
Daily News	1,000		
Plate pages	1,200		
Ed/Leg materials	450		
Posters	1,000		
Maps	1,000		
Miscellaneous	1,000	31,650	
Photography:		7,000	
MNA & miscellaneous subscriptions:		2,000	
Office supplies & rentals:		2,500	
Editors/Legislators supper:		4,000	
Other: Groundswide tapes	700		
Signs	1,800		
Media reimbursement	1,500		
Awards	750		
Give-aways	2,500		
Calendar cards	2,000		
Grandstand tent	1,200		
Expertel machines	30,000		
Survey	29,000		
History book re-print	7,600		
Neighborhood relations	1,800		
Sundries	4,000	82,850	
TOTAL		\$205,000	

Following discussion, budgeted advertising expenditures of \$520,000 and communications expenditures of \$205,000 were approved for 1988 on a motion by Mr. Lilliquist, seconded by Mr. Simmons 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. Simons 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 1988 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 1988, stating that the maintenance/improvement portion of the expense side had been approved by the planning committee on January 17, 1988.

After review and discussion, it was moved by Mr. Lund, seconded by Mr. Korff and carried that the 1988 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, operations, public affairs, rules/premium list and finance committees were approved upon a motion by Mr. Keenan, seconded by Mr. Lilliquist 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 30, 1988 (Aye-9; Nay-0).

The following resolution was offered by Ms. Roehlke, seconded by Mr. Keenan 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, 1989 and, at that time, will be brought forward for reconsideration.

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

Proposed contract renewals, covering the services of MTS/Northwest Sound; Toltz, King, Duvall, Anderson (architect/engineer); Triemert (painting); McQuillan Brothers (plumbing); Kehne (electric); Jos. 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. Morris, seconded by Mr. Prokosch and carried (Aye-9; Nay-0).

It was moved by Mr. Simons, seconded by Ms. Roehlke and carried that the St. Paul Radisson be approved as site for the 1989 annual meeting of the Society on January 14-16 (Aye-9; Nay-0).

Secretary reported on status of HF443/SF88, a special legislative initiative which would allow the Society to retain its sales tax revenue for establishment of a long-term building fund. (Report for discussion only. . . no action required.)

An economic impact study of the State Fair, conducted by Peat Marwick Main & Co. during the summer and fall, was circulated to members of the Board in December. The report was discussed. . . no action required.

Under new business, Mr. Keenan asked that an update be provided on the status of Aqua Management/Raft Ride litigation. Upon request, Special Assistant Attorney General John Galus advised the Board as to its authority to conduct this portion of the meeting in a non-public setting because the presentation will center on pending litigation which involves the Society. It was moved by Mr. Keenan, seconded by Mr. Lund and carried that the portion of the meeting directly related to Aqua Management litigation be declared non-public and that the secretary maintain a closed record in compliance with the state open meeting law (Aye-9; Nay-0).

After a presentation by Mr. Galus, a lengthy discussion and action necessary to grant certain authority to the Executive Committee, it was moved by Mr. Prokosch, seconded by Mr. Keenan and carried that the public record be re-established (Aye-9; Nay-0).

Meeting adjourned.

Minutes in Vacation

January

21—Mary Pittelko hosted a meeting of Executive Women International in the lower conference room of the Administration Building. Heffron attended a meeting of the Ramsey County LRT/Midway Corridor Task Force at Midway Hospital.

22—A number of staff members including Frost, Sinclair, Wenzel, Fischler and Heffron, met with representative of Continental Cable TV to discuss cable installations on the fairgrounds.

24-26—Heffron attended and spoke at the Nebraska Fair Managers convention in Kearney, Nebraska.

25—Pooch and Horse Superintendent Arneman met with representatives of the Minnesota Saddlebred Horse Assn. to discuss possible changes for 1988.

26—Frawley and Giannini met representatives of Holiday Station stores regarding advance ticket sales procedures.

28—Frost and Heffron met with Lynn Anderson, Governor Perpich's director of operations; Dan Loritz, legislative liaison, and Senator Florian Chmielewski to discuss the Fair's sales tax exemption bill. Heffron attended an LRT corridor meeting at Midway Hospital. Frawley met with representatives of Miller Brewing regarding auto race sponsorship. Sinclair, Klinger and M.C. Hardy met with representatives of the Minnesota Twins, Betty Piper and Mark Weber, to discuss plans for the Fair/Twins joint promotion of Agriculture Awareness Days on September 2&3, 1988.

29—Frost, Wenzel, Fischler and Heffron met with Wayne Olson and Warren Wunderlick of TKDA to discuss safety improvements for the 4H Buiding. Frost attended the Arkansas Association of Fairs meeting and meetings of the International Country Music Buyers Association long range planning committee in Hot Springs, Arkansas. Pooch and Horse Superintendent Arneman met with Margaret Duxbury and Ron Clark of the National Show Horses of Minnesota to discuss the classes needed to incorporate heir breed into the 1988 show.

February

1—Heffron met with Falcon Heights Mayor Thomas Baldwin to discuss neighborhood concerns. Pooch and Horse Superintendent Arneman met with representatives of the Minnesota Horse Breeders to discuss possible changes for 1988.

2—Pooch met with Verne Greenlee to interview him for the llama superintendent position.

3—A Legislative Audit exit conference was attended by Wenzel, Frost, Frenette, Jacobson, Kirch, Pittelko and Heffron. Heffron attended an LRT corridor meeting.

4—A meeting to discuss 4H Building structural improvements was attended by Byron Schneider, Leonard Harkness and Juanita Reed (representing 4H) plus staff members Pooch, Frost and Heffron.

5—Frost, Wenzel and Heffron attended a Suburban Area Chamber legislative breakfast meeting to discuss the sales tax matter with Senator Steve Novak and Representative Don Valento.

9—TKDA representatives Wayne Olson and Warren Wunderlick joined Fischler and Heffron to visit the State Fire Marshal's office and discuss safety improvements at the 4H Building. Pooch and Horse Superintendent Arneman met with representatives of the Minnesota Hunter & Jumper Assn. and the Minnesota Walking Horse Assn. to discuss possible change for 1988. Hammer and Frawley met with representatives of SuperAmerica regarding sponsorships and promotions.

10—Heffron attended an LRT corridor meeting at Midway Hospital. The Executive Committee approved the January 31, 1988 financial statement as follows:

Cash Activity General Fund-January 31, 1988

Cash Balance-December 31, 1987		\$ 278,499.21
Add:		
Interest Income	\$8,912.26	
Bank Securities Cashed	\$250,000.00	
January Cash Receipts	64,470.07	
Total Cash Available Before Disbursements		\$601,881.54
Less:		
Bi-Weekly Payroll Ending Jan 6	\$52,371.64	
Bi-Weekly Payroll Ending Jan 20	48,243.30	
Bank Securities Purchased	208,912.26	
January Disbursements Paid	237,331.09	
		<u>546,858.29</u>

Cash Balance General Fund January 31, 1988 \$ 55,023.25

Cash Balances All Accounts-January 31, 1988

General Fund Account		\$ 55,023.25
Petty Cash		200.00
Securities-Government Funds	499,416.07	
Securities-MSF Building Fund	494,768.54	
Total Cash Balances-January 31, 1988		\$1,049,407.86

Cash Balances All Accounts-January 31, 1987

General Fund Account		\$ 12,720.94
Trust Fund Account		471.06
Petty Cash		550.00
Securities	1,719,128.50	
Total Cash Balances-January 31, 1987		\$1,732,870.50

11—Heffron attended and represented the Suburban Area Chamber at a Roseville Star City dinner. Frost, Pooch and Frenette met with Jim Riebe and Carl Otto of the legislative auditor's staff to clarify several competitive exhibit accounting procedures.

16—Frost and Heffron attended a Citizen's League breakfast meeting at the Normandy Inn at which a presentation on the renovation of I-94 was made.

18—Sinclair and Klinger met with Tom Cochrane and Ross Schwant of the Minnesota Agriculture Council to discuss Agriculture Awareness Days.

19—A CPR training session was held for staff. (A second CPR training period was provided on February 22.)

23—Heffron met with Representative Jim Rice to discuss the Fair's sales tax bill. Pooch attended the annual Purebred Dairy Cattle Assn. of Minnesota meeting in Norwood, MN.

24—Frost and Heffron met with Representative Bill Schreiber; also with Representative Dick Kostohryz on the State Fair bill.

25—Heffron attended and spoke to members of the Little Canada/Vadnais Heights Chamber at a breakfast meeting. Insurance representative Don MacMeeke and Armstrong met with agents from Haas-Wilkerson and K&K Insurance to review liability insurance proposals for 1988. Heffron attended an LRT Corridor meeting at Midway Hospital.

March

1—Frost and Heffron attended a Citizen's League breakfast meeting at which Representative Ann Wynia made a presentation.

2—Heffron chaired a special meeting of the Ramsey County LRT Corridor Taskforce at which a recommendation was prepared for consideration by the Ramsey County Board. Sinclair spoke to a luncheon meeting of the Fridley Rotary Club about the State Fair. 3—Frost attended a fund-raising event for Senator Florian Chmielewski and Joe Bertram. Wenzel, John Galus and sanitation superintendent Scot Ribar met to discuss human rights complaint of former employee Sandra Battles.

3-4—Heffron attended an IAFE Executive Committee meeting in Springfield, MO.

4—A St. Paul Police training-session was held on Machinery Hill. (A second training session was held on March 9.)

10—Hammer and Frost met with a group of architectural students from the UofM to review the students project work related to the fairgrounds. Executive Committee approved the February 20, 1988 financial statement as follows:

Cash Activity General Fund-February 29, 1988

Cash Balance-January 31, 1988		\$ 55,023.25
Add:		
Interest Income	\$8,258.51	
Bank Securities Cashed	200,151.25	
February Cash Receipts	83,188.23	
Total Cash Available Before Disbursements		\$291,597.24
Less:		
Bi-Weekly Payroll Ending Feb 3	\$55,959.17	
Bi-Weekly Payroll Ending Feb 17	51,755.34	
Bank Securities Purchased	8,258.51	
February Disbursements Paid	153,303.44	
Cash Balance General Fund-February 29, 1988		\$ 77,344.78

Cash Balances All Accounts-February 29, 1988

General Fund Account		\$ 77,344.78
Petty Cash		200.00
Securities-Government Funds	\$303,250.50	
Securities-MSF Building Fund	499,041.37	
Total Cash Balances-February 29, 1988		\$ 879,836.65

Cash Balances All Accounts-February 28, 1987

General Fund Account		\$ 3,136.55
Trust Fund Account		471.06
Petty Cash		700.00
Securities	1,519,128.50	
Total Cash Balances-February 28, 1987		\$1,523,436.21

14—Frost met with Senator Bill Diessner on the sales tax bill. A meeting between staff (Pooch, Wenzel, Sinclair, Klinger, Goodrich, Frost and Heffron) and members of the board of the Minnesota Horse Council was held to discuss mutual concerns.

15—Frost and Heffron attended a Citizen's League breakfast meeting addressed by Representative Dick Kostohryz. Frost and Wenzel met with House Speaker Robert Vanasek's staff assistant. Frost, Wenzel, Heffron and Vice President Keenan attended a meeting of the Senate Tax Committee's Sales Tax Division; Heffron testified.

16—Frost, Wenzel, Heffron and Keenan met with Governor Perpich, Senator Chmielewski, Revenue Commissioner John James and Dan Loritz.

18—Frost and other members of the Minnesota Alliance met with John James and Revenue Department staff on entertainer tax withholding.

19-20—A weapon collectors show was held in the Coliseum.

19-22—Frost attended the Mid West Fairs Association winter meeting in Miami Beach and while there visited the Dade County Youth Fair.

21—Pooch attended the annual Minnesota Livestock Breeders Assn. banquet and meeting in Waseca, MN. He also attended a meeting of the 4-H Poultry Committee to discuss their show in 1988.

22—Sinclair, Klinger, M.C. Hardy and representatives from the Minnesota Twins met with representatives of the five major agricultural exhibitors on Machinery Hill to discuss mutual concerns and unveil plans for the Fair/Twins joint Ag. Awareness Days promotion.

25—Kline Agency held an automobile sale on the Carnival Lot. Sinclair met with Judy Melander of the Minnesota Department of Natural Resources to discuss plans for the fair.

26-27—A ceramics show was produced in the Coliseum.

29—Wenzel, Fischler, Pooch and Heffron met with Wayne Olson, Warren Wunderlich and Harold Kiewel of TKDA on 4H Building improvements.

30—Frost met with Senate Majority Leader Roger Moe to discuss the sales tax bill; also with Senator Florian Chmielewski.

31—Frost attended an ICMA board meeting in Kansas City, Missouri. Wenzel attended a meeting at St. Paul Red Cross to discuss plans for 1988 Fair.

April

4-10—A fertilizer truckload sale was conducted on the Carnival Lot.

5—Sinclair and Frost met with St. Paul Postal Service representatives to discuss matters of mutual concern.

6—Frost met with Dan Loritz and Senator Chmielewski; also again with Speaker Vanasek's aide.

7—A Space Rental review meeting was held in the Administration Building (see minutes which follow). Frost met with Senator John Brandl; also Representative Ann Wynia; also staff assistant to Senator Lawrence Pogemiller.

SPACE RENTAL COMMITTEE MEETING

Administration Building, State Fairgrounds
Thursday, April 7, 1988 - 9:30 A.M.

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

Also present: Simons and John Galus.

Sinclair reviewed the concession application submitted by Lawrence and Betty Riess for John's Funnel Cakes and explained the basis for its earlier denial by staff. Mr. and Mrs. Riess explained the nature of their operation, the various toppings offered on their funnel cakes and presented product samples for committee viewing. It was moved by Mr. Annexstad, seconded by Mr. Keenan and carried that the action of staff relative to the Riess' application be supported (Aye-4; Nay-0).

A request by Mr. Thomas P. Bahr to transfer ownership of his permanent food and beverage concession located on Lot L in Block 47 to Mr. & Mrs. Frank D. Odell was approved on a motion by Mr. Keenan, seconded by Mrs. Roehlke and carried, contingent upon receipt by the State Fair of written release from judgement against Thomas Bahr by his creditor, Continental-Minnesota, Inc., in the garnishment summons served upon the State Fair on March 3, 1988 and satisfaction of any further outstanding obligations of similar nature. (Aye-4; Nay-0).

Representatives of the estate of Mrs. Adline Pojar, Messers. Rolf E. Sonnesyn, attorney; Tim and Gary Dowd; Bruce Pojar and Ms. Diane Pojar appeared before the committee to request review of the Space Rental Department's November 27, 1987 decision regarding the disposition of Mrs. Pojar's concession structure and equipment located on the State Fairgrounds. Mr. Sonnesyn reviewed the long-standing family tradition of involvement at the Fair, the nature and quality of her concession business, and presented the committee with an appraisal of Mrs. Pojar's business. Mr. Sinclair chronicled the events and correspondence beginning in December of 1986 which lead to the Department's determination that the concession should be removed and the premises restored. He presented to the committee appraisals commissioned by the Fair relating to the architectural condition of the structure, its value and the condition and value of the food service equipment involved. Discussion was undertaken as to Minnesota State Fair policy with regard to such matters and the terms of the Fair's contract with Mrs. Pojar as a concessionaire. Mr. Sonnesyn requested that if the subject concession could not be transferred to the heirs of Mrs. Pojar's estate, that it be razed and removed by the State Fair. Mr. Keenan moved that the Fair take 30 days to attempt to determine whether the subject stand could be moved, whether an appropriate site may be found for its placement and if there is a potential buyer for same. If not, the estate should be directed to remove the concession and restore the premises according to the terms of the Fair's last contract with Mrs. Pojar. The motion died for lack of a second. Mr. Prokosch followed with a motion calling for the estate's removal of the structure with the understanding that the Fair accept responsibility for removal of the concrete foundation and restoration of the premises. Mr. Keenan seconded the motion. Mr. Korff conveyed concern regarding precedent such a motion may establish relative to Fair regulations and such matters in the future. Mr. Galus rendered opinion that Fair rules speak very specifically to such matters and that waiver of such rules may cause difficulty with their future enforcement and equal treatment of others. Upon vote the motion was defeated (Aye-1; Nay-3). Mr. Heffron requested that a motion be made to sustain staff action. It was so moved by Mr. Keenan, seconded by Mrs. Roehlke and carried (Aye-4; Nay-0).

Meeting was adjourned.

8—Sinclair, Wenzel and Heffron met with John Galus and Steve Buffington of the Attorney General's office to discuss whitewater raft ride legislation. Steve Pooch met with a delegation representing Minnesota dairy goat breeders to discuss exhibit procedures.

9—Frost met with Lynn Anderson from the Governor's office.

10—The Executive Committee approved the March 31, 1988 financial statement as follows:

Cash Activity General Fund-March 31, 1988	
Cash Balance-February 29, 1988	\$77,344.78
Add:	
Interest Income	\$2,237.21
Bank Securities Cashied	225,142.80
March Cash Receipts	87,221.97
Total Cash Available Before Disbursements	\$ 391,946.76

Less:	
Bi-Weekly Payroll Ending Mar 2	\$60,056.40
Bi-Weekly Payroll Ending Mar 16	54,747.26
Bi-Weekly Payroll Ending Mar 30	55,374.21
Bank Securities Purchased	2,237.21
March Disbursements Paid	186,134.13
Cash Balance General Fund-March 31, 1988	<u>\$33,397.55</u>

Cash Balances All Accounts-March 31, 1988

General Fund Account	\$ 33,397.55
Petty Cash	200.00
Securities-Government Funds	\$80,344.91
Securities-MSF Building Fund 499,041.37	<u>579,386.28</u>
Total Cash Balances-March 31, 1988	\$ 612,983.83

Cash Balances All Accounts-March 31, 1987

General Fund Account	\$ 26,060.43
Trust Fund Account	471.06
Petty Cash	700.00
Securities	1,338,282.17
Total Cash Balances-March 31, 1987	\$1,365,513.66

11—Fischler, Wenzel and Heffron met with TKDA representatives Wayne Olson and Warren Wunderlich regarding the 4H elevator proposal.

12—Staff members Wenzel, Fisher and Heffron met with Dave Pace, U of M parking coordinator to discuss certain difficulties with leased parking lots. Pooch met with Steve Gander of World's Toughest Rodeo to discuss the promotion of the fair's rodeo in 1988.

13—Wenzel attended District 12 Community Council meeting at the Lyngblomsten Home.

13-15—Hammer, Sinclair, Frenette, Frawley and Heffron attended the IAFE Zone 4 spring meeting at the South Dakota State Fair, Huron.

14—St. Paul Police held a training exercise on Machinery Hill. (A second session was held April 18).

15-17—Now Sports held a bicycle sale in the Education Building/Annex. A rod and custom car show was staged in the Coliseum.

21—4H Foundation made use of State Fair conference facilities for a board meeting. Frost and Hammer met with Chuck Knapp, station manager of KSTP-FM Radio.

22-23—A Minnesota Forestry Fair was held in the DNR Building and Park.

22-24—Star of the North antique show was held in the Lower Grandstand. Great Minnesota Canoe Event was staged in the Education Building/Annex, Theater Courtyard and Block 31.

27—Department of Natural Resources held a tree distribution in DNR Park.

27-May 2—Wenzel and Heffron attended the IAFE management conference in Dallas and visited the Texas State Fairgrounds. Heffron participated in an IAFE board meeting and nominating committee meeting.

28-May 1—United Stores sponsored a camping equipment sale in the Merchandise Mart. Steichen Company held a sporting goods sale in Home Improvement.

30-May 1—A Spring Sportacular Show (baseball cards and novelties) was presented in the Modern Living Building.

May

1—The Northland Antique Toy Show was held at the Dairy Building. A dressage clinic was conducted in the Judging Arena and Horse Barn.

3—Marvey Company held a photo session at the Race Track. A meeting to further discuss and finalize 4H safety improvements was attended by Juanita Reed (4H), Wayne Olson and Warren Wunderlich (TKDA) and Fischler, Wenzel, Pooch and Heffron from staff.

5-7—An evangelical garage sale was held at the Crossroads Chapel.

6-8—The Sahara Sands Horse Show was presented in the Coliseum.

7—A model railroad show and sale was held in the Education Building.

9—Lakewood Community College held a bicycle test on Machinery Hill. Sinclair and Klinger met with Minnesota Twins representatives and Ginger Cisco of WCCO Radio to discuss Ag. Awareness Days.

10—Bids were opened on the 4-H Building improvement project. The Executive Committee approved the April 30, 1988 financial statement as follows:

Cash Activity General Fund-April 30, 1988

Cash Balance-March 31, 1988		\$33,397.55
Add:		
Interest Income	\$2,788.34	
Bank Securities Cashied	\$174,205.56	
April Cash Receipts	\$138,682.19	<u>\$315,676.09</u>
Total Cash Available Before Disbursements		<u>\$349,073.64</u>
Less:		
Bi-Weekly Payroll Ending April 13	\$54,314.77	
Bi-Weekly Payroll Ending April 27	\$56,465.46	
Bank Securities Purchased	\$52,788.34	
April Disbursements Paid	\$130,357.57	<u>\$293,926.14</u>
Cash Balance General Fund-April 30, 1988		\$55,147.50

Cash Balances All Accounts-April 30, 1988

General Fund Account	\$55,147.50
Petty Cash	\$200.00
Securities-Government Funds	\$56,517.59
Securities-MSF Building Fund	\$401,365.67
Total Cash Balances-April 30, 1988	<u>\$513,230.76</u>

Cash Balances All Accounts-April 30, 1987

General Fund Account	\$3,075.85
Petty Cash	\$200.00
Securities	\$1,108,282.17
Total Cash Balances-April 30, 1987	<u>\$1,111,558.02</u>

10—A supervisors meeting of the Admissions Department was held at the State Fair's Administration Building.

11—The State Fair hosted a luncheon meeting of the Midway Civic and Commerce Association. Staff attending included Wenzel, Frenette, Goiffon, Hammer, Leach, Frost, Armstrong and Heffron. Heffron spoke at the meeting. Hammer and Frawley met with representatives of Miller Brewing regarding stage sponsorship.

12—Frawley and Heffron met with Barry Schade, Kurt Strom and Margot Indieke of the State Council on Disability to discuss issues of access at the Fairgrounds. Wenzel, Hammer and Frost met with representatives of the Council of Evangelicals who handle the State Fair ministry program.

13-15—A country folk art show was presented in the Lower Grandstand. B&J Sewing Machine Company held a sale in the Dog Building.

16-22—A quality car clinic was held in the Education Building.

18—Hammer met with representatives of Coco-Cola regarding Youth Day sponsorship.

19—The first of several evening bicycle races was staged by Gopher Wheelman of St. Paul.

19-23—Kline held a car sale on the Carnival Lot.

22—A motorcycle swap was held in the Dairy Building. A General Motors vintage car show was staged in the Infield. 23—The first of over 150,000 newsletters announcing the night show talent lineup for 1988 were mailed.

25—Sinclair and Klinger met with representatives of the State Health and Agriculture departments to discuss concession operations at off-season events and fair-time.

26—A pre-construction meeting among contractor, architect and staff was held to prepare for work in the 4H Building. Hammer and Frawley met with representatives of Happenings regarding weekday concession promotion.

30-June 4—The annual NRHA Reining Horse Derby was presented in the Coliseum.

June

1-2—A Minnesota Public Safety (Highway Patrol) training session was conducted at the Race Track and in the East Room.

3—Frost attended the annual meeting of the ICMBA in Nashville, Tennessee. A Space Rental review meeting was held in the Administration Building (see minutes which follow). Hammer and Frawley met with representatives of MCP, Inc. regarding publication of a promotional tabloid.

SPACE RENTAL COMMITTEE MEETING Administration Building, State Fairgrounds

Friday, June 3, 1988 - 9:30 A.M.

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

Sinclair explained circumstances having to do with staff denial of an application submitted by Mr. Curtis Kingsley for Valley West Sewing. Mr. Kingsley expressed concern that the lines of sewing machines and associated equipment he had applied to offer were not presented at the Fair. Mr. Heffron responded with the point that representation of all available brands of all products would be difficult if not impossible and would impede the presentation of many new, unique and different products and services. A motion by Mr. Lund, seconded by Mr. Annexstad to support the earlier recommendation of staff calling for denial was carried (Aye-4; Nay-0).

Mr. Constantine "Dino" Adamidis appeared before the committee to request review of his application for the presentation of Greek Gyros sandwiches and Baklava. Mr. Sinclair indicated that staff denial of Mr. Adamidis' application had been based on the present availability of like sandwich products and Baklava at the Fair. Mr. Adamidis explained what he perceived as the differences between his and those products already represented. Sinclair indicated that Mr. Adamidis was a very qualified concessionaire with a desirable concession operation, following which it was recommended that Mr. Adamidis' application for "Dino's Gyros" be placed in an "ok, if space becomes available" status to be given further consideration should space suitable for presentation of his product become available between this date and the 1988 Fair. Moved by Mr. Annexstad, seconded by Mr. Lund and carried with abstention by Mr. Keenan (Aye-3; Nay-0; Abstain - 1).

Staff denial of the space rental application submitted by Tyrol Hills Music to sell "Minnesota Morning" vocal and instrumental music cassette tapes was supported by the committee on a motion by Mr. Prokosch, seconded by Mr. Keenan and carried based on the applicant's limited flexibility in considering locations for presentation of his product other than those near media outlets. (Aye-4; Nay-0)

The space rental application of VIP Supply, Inc. was placed before the committee for review. Sinclair advised that the staff had denied the subject application because of the abundance of polishing and cleaning products at the Fair similar to those proposed by the applicant. Mr. Harvey Chargo of VIP Supply explained the nature of his products and distributed information regarding same. It was moved by Mr. Keenan, seconded by Mr. Lund and carried that the subject application be denied on the basis stated (Aye-4; Nay-0).

Mr. Sinclair presented a request from the Antique Automobile Club of America that an increase in the ticket/admission price for their antique auto exhibit from 75 cents to \$1.00 be allowed. Upon recommendation of staff it was moved by Mr. Keenan, seconded by Mr. Annexstad and carried that the increase be authorized for 1988. (Aye-4; Nay-0).

Meeting was adjourned at 11:40 a.m. on a motion by Mr. Keenan, seconded by Mr. Annexstad and carried (Aye-4; Nay-0).

Minutes in Vacation (Continued)

4—A personal computer and electronics show was staged in the Lower Grandstand.

6-10—The State Public Safety Department conducted bus and vehicle inspection on Machinery Hill.

7—Hammer and Frawley met with representatives of Kodak regarding sponsorship.

8—Heffron met with vice presidents Keenan and Lund to discuss executive committee matters. Wenzel met with Mary Junck of the St. Paul Pioneer Press/Dispatch to discuss a 1988 promotion at the Fair.

8-12—The State Arabian Horse Show was held at the Coliseum.

9—Hammer met with representatives of Campbell's Soup regarding sponsorship.

10—Sinclair, Wenzel and Heffron met with John Galus and Steve Buffington of the Attorney General's office to discuss whitewater raft ride litigation. Long-time Grandstand food and beverage concessionaire Peggy Junkin died after a stroke and short illness. Neil Larson, Frawley and Hammer met with John Quinn regarding publication of a souvenir auto race program. The Executive Committee approved the May 31, 1988 financial statement as follows:

Cash Activity General Fund-May 31, 1988

Cash Balance-April 30, 1988		\$55,147.50
Add:		
Interest Income	\$8,391.23	
Bank Securities Cash	\$2,226.27	
May Cash Receipts	\$637,480.71	\$648,098.21
Total Cash Available Before Disbursements		\$703,245.71
Less:		
Bi-Weekly Payroll Ending May 11	\$63,783.02	
Bi-Weekly Payroll Ending May 25	\$57,815.15	
Bank Securities Purchased	\$107,766.23	
May Disbursements Paid	\$252,069.27	\$481,433.67
Cash Balance General Fund-May 31, 1988		\$221,812.04

Cash Balances All Accounts-May 31, 1988

General Fund Account		\$221,812.04
Petty Cash		\$200.00
Securities-Government Funds	\$56,819.81	
Securities-MSF Building Fund	\$507,228.41	\$564,048.22
Total Cash Balances-May 31, 1988		\$786,060.26

Cash Balances All Accounts-May 31, 1987

General Fund Account		\$27,735.01
Petty Cash		\$200.00
Securities		\$1,208,282.17
Total Cash Balances-May 31, 1987		\$1,236,217.18

11—A golf equipment sale was held in the Dog Building.

13—Fischler, Wenzel, Sinclair and Heffron attended funeral services for Peggy Junkin at Lakewood Chapel in Minneapolis. Over-the-counter night show ticket sales began. Frost and Heffron met with John Kostouros of the Minnesota Newspaper Foundation to discuss operation of the Letterpress Museum for 1988. Frost met with Jim Riebe of the legislative auditor's office who gave final approval to financial statements to be printed in the Society's annual report.

14—Frost met with John Galus on several legal matters.

15—A special staff/team report on architectural and landscape improvements on Snelling and Como Avenues was presented and discussed.

15-20—Kline held a truck sale on the Carnival Lot.

16—Wenzel and Frost met with MTC staff members representing street operations and Metro Mobility divisions.

17-19—The Minnesota Street Rod Show was presented on Machinery Hill and in the Home Improvement Building.

22—Frost attended a steering committee meeting of friends of 4-H to begin planning a drive to raise funds to improve the fair's 4-H Building.

22-26—The Tanbark Horse Show was presented in the Coliseum.

Space Rental Committee Meeting Minnesota State Agricultural Society

Administration Building, State Fairgrounds
9 a.m. Thursday, June 23, 1988

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

Also present: Lilliquist; Morris and John Galus.

The committee was backgrounded by Sinclair on the earlier decision to decrease the exhibit space held by Niagara Therapy Mfg. Corp. in the Lower Grandstand. Messrs. Bruce Stewart and Al Kopp, representing Niagara Therapy Mfg. Equipment, the local agent for Niagara Therapy Mfg. Corp., appeared before the committee with their attorney, Mr. Scott Dongoske, and indicated that though there had been a sale of Niagara Therapy stock representing a change in the control and management of the company, it was still the same company, product and local agent which would be involved at the fair. On a motion by Mr. Keenan, seconded by Mr. Lund and carried the committee determined that staff action was appropriate and supported staff action reducing the amount of exhibit space held by Niagara Therapy Mfg. Corp. based on its previous inordinately large size and the high demand for exhibit and concession space at the State Fair by new applicants with unrepresented lines of products and services. (Aye-5; Nay-0).

Mr. and Mrs. Dan Reeck of Dane de Fleur, Inc. appeared before the committee requesting review of their application for space to present their line of nail care, cosmetic and skin care products. Mr. Sinclair indicated that the staff's earlier decision on the Reeck's application had been based on the presence of concessions and exhibits at the State Fair offering similar products. Review of further details regarding the products and services offered by Dane de Fleur, Inc. led to a motion by Mr. Lund, seconded by Mr. Keenan and carried that the Reeck's application to be placed in an "ok, if space becomes available" status to be given further consideration should space suitable for presentation of their products and services become available between this date and the 1988 Fair (Aye-5; Nay-0).

Sinclair explained circumstances surrounding staff denial of the space rental application submitted by Gregory and Sue Cho Brown for Sue's Fashions. It was moved by Mr. Prokosch, seconded by Mr. Annexstad and carried that the earlier action of staff be supported (Aye-5; Nay-0).

Meeting was adjourned at 10:05 a.m.

Meeting of the Governing Board Minnesota State Agricultural Society

Administration Building, State Fairgrounds
10 a.m. Thursday, June 23, 1988

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: Jim Sinclair; Rick Frenette; John Galus; Jim Frost; Ken Wenzel.

Meeting called to order by president Ojakangas at 10:25 a.m.

Upon a motion by Mr. Annexstad, seconded by Mr. Prokosch and carried, minutes of the Jan. 16 board meeting, previously mailed to the members, were approved (Aye-9; Nay-0).

Mimeographed copies of the minutes in vacation, covering the period Jan. 21 through June 23, 1988 and the administrative action noted therein, were approved upon a motion by Mr. Korff, seconded by Ms. Roehlke and carried. This action included approval of space rental committee meetings held on April 7 and June 3 (Aye-9; Nay-0).

Secretary presented the May 31 financial statement as follows:

Cash Activity General Fund-May 31, 1988

Cash Balance-April 30, 1988		\$55,147.50	
Add:			
Interest Income	\$8,391.23		
Bank Securities Cash	\$2,226.27		
May Cash Receipts	\$637,480.71		\$648,098.21
Total Cash Available Before Disbursements			\$703,245.71
Less:			
Bi-Weekly Payroll Ending May 11	\$63,783.02		
Bi-Weekly Payroll Ending May 25	\$57,815.15		
Bank Securities Purchased	\$107,766.23		
May Disbursements Paid	\$252,069.27		\$481,433.67

Cash Balance General Fund-May 31, 1988

\$221,812.04

Cash Balances All Accounts-May 31, 1988

General Fund Account		\$221,812.04	
Petty Cash		\$200.00	
Securities-Government Funds	\$56,819.81		
Securities-MSF Building Fund	\$507,228.41		\$564,048.22
Total Cash Balances-May 31, 1988			\$786,060.26

Cash Balances All Accounts-May 31, 1987

General Fund Account	\$27,735.01		
Petty Cash	\$200.00		
Securities	\$1,208,282.17		
Total Cash Balances-May 31, 1987			\$1,236,217.18

After review of the statement and of society cash and investment balance(s), it was moved by Mr. Lilliquist, seconded by Mr. Simons and carried that the financial statement of May 31, 1988 be approved (Aye-9; Nay-0).

Approval of action taken by the space rental committee earlier in the day (June 23) was moved by Mr. Korff, seconded by Ms. Roehlke and carried (Aye-9; Nay-0).

Upon a motion by Mr. Morris, seconded by Mr. Annexstad and carried, fair-period luncheon invitations to the board of the Minnesota Federation of County Fairs, Saturday, Aug. 27; State Fair hall of fame and life members, Sunday, Aug. 28; Minnesota livestock breeders association board, breakfast, Thursday, Sept. 1; executive committee(s) of the Retail Farm Equipment Association and Northwest Farm Equipment Association, Friday, Sept. 2; along with the picnic supper for media-political-business representatives, Thursday, Sept. 1 were approved (Aye-9; Nay-0).

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

Secretary provided a brief review of the sales tax exemption law passed on behalf of the society during the just completed legislative session. He further detailed the technical requirements of the law which (1) require the tax foregone to be used exclusively for State Fair capital projects and (2) require that matching money be provided from commercial assessments. After discussion, it was moved by Mr. Lund, seconded by Mr. Annexstad and carried that the sum of \$500,000, previously dedicated by board action to capital projects, be released for general fund purposes, and further, that the secretary be authorized to establish a formal building fund, into which assessments and foregone tax proceeds would be placed as they are collected and identified (Aye-9; Nay-0).

Board considered and approved three damage claims from the 1987-88 storage season as follows: G. Taylor-\$90; H. Turner-\$23.28; A. Lee-\$1,910.84. This action was undertaken on a motion by Mr. Lund, seconded by Mr. Lilliquist and carried (Aye-9; Nay-0).

Departmental payroll schedules for 1988, as prepared by superintendents under budgetary guidelines and confirmed by appropriate supervisors, were presented and approved at a projected total of \$1,031,998.27 on a motion by Mr. Simons, seconded by Mr. Korff and carried (Aye-9; Nay-0).

Special Assistant Attorney General John Galus provided a resume of events, occurring between January and June, in the Whitewater Raft Ride case, including responses to the board-authorized settlement offer of June 14. No action required on this report.

Mr. Frost updated the board on the fair's 1988 sponsorship program indicating that approximately \$132,500 would be realized in direct income from various commercial firms along with advertising and promotion trade-outs for radio, TV and newspaper placement, per the list below (no action required on the sponsorship report):

Attraction	Sponsor	Fee
Auto Race	Miller High Life	\$24,000
Baldwin Park	Budweiser	15,000
Balloon Race	KS95 Radio	2,500
Bandshell	Schmidt	25,000
Bazaar Stage	Miller Lite	14,000

Children's Theater	Campbell's Soup	5,000*
Chinese Acrobats	Pepsi	17,000
Fourth of July Fireworks	Midwest Federal	10,000
Milk Run	American Dairy Association	2,500
Youth Day	Coca-Cola	17,500
		\$132,500

*Campbell's will also provide about 60,000 give-aways (such as coloring books) for visitors to the Children's Theater.

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

Minnesota Cooperative Purchasing Venture	\$250
American Horse Show Association (Senior Member)	50
American Miniature Horse Association	25
American Paint Horse Association	10
American Quarter Horse Association	20
Appaloosa Horse Club	20
Box Office Management International	135
Citizen's League	30
Executive Women International	195
Greater Minneapolis Chamber of Commerce	250
International Association of Fairs & Expositions	650
Minnesota Employee Recreation and Services Council	110
Minnesota Ice Arena Managers Association	75
Midway Civic and Commerce Association	195
Midwest Fairs Association	150
Minnesota Broadcasters (pro-rated fee S/B 100.00)	58.31
Minnesota Hunter and Jumper Association	25
Minnesota Quarter Horse Association	15
Minnesota Music Academy	15
Minnesota Safety Council	75
National Assoc. of Business & Educational Radio	40
Outdoor Amusement Business Association	20
Professional Grounds Management Society	85
Roseville Rotary Club	222
St. Paul Area Chamber of Commerce	425
Tri-State Horseman's Association	50
International Country Music Buyer's Association	100
Country Music Association	50
Canadian Association of Exhibitions	100
MN Chapter Nat'l. Institute of Government Purchasing	25
American Horse Shows Association	600
American Horse Shows Association (Saddle Seat)	35
St. Paul Winter Carnival	115
Suburban Area Chamber of Commerce	400
Twin City Purchasing Management Association	145
Minnesota Society of Association Executives	175
BBB Minnesota	175

Secretary presented proposed changes in Employee Bulletin #2, having to do with holiday and leave regulations and in Employee Bulletin #4, which covers group insurance benefits. The amendments as outlined were approved on a motion by Mr. Prokosch, seconded by Mr. Morris and carried (Aye-9; Nay-0).

Minutes in Vacation (Continued)

23-26—Flower City held a patio furniture and accessory sale in the Merchandise Mart.

Grandstand, Coliseum, free stages and other fair-period contracts were reviewed and approved upon a motion by Mr. Morris, seconded by Mr. Simons and carried (Aye-9; Nay-0). It was indicated that the approximate total for approved contracts (\$1,655,000) includes \$457,000 for free acts and attractions. Following is a specific breakdown of contract costs:

CONTRACTOR	DATE(S)	TERMS VENUE
Naked Zoo Enterprises	8/25-9/5	\$20,000
Grandstand (Sound)		
Naked Zoo Enterprises	8/25-9/5	\$16,500
Grandstand (Lights)		
Garden State Fireworks	8/25-9/5	\$28,500
Grandstand		
Mobilevision	8/25-9/5	\$85,000
Grandstand		
Wildcountry, Inc.	8/25	\$50,000 plus 80% Grandstand f/s/o Alabama over \$85,000 plus \$18,500 production cost
Wildcountry, Inc.	8/26	\$50,000 plus 80% Grandstand f/s/o Alabama over \$85,000 plus \$18,500 production cost
K.T. Oslin	8/26	\$1,500 Grandstand
Brother Records, Inc.	8/27	\$125,000 plus 75% Grandstand f/s/o The Beach Boys over \$175,000
Peter, Paul & Mary	8/28	\$50,000 plus 80% Grandstand over \$72,500
The Judds	8/28	\$45,000 plus 45% Grandstand over \$125,000 plus \$6,000 production cost
Randy Travis	8/28	\$45,000 plus 45% Grandstand over \$125,000
Belinda's Corp.	8/29	\$50,000 plus 75% Grandstand f/s/o Belinda Carlisle over \$80,000

The Fabulous Thunderbirds	8/29	\$25,000 Grandstand	Dennis Johnson	8/25-9/4	\$2,000 plus \$1,000
Chuck Berry	8/29	\$32,500 plus 80% Grandstand over \$82,500			Parade Parade Productions due 9/3/89
REO Speedwagon	8/30	\$50,000 plus 80% Grandstand over \$75,000	The All American Judges Assn. John & Mary Block	8/25-9/4 8/25-9/4	\$1,049 Parade \$1,375 Parade Miniature Donkey Hitch \$900 Parade Llama Hitch
Heen Enterprises, Inc.	8/31	\$75,000 plus 80% Grandstand f/s/o The Manhattan Transfer over \$100,000	Lou Anne Hanson	8/25-9/4	\$1,650 Parade f/s/o Jake Jordan Antique Pumper
Tembo Productions, LTD.	9/1	\$45,000 plus 75% Grandstand over \$67,500 plus \$5,000 to Buddy Lee Attractions	Bonnie Barnak	8/25-9/4	\$250 Parade
f/s/o Roger Whitaker			U of M Alumni Band	8/25	\$50 Parade
Acme Road Company	9/2	\$20,000 Grandstand f/s/o Emmylou Harris and The Hot Band	Minnesota Freedom Band	9/4	\$300 Parade
Willie Nelson & Family	9/2	\$60,000 plus 90% Grandstand over \$105,000	Cotter High School	8/25	\$300 Parade
The Crow Factory	9/3	\$30,000 plus 75% Grandstand f/s/o The Everly Brothers over \$50,000	Floodwood High School	8/25	\$400 Parade
Big Dog Productions, Inc.	9/3	\$51,000 plus \$1,000 Grandstand f/s/o Jay Leno expenses plus 80% over \$75,000	St. Peter High School	8/25	\$200 Parade
D & D Productions, Inc.	9/4	\$75,000 plus 80% Grandstand f/s/o The Dirty Dancing over \$100,000 Concert Tour	Red Wing High School	8/26	\$200 Parade
Reba's Business, Inc.	9/4	\$35,000 plus \$5,000 Grandstand f/s/o Reba McEntire production costs plus 75% over \$70,000	Chatfield High School	8/26	\$300 Parade
Southern Pacific	9/4	\$7,500 Grandstand	East Central High School	8/26	\$300 Parade
Bobby Allison	9/5	\$6,500 Grandstand	Owatonna High School	8/27	\$200 Parade
Dale Earnhardt	9/5	\$10,000 Grandstand	New Richmond High School	8/27	\$200 Parade
Rusty Wallace & Associates	9/5	\$5,000 Grandstand	Bloomington-Kennedy H. S.	8/27	\$200 Parade
Southern Thunder Sound, Inc.	8/25-9/5	\$12,900 Bandshell	Montello High School	8/27	\$600 Parade
Southern Thunder Sound, Inc.	8/25-9/5	\$2,900 Heritage	Brady High School	8/27	\$200 Parade
Southern Thunder Sound, Inc.	8/25-9/5	\$2,900 Bazaar	Waseca High School	8/28	\$300 Parade
Southern Thunder Sound, Inc.	8/25-9/5	\$5,500 Baldwin	Becker High School	8/28	\$200 Parade
Ray Komischke State Fair	8/25-9/4	\$51,398 Bandshell Orchestra	Houston High School	8/28	\$300 Parade
Tom Chepokas Quartet	8/25-9/5	\$5,244 plus Bandshell auditions	Goodhue High School	8/28	\$200 Parade
Ellen Keane	8/25-9/5	\$1,475 Bandshell	Burnsville High School	8/29	\$200 Parade
f/s/o Ellen & Doug Asleep At The Wheel	8/25-8/30	\$20,000 Bandshell	Jackson High School	8/29	\$500 Parade
Helen Cornelius	8/25-8/30	\$15,090 Bandshell	Preston-Fountain H.S.	8/29	\$300 Parade
The Desert Rose Band	8/25-8/30	\$21,144 Bandshell	Healy High School	8/29	\$300 Parade
Regency	8/25-8/30	\$7,500 Bandshell	Albert Lea High School	8/30	\$300 Parade
Judy Rodman	8/31-9/5	\$18,608 Bandshell	Spring Valley High School	8/30	\$300 Parade
Billy Joe Royal	8/31-9/5	\$18,000 Bandshell	Finlayson High School	8/30	\$300 Parade
Williams & Ree	8/31-9/5	\$18,000 Bandshell	Monticello High School	8/30	\$200 Parade
Doug Kershaw	8/31-9/5	\$25,000 Bandshell	Baldwin-Woodville H.S.	8/31	\$200 Parade
Thomas Baumgartner	8/25-9/4	\$7,000 Bazaar f/s/o Comedy Hour The Memories 8/25-8/30	Jordan High School	8/31	\$200 Parade
Dan Riley	8/25-8/30	\$5,500 Bazaar	Hastings Senior High	8/31	\$200 Parade
Fred Anderson	8/31-9/5	\$10,000 Bazaar	District 840-St. James	8/31	\$300 Parade
Skip Devol Productions	8/31-9/5	\$4,200 Bazaar	Shakopee High School	9/1	\$200 Parade
f/s/o Skip Devol The Rockin' Hollywoods	8/25-8/30	\$10,090 Bazaar	St. Francis High School	9/1	\$200 Parade
Hand Picked/Jeff Buesing	8/25-8/30	\$8,500 Baldwin	Richfield High School	9/1	\$200 Parade
Steve Millar	8/25-8/30	\$2,500 Baldwin	Ashby High School	9/1	\$400 Parade
Bob And The Beachcomers	8/31-9/5	\$5,090 Baldwin	Caledonia High School	9/2	\$300 Parade
Panama/Ron Runde	8/31-9/5	\$4,000 Baldwin	Anoka Senior High	9/2	\$200 Parade
Live and Kickin'/Greg Kaczor	8/31-9/5	\$4,000 Baldwin	Clouet High School	9/2	\$300 Parade
John & Mary Block (Log Cabin)	8/25-9/5	\$2,500 Baldwin	Spring Lake Park H.S.	9/2	\$200 Parade
Paul Hubler (Blacksmith)	8/25-9/5	\$3,500 Heritage	Prairie Farm High School	9/3	\$200 Parade
Hollywood's Spectacular	8/25-9/5	\$1,650 Heritage	Colfax High School	9/3	\$200 Parade
Chmielewski Show	8/25-9/5	\$25,144 Heritage Stunt Show	Elk Mound High School	9/3	\$400 Parade
The Limelites	8/25-8/30	\$13,000 Heritage	Park Falls High School	9/3	\$500 Parade
Riders In The Sky	8/30-9/5	\$17,500 Heritage	Marshfield-Columbus H.S.	9/4	\$200 Parade
Albert F. Heisenfelt	8/25-9/5	\$14,554 Heritage	Glencoe High School	9/4	\$200 Parade
Teddy Bear Band	8/25-9/5	\$4,500 Children's Theater	Boyceville High School	9/4	\$400 Parade
David Cohan	8/25-9/5	\$7,610 Children's Theater	Medford High School	9/4	\$500 Parade
Willy Wonka	8/25-9/5	\$6,000 Children's Theater	Captain Ken's Pumper	8/25-9/4	Admissions Parade
Vic Hyde	8/25-9/5	\$4,900 Sen. Bldg.	St. Anthony Park	8/30	Admissions Parade
D.L. Luchsinger	8/25, 9/1, 9/3 & 9/4	\$400	Couderay Jug Band	9/4	Community Band
Sen. Bldg.			Minnesota Valley	9/3	Admissions Parade
The Scandinavians Orkester	8/25-8/26	\$730 Sen. Bldg.	Susan Pickarski	8/25-9/4	Admissions Parade 4-H
Nordkap Male Chorus	8/26,8/31, 8/27-8/30	\$600 Sen. Bldg. & 9/2	Jack Saxon	8/25-9/4	Clown Club
Leroy Karg Band	8/27-8/30	\$760 Sen. Bldg.	Antique Firetruck Paul Domholt	8/25-9/4	Admissions Parade
The Goodtime Gospel Quartet	8/27	\$100 Sen. Bldg.	Elmer The Elm Tree John Magnuson	9/3	\$625 Milk Run
The Rhythm Kings	8/29	\$180 Sen. Bldg.	Steve Hoag	9/3	\$100 Milk Run
Paul Schultz	9/1-9/5	\$800 Sen. Bldg.	Vicki Knutson	9/3	\$100 Milk Run
f/s/o Paul & Archie Willie Hagen Combo	9/5	\$220 Sen. Bldg.	Cliff Brunzell and The	8/25-9/5	\$6,646 Creative Celebrity Strings Activities
Kitchen Kut Ups of New Brighton	8/30	Admissions Sen. Bldg.	KS95 Radio Balloon Race	8/25	\$1,450 Amusements
			Mark Wilson Productions,	8/25-9/5	Admissions
			Minnesota Purebred Dog	8/25-9/5	Amusements Ltd. f/s/o
			The Minnesota Horse	8/31	Incredible Acrobats of China
			Pullers Association		\$5,307 Dog Exhibit
			Specialized Marketing	9/1 & 9/2	Breeders Association
			Group, Inc.		\$1,000 plus Hrs. & Rodeo
			Shirley Trimble	8/26-9/4	\$6,200 prize money
			Randy Roberts	8/26-9/5	\$18,000 plus \$6,000 Hrs. & Rodeo
			Tommy Lucia	8/26-8/31	prize money plus up to \$5,000 after \$29,000 plus 50% over \$34,000
			Minnesota Nurserymen's Association	8/25-9/5	\$140 Hrs. & Rodeo
			Minnesota State	8/25-9/5	\$1,700 Hrs. & Rodeo
			North Central Florists	8/25-9/5	\$4,200 Hrs. & Rodeo
			Minnesota State	8/25 & 26	\$3,700 Ag.-Hort. Association
			African Violet Society	8/25 & 26	\$2,400 Ag.-Hort. Horticultural Society
			Minnesota Gladiolus Society	8/27 & 28	\$9,000 Ag.-Hort. Horticultural Society
					\$1,200 Ag.-Hort. Horticultural Society
					\$1,200 Ag.-Hort. of Minnesota
					\$1,550 Ag.-Hort.

Federated Garden Clubs	8/31 & 9/1	\$1,550 Ag.-Hort. of Minnesota
Minnesota State Bonsai	9/2 & 9/3	\$1,200 Ag.-Hort. Society
Orchid Society of Minnesota	9/2 & 9/3	\$1,200 Ag.-Hort.
Minnesota Dahlia Society	9/4 & 9/5	\$1,550 Ag.-Hort.
Minneapolis Farmers Market	8/25-9/5	\$400 Veg.-Pot.
St. Paul Growers Association	8/25-9/5	\$400 Veg.-Pot.
Minnesota Apple Growers Assn.	8/25-9/5	\$900 Fruit
Gerald or Janice Albrecht	8/25-9/5	\$2,000 Cattle Milking Parlor
Minnesota Association of W.J. Mackey, DVM	8/25-9/5	\$475 Meat Processors
	8/25-9/5	\$8,000 Vet Service

Copies of the report of the Office of the Legislative Auditor, covering the society's 1987 fiscal year, were circulated to the board on April 14. It was moved by Mr. Lilliquist, seconded by Mr. Keenan and carried that said report be accepted (Aye-9; Nay-0).

Secretary introduced and recommended adoption of two position descriptions, the first covering the board, the second covering the secretary and general manager. After discussion, it was moved by Mr. Lund, seconded by Mr. Korff and carried that the following statements be adopted (Aye-9; Nay-0):

Position Description of Board of Managers

Function

1. As elected representatives of a legally constituted body, be the primary force moving the organization towards the realization of its opportunities for service and fulfillment of its obligation to all its constituencies.

2. Assure that the statutory mandate of the organization is fulfilled.

Grandstand, Coliseum, free stages and other fair-period contracts were reviewed and approved upon a motion by Mr. Morris, seconded by Mr. Simons and carried (Aye-9; Nay-0). It was indicated that the approximate total for approved contracts (\$1,655,000) includes \$457,000 for free acts and attractions. Following is a specific breakdown of contract costs:

Duties

1. Planning

Approve the organization's philosophy and review management's performance in achieving it.

Annually assess the ever-changing environment and approve the organization's strategy in relation to it.

Annually review and approve the organization's plans for funding its strategy.

Regularly review and approve the organization's financial goals.

Annually review and approve the organization's budget.

Approve major policies.

2. Organization

Select, monitor, appraise, advise, stimulate, support, reward, and if deemed necessary or desirable, change the secretary and general manager.

Be assured that management succession is being properly provided.

Be assured that the status of organizational strength and manpower planning is equal to the requirements of long range goals.

Approve appropriate compensation policies and practices.

Annually undertake a performance review of the secretary and general manager.

Annually approve board committee appointments in response to recommendations of the president and secretary and general manager.

Annually review the performance of the board and take steps to improve its performance.

3. Operations

Review the results achieved by management as compared with the organization's philosophy, annual and long-range goals and the performance of similar institutions.

Be certain that the financial structure of the institution is adequate for its current needs and its long-range strategy.

Provide candid and constructive criticism, advice and comments.

Approve major actions of the organization, such as: capital expenditures and major changes in programs and services.

4. Audit

Be assured that the board and its committees are adequately and currently informed-through reports and other methods-of the condition of the organization and its operation.

Be assured that published reports properly reflect the operating results and financial condition of the organization.

Ascertain that management has established appropriate policies to define and identify conflicts of interest throughout the organizations, and is diligently administering and enforcing those policies.

Review compliance with relevant material laws and statutes affecting the organization.

PRESIDENT AND EXECUTIVE COMMITTEE

Function

1. President & executive committee shall seek to optimize the relationship between board and management.

Responsibilities

1. President shall chair meetings of the board; see that it functions effectively, interacts with management optimally, and fulfills all its duties. With the secretary and general manager and executive committee, develop agendas.

2. President, with the secretary and general manager, shall recommend composition of board committees. Recommend committee chairs with an eye to future succession.

3. At least one member of the Executive Committee shall each month review and approve financial statements of income and expenditure as prepared and certified by the secretary and general manager.

4. Executive committee shall annually focus the board's attention on matters of institutional governance that relate to its own structure, role and relationship to management. Be assured that the board is satisfied it has fulfilled all of its responsibilities.

Position Description of Secretary and General Manager

Function

1. Serve as chief executive officer of the organization, reporting to the board of managers, accepting responsibility for the success or failure of the enterprise.

2. With the president and executive committee, enable the board of managers to fulfill its governance function, and facilitate the optimum interaction between management and the board of managers.

3. Give direction to the formulation, and leadership to the achievement, of the organization's statutory mandate, its philosophy, mission, and strategy, and to its annual objectives and goals.

Responsibilities

Board of Managers

1. With the president and executive committee, develop agendas for meetings, so that the board can fulfill all its responsibilities effectively. Develop an annual calendar to cover all crucial issues in a timely fashion.

2. See that the board and president are kept fully informed on the condition of the organization and on all important factors influencing it.

3. Get the best thinking and involvement of each board member. Stimulate each to give his or her best.

4. Work with the president to make the committee structure of the board function effectively. With the president, recommend the composition of committees.

5. Be responsible to and report to the board of managers.

Chief Executive Officer

1. Be responsible for the organization's consistent achievement of its mission and financial objectives.

2. Make sure that the organization's philosophy and mission statements are pertinent and practical throughout the organization.

3. Assure that the organization has a long-range strategy that achieves its mission, and toward which it makes consistent and timely progress.

4. Make certain that the flow of funds permits the organization to make steady progress towards the achievement of its mission and that those funds are allocated properly to reflect present needs and future potential.

5. See that there is an effective management team, with provision for succession.

6. Ensure the development and implementation of personnel training and development plans and programs that will provide the human resources necessary for the achievement of the organization's mission.

7. Maintain a climate that attracts, keeps and motivates top quality employees.

8. Formulate and administer all major policies.

9. Serve as the chief spokesperson for the organization, and thereby see that the organization is properly presented to its various publics.

Jim Frost indicated that a statewide promotion, sponsored by the State of Minnesota and titled "Celebrate Minnesota 1990", will likely culminate with special activities at the 1990 State Fair. Planning is still in its early stages. No action required at this time.

Secretary updated the board on the recently completed Grandstand structural inspection and on the work required to correct certain deficiencies in the building. Additional testing not anticipated in the January budget, as well as the correction work required by the tests, add \$54,000 to building maintenance and repair. The budget overage as outlined was approved on a motion by Mr. Simons, seconded by Mr. Morris and carried (Aye-9; Nay-0).

Secretary provided an advance ticket report through June 19 which showed box office receipts of \$760,000 as against \$491,000 on the corresponding date last year. No action required.

Mr. Frost presented a preliminary outline on the upcoming Fourth of July celebration. No action required.

As respects other legislative matters, Secretary reported that Minnesota Statutes, section 37.03 had been amended during the just past session to add four new organizations to the list of those holding voting rights with the society. The new voting members are Minnesota Dairy Goat Association, Minnesota Hampshire Association, Minnesota Suffolk Association and the North American Dairy Sheep Association. No action required.

It was moved by Mr. Morris, seconded by Mr. Prokosch and carried that Mr. Kevin LeVior be confirmed as dairy goat superintendent for 1988 (Aye-9; Nay-0).

Mr. Frenette submitted a list of aged bad debts and Mr. Galus confirmed that the proper procedure at this time would be to write off these accounts and that the attorney general had approved such write-offs. It was moved by Mr. Keenan, seconded by Mr. Lilliquist and carried that the listed accounts be written off as requested (Aye-9; Nay-0).

Debtor	Amount of Debt
King George II Studios	\$63.06
Guido Emmer	49.00
Karbon Associates	42.00
The Western Store	54.69
General Dryer Corp.	37.50
Triad Artists	53.61
Monterey Peninsula Artists	44.50
Hartside Pizza	55.79
Hedstrom Concrete	38.00
Thomas Hansen	51.51
Ernie Brookings	35.50
Miracle Maid, Inc.	53.61
Sadie's Exotic Flowers	38.50
Olympus Corporation	61.82
French Fried Ice Cream	61.82
Commercial Satellite	46.50
Regency Artists	8.00
Roberta Rishavy	22.00

Julie Kobiclush	43.00
Nelson Concessions	39.00
Dick Blake International	37.27
Roger Healy	26.00
Regency Artists	44.00
Terry O'Donnell	45.60
Parents Without Partners	37.00
Kits, Inc.	38.00
Robert Shier	60.00
Galen Carlson	100.00
Paul Landing	52.00
Dick Gilmore	34.50
American Screener	27.00
Rocky Hollow Herb Farm	21.00
Irene Balzart	9.00
Love Artists Limited	43.75
Regency Artists, Inc.	13.75
Tack'N'Stuff	70.00
Pine House Woodcrafters	15.00
Wilson's Music World	50.00

Mr. Wenzel reviewed a written report on the 1987-88 Coliseum ice season, which report showed a net profit for the period of \$12,218.17. An increase in rental rates for this operation was approved on a motion by Mr. Simons, seconded by Mr. Prokosch and carried (Aye-9; Nay-0).

Upon a motion by Mr. Annexstad, seconded by Ms. Roehlke and carried, approval was granted to issue the administrative employee coffee fund \$200 to cover coffee and tea used during the summer and during the fair by business visitors (Aye-9; Nay-0).

An agenda call for the next meeting of the board at 10a.m., Friday, Aug. 26 was moved by Mr. Prokosch, seconded by Mr. Lilliquist and carried (Aye-9; Nay-0).

Meeting adjourned.

Minutes in Vacation

June

- 23-26—A patio furniture sale was held in the Merchandise Mart.
- 24—Frost, Fischler, Wenzel and Heffron met with representatives of Northwest Sound, Inc. to discuss a new sound system installation in the Coliseum. Frost met with Dennis Alesandro, IATSE, to discuss stage hands contract for 1988.
- 24-25—An antique car auction was conducted on the race track infield.
- 24-26—A gem and mineral show was held in the Education Building.
- 26-28—Heffron attended an IAFE past presidents' conference in Springfield, Mo. Frost and Wenzel met with Wayne Olson, TKDA, regarding progress on several projects.
- 29—Heffron met with Paul Warbell, a member of the UofM faculty, to discuss shared need for dormitory space on the St. Paul campus.

July

- 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. Paid attendance at the event was 27,543.
- 6—Wenzel, Frost and Heffron met with Mary Junck and Tom Foster of the St. Paul Pioneer Press-Dispatch to discuss a joint promotion. Frawley and Heffron met with Susan Lasoff and Julie Quarve Peterson, who provide handicapped consultation services, to discuss a survey and analysis of State Fair handicapped facilities. Frost attended a meeting of the 4-H Building Improvement Committee, established to raise \$100-150,000 to upgrade the 4-H facility on the fairgrounds.
- 6-10—The North Central Morgan horse show was staged in the Coliseum.
- 7—Frost attended a meeting of the University of Minnesota's physical planning committee at which a presentation on the planned transitway was made for neighbors of the school.
- 9—A golf equipment sale and swap was held in the Dog Building. Former fair publicity staffer Helen Hamann died.
- 10—A classic Corvette car show was staged in the Education Building.
- 11—The State Employment Service opened its fairgrounds office in the 4-H Building. Executive committee approved the June 30, 1988 financial statement as follows:

Cash Activity General Fund-June 30, 1988

Cash Balance-May 31, 1988		\$221,812.04
Add:		
Interest Income	\$401.80	
Bank Securities Cashed	\$13.17	
June Cash Receipts	\$892,145.98	\$892,560.95
Total Cash Available Before Disbursements		\$1,114,372.99
Less:		
Bi-Weekly Payroll Ending June 3	\$79,735.95	
Bi-Weekly Payroll Ending June 17	\$80,248.77	
Bank Securities Purchased	\$401.80	
June Disbursements Paid	\$491,440.59	\$651,827.11

Cash Balance General Fund-June 30, 1988

\$462,545.88

Cash Balances All Accounts-June 30, 1988

General Fund Account	\$462,545.88
Petty Cash	\$1,800.00
Securities	\$564,436.85
Total Cash Balances-June 30, 1988	\$1,028,782.73

Cash Balances All Accounts-June 30, 1987

General Fund Account	\$93,427.00
Petty Cash	\$1,800.00
Securities	\$1,298,282.17
Total Cash Balances-June 30, 1987	\$1,393,509.17

17—Larson, Frawley and Hammer attended the American Speed Association auto race at Milwaukee.

18—Wenzel, Frost and Heffron met with staff of the St. Paul Pioneer Press-Dispatch to consider a promotional joint venture.

19—Heffron met with Representative Jim Rice (Minneapolis) to discuss legislative matters. Sinclair spoke at a luncheon meeting of the East Minneapolis Rotary Club.

20—Frost and Karen Leach met with Ray Komischke, orchestra contractor.

22—Staff met a second time with Northwest Sound on the Coliseum sound system.

22-26—Maritz Market Research Company used the Education Building to conduct a consumer research project.

26—A series of auditions for the amateur talent contest were initiated this date in the Bandshell.

28—Sinclair and Klinger met with representatives of the Minnesota Twins to finalize plans for the Fair/Twins joint Agriculture Awareness Days promotion on September 1, 2 and 3, 1988.

29—Wenzel, Sinclair and Heffron met with John Galus to discuss ownership and legal procedure on the giant carousel ride.

August

3—Wenzel, Frost and Heffron met with Don Salverda to discuss a management training course.

4—Staff met with beer concessionaires to review procedures and discuss problems. Sinclair spoke at an evening meeting of the Mahtomedi Lions Club.

9—A space rental review meeting was held in the Administration Building (see minutes which follow).

Space Rental Committee Meeting Minnesota State Agricultural Society

Administration Building, State Fairgrounds
9:30 a.m., Tuesday, August 9, 1988

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

Also present: John Galus.

Meeting was called to order by Chairman Korff at which time Sinclair backgrounded the committee on the circumstances surrounding earlier staff denial of the space rental application submitted by John and Linda Buck for Alpine Products. It was moved by Mr. Lund, seconded by Mr. Annexstad, and carried that the action of staff relative to the subject application be supported (Aye-5; Nay-0).

Mr. & Mrs. (Jim and Cheri) Ekbohm appeared before the committee requesting review of their application for concession space to sell garlic cheese bread, potato skins, bread sticks with italian sauce and cheese logs with italian sauce. Mr. Sinclair indicated that the Ekbohm's application was complete, their proposed products appealing and they possessed the experience, ability and equipment to present a good food concession, but that physical space for presentation of food and beverage concessions was insufficient to accommodate the Ekbohm's request. Staff action was supported by the committee on a motion by Mr. Annexstad, seconded by Mr. Keenan and carried (Aye-5; Nay-0).

Representatives of Kinetic Water Conditioning, Stan Hanish, Jeff Dougherty and Greg Schultz, appeared along with and in support of Mr. Larry Haferman to request review of his application for space to exhibit Kinetic water conditioning systems at the 1988 State Fair. Mr. Sinclair noted that limited physical space would not permit allocation of space for further presentation of products and services which performed essentially the same functions as those already represented. On a motion by Mr. Prokosch, seconded by Mr. Keenan, and carried the earlier staff denial of subject application was carried (Aye-5; Nay-0).

Messrs T. Christopher Wright and Derrick P. Grimmer presented a request for review of the space rental department's earlier decision denying their application for concession space on behalf of the Minnesota Grassroots Party. Mr. Sinclair advised that the decision of staff had been made based on the lack of suitable physical space following an extended period of searching for appropriate space. On a motion by Mr. Keenan, seconded by Mr. Lund and carried it was determined by the committee that, though exhibit space for the 1988 State Fair was physically unavailable, the application should be placed in an "okay, if space becomes available" status to be given further consideration should space appropriate for placement and presentation of the Minnesota Grassroots Party exhibit become available between this date and the fair (Aye-5; Nay-0).

Mr. Galus updated the committee on the current status of the whitewater raft ride litigation and on possible operation of the ride at the 1988 fair.

Sinclair and Galus apprised the committee of the fact that Cityside Development, Inc., current contract holder for the Brede Carousel, had defaulted on its purchase agreement with Mary, Claire and William Blinstrup and, as a result, the Blinstrups would be operating the attraction at the 1988 fair. No action required.

At 11:55 a.m. it was moved by Mr. Prokosch, seconded by Mr. Annexstad and carried that the meeting be adjourned.

Minutes in Vacation (Continued)

10—The executive committee approved the July 31, 1988 financial statement as follows:

Cash Activity General Fund-July 31, 1988

Cash Balance-June 30, 1988		\$462,545.88
Add:		
Interest Income	\$3,916.01	
Bank Securities Cashed	\$14.78	
July Cash Receipts	\$531,133.33	\$535,064.12
Total Cash Available Before Disbursements		\$997,610.00

Less:

Special Payroll July 4th	\$5,105.94
Bi-Weekly Payroll Ending July 6	\$91,104.16
Bi-Weekly Payroll Ending July 20	\$76,433.12
Bank Securities Purchased	\$416.01

July Disbursements Paid	\$511,970.23	\$685,029.46
Cash Balance General Fund-July 31, 1988		\$312,580.54
Cash Balances All Accounts-July 31, 1988		
General Fund Account		\$312,580.54
Petty Cash		\$1,800.00
Securities		\$564,838.08
Total Cash Balances-July 31, 1988		\$879,218.62
Cash Balances All Accounts-July 31, 1987		
General Fund Account		\$378,045.21
Petty Cash		\$1,800.00
Securities		\$762,000.00
Total Cash Balances-July 31, 1987		\$1,141,845.21

10—Hammer spoke at a meeting of the City of Lakes (Minneapolis) Rotary Club.

11—Heffron met with Peter Ceruzzi and Joyce Winter of the Hilton Hotel regarding accommodations for State Fair visitors.

12—Sinclair met with Larry Abdo of Gopher State Ice Company to make final plans for ice service at the 1988 fair and discuss changes in such service. Frost met with John James, Minnesota Revenue Department Commissioner, members of his staff and several Twin Cities entertainment business persons on withholding taxes.

13—A preview was held at the Heritage Square museum.

16—Heffron met with Representative Roger Moe and Bob Campbell to discuss a product representation. Royal American Shows arrived and began carnival set-up.

17—State Fair campgrounds opened today. A 4-H Foundation board meeting and donor recognition dinner were held in the 4H Building.

22—Creative activities department began accepting baked good entries. Building and area superintendents began staffing commercial exhibit buildings this date.

23—A Special Minnesota artists' invitational preview, along with the traditional state fair fine arts preview were held at the Art Center.

24—The Princess Kay Coronation, sponsored by the American Dairy Association of Minnesota, was held in the Bandshell. Preliminary English horse show events were staged in the Coliseum.

25—The 1988 Minnesota State Fair opened to the public at 6a.m. Special opening day ceremonies, hosted by President Sulo Ojakangas, were held in the Bandshell.

Minutes in Vacation

August

24—Ed LaPointe, former employee and life member of the society, died quietly in his sleep while hospitalized for surgery.

25—September 5—Visitors from other expositions and special guests at the 1988 Minnesota State Fair included: General Gordon Maitland, Royal Easter Show, Sidney, NSW; Henry Brandt, Nebraska State Fair, Lincoln; Jim Patton, Quad City Downs, East Moline, Ill.; Minuand& Hazel Ashmore, South Alabama State Fair, Montgomery, Ala.; Gary Montgomery, Arizona State Fair, Phoenix, Ariz.; Joe Olander, Coca Cola Company, Atlanta, Ga; Louise Zepp, Amusement Business, Chicago, Ill.; Norb Bartosik, Orange County Fair, Costa Mesa, Calif.; Joan Wyatt, Tulsa State Fair, Tulsa, Okl.

Meeting of the Governing Board Minnesota State Agricultural Society

Administration Building
Friday, August 26, 1988-10 a.m.

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

Also present: John Galus; Jim Donnelly.

President Ojakangas opened the meeting by welcoming all members to the 1988 Minnesota State Fair.

Upon a motion by Mr. Lund, seconded by Mr. Prokosch and carried minutes of the June 23 board and space rental committee meeting(s), previously mailed to the members, were approved (Aye-8; Nay-0).

Minutes of the space rental review meeting, held August 9, 1988, were approved on a motion by Mr. Korff, seconded by Ms. Roehlke and carried (Aye-8; Nay-0).

Copies of the Minutes in Vacation, covering the period June 23 through August 25, 1988, were approved on a motion by Mr. Korff, seconded by Mr. Lilliquist and carried (Aye-8; Nay-0).

Secretary presented the July 31, 1988 society financial statement as follows:

Cash Activity General Fund-July 31, 1988

Cash Balance-June 30, 1988		\$462,545.88
Add:		
Interest Income	\$3,916.01	
Bank Securities Cashed	14.78	
July Cash Receipts	531,133.33	535,064.12
Total Cash Available Before Disbursements		\$ 997,610.00
Less:		
Special Payroll July 4th	\$5,105.94	
Bi-Weekly Payroll Ending July 6	91,104.16	
Bi-Weekly Payroll Ending July 20	76,433.12	
Bank Securities Purchased	416.01	
July Disbursements Paid	511,970.23	685,029.46
Cash Balance General Fund-July 31, 1988		\$312,580.54

Cash Balances All Accounts-July 31, 1988

General Fund Account	\$ 312,580.54
Petty Cash	1,800.00
Securities	564,838.08
Total Cash Balances-July 31, 1988	\$ 879,218.62
Cash Balances All Accounts-July 31, 1987	
General Fund Account	\$ 378,045.21
Petty Cash	1,800.00
Securities	762,000.00
Total Cash Balances-July 31, 1987	\$1,141,845.21

Upon a motion by Mr. Simons, seconded by Mr. Keenan and carried, the financial statement of July 31, 1988 was approved (Aye-8; 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. Lilliquist, seconded by Mr. Lund and carried (Aye-8; Nay-0).

Follow, revised checking account signature schedule was approved upon a motion by Mr. Prokosch, seconded by Mr. Keenan and carried (Aye- 8; Nay-0):

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

When used for ticket refund checks in amounts of less than \$100.00, "Frost/Heffron" signature plate is authorized.

When used for checks given in exchange for cash from certain second parties (concessionaires), "Frost/Heffron" signature plate is authorized.

2. **Regular and Fair Period Payroll**—Michael D. Heffron, Kenneth R. Wenzel or James G. Frost (one signature).

3. **Premium**—Michael D. Heffron, Kenneth R. Wenzel or James G. Frost; "Heffron" signature plate also authorized (one signature).

When using the signature plates, checks must be "signed" by a person in the finance group who is not involved in their preparation.

Amusement, ticket and trust accounts are eliminated.

Secretary announced that the annual trade association convention of the International Associations of Fairs and Expositions would be held at the Bally Grand Hotel, Las Vegas, November 27 through December 1, 1988. It was moved by Mr. Simons, seconded by Mr. Lund 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-8; Nay-0).

Secretary provided a short recap of advance ticket sales through August 24. No action required.

A list of entertainment contracts, not available for approval at the 6-23-88 board meeting were submitted by secretary. Upon a motion by Mr. Korff, seconded by Mr. Morris and carried, the following contracts were approved (Aye-8; Nay-0).

CONTRACTOR DATE(S)	TERMS	VENUE
Mercil Communications	8/25-9/5	\$10,072 Grandstand
Limited Warranty	8/29	\$3,000 plus \$1,000 Grandstand at \$70,000 gross plus \$1,000 at \$80,000
Julie Snouffer	9/3	\$200 Grandstand
American Speed Assn.	9/5	\$62,800 Grandstand
Freedom Flyers Parachute	8/25	\$1,000 Free Entertainment Team, Inc.
Bobby Dale	8/24-9/5	\$2,400 Bandshell
Tom Baumgartner	8/25-9/5	\$2,275 Bandshell
Cheryl Loffhagen Morrissey	8/25-9/5	\$350 Bandshell
Jimmy Allen	8/25-9/5	\$225 Bandshell
David Cohan	8/25-9/5	\$225 Bandshell
T & T	9/5	\$50 Bandshell
Harold Schuman	8/27	Admissions Sen. Bldg.
Dee Tanner	8/28	\$30 Sen. Bldg.
Wilder Senior Choraliers	8/31	Admissions Sen. Bldg.
The Elness Family	9/4	Admissions Sen. Bldg.
World Class Productions	8/25-9/4	\$7,450 Parade
DNR Metro Forestry	8/25-9/4	Admissions Parade
Jack Pixley	8/25-8/31	Admissions Parade Calliope
Chuck E. Cheese	8/27-29	Admissions Parade & 9/3
Ralph Kirch	8/28-8/30	Admissions Parade
State of Michigan Float Roosevelt Marching Line	8/28	Admissions Parade
Corky Nelson	8/30	\$100 Parade Oxen Hitch
Oscar Mayer Wiernermobile	8/31-9/4	Admissions Parade
Felicia Deile	9/3-4	\$200 Parade Miniature Horse Hitch
Perham Escort Patrol	9/3	Admissions Parade
Peterson High School	8/25	\$400 Parade
Elk River High School	9/1	\$200 Parade
Ellsworth High School	9/2	\$200 Parade
Kurt Grebner	9/3	\$50 Milk Run
William H. Sweeney, DVM	8/23-9/5	\$17,750 Vet. Services

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

Bobby Allison	9/5	Grandstand
Susan Pickarski	8/25-9/4	Parade WAYL Whale
East Central High School	8/26	Parade
Cloquet High School	9/2	Parade

It was moved by Mr. Prokosch, seconded by Mr. Simons and carried that staff employees be encouraged to join and participate in community civic organizations with society to reimburse membership and attendance fees as approved by secretary (Aye-8; Nay-0).

After lengthy discussion, it was moved by Mr. Keenan, seconded by Mr. Korff and carried that space rental supervisor be instructed to immediately give notice and order the

vacation and restoration of the location in block 30 presently occupied by the Brede Carrousel (Aye-7; Nay-1).

Secretary reviewed arrangements and conditions under which the white water raft ride will be allowed to operate at the 1988 fair. No action required.

Meeting adjourned.

Minutes in Vacation (Continued)

27—Members of the Board of the Minnesota Federation of County Fairs made use of Administration Building conference facilities for a meeting, after which they were hosted at a noon luncheon with the society board in the Officers Headquarters. The St. Paul Convention Bureau board held a picnic meeting on the south lawn of the Administration Building.

28—A special reunion luncheon, welcoming life and hall of fame members of the society, was held in the Officers Headquarters. A meeting of the Life Member Advisory Committee was conducted during the afternoon at the Administration Building.

Life Member Advisory Committee Meeting Administration Building

Sunday, August 28, 1988 - 1:30 P.M.

Members present: J.G. Tiffany, chair; Tom Lammers; Deke Grussendorf; Norris Carnes; Leo Keskinen; Jerry Franke; Harveyle Maruska; Leonard Ramberg.

Also present: Sulo Ojakangas; Len Harkness; Jerry Hammer, recording secretary.

Mr. Grussendorf moved, Mr. Lammers seconded a motion to commend the board and staff for presenting an excellent fair this year. Motion carried.

Mr. Maruska initiated a discussion on the legislative work done during the last session. The committee agreed that the sales tax project was handled well. No action taken.

Following a discussion on employee and satellite parking, Mr. Keskinen moved and Mr. Franke seconded a recommendation that the board and staff explore the possibility of increasing parking through use of University property. Motion carried.

Mr. Carnes moved and Mr. Maruska seconded a motion to recommend Sulo Ojakangas for an honorary life membership at the 1989 annual meeting. Motion carried.

It was moved by Mr. Franke, seconded by Mr. Carnes and carried to formally express the committee's sorrow at the passing of good friend and fellow life member Ed LaPointe.

A motion was offered by Mr. Maruska, seconded by Mr. Grussendorf and carried that the committee endorse the fund-raising efforts of the 4-H Foundation to improve the 4-H Building. Discussion followed regarding the establishment of a similar foundation to benefit the State Fair.

Mr. Keskinen moved and Mr. Ramberg seconded a motion to thank Gib Tiffany for his service as committee chair. Motion carried.

Meeting adjourned.

September

1—The Minnesota Livestock Breeders Association board attended a breakfast meeting with board and staff to discuss livestock competition at the State Fair. Outstanding Senior Citizens awards for 1988 were presented at a special ceremony in the Bandshell. A special picnic was held in the Grandstand infield to honor editors, mayors, legislators, county fair and chamber of commerce executives from throughout the state. After dinner, the group was hosted at the evening Grandstand show featuring Roger Whitaker. Over 400 participants in the Minnesota State Fair-Minnesota Twins "Agriculture-Awareness Days" promotion arrived in the Twin Cities from six states and Canada.

2—Representatives of various agricultural organizations, including farm equipment association members, as well as the executive staff of the Minnesota Twins Baseball Club, were hosted by the board at an "Agricultural Awareness" luncheon. "Agriculture-Awareness Days" participants attended the fair.

3—"Agriculture-Awareness Days" participants attended a Twins game before departing.

Meeting of the Governing Board Minnesota State Agricultural Society

Administration Building
Sunday, September 4, 1988—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; Joe Fischler.

Upon a motion by Mr. Lund, seconded by Mr. Morris and carried, minutes of the Aug. 26 board meeting were approved (Aye-9; Nay-0).

Secretary presented the Aug. 31, 1988, society cash statement as follows (Because State Fair dates change yearly, account balances on this statement should not be compared to past years.):

Cash Activity General Fund—August 31, 1988			
Cash Balance—July 31, 1988			\$312,580.54
Add:			
Interest Income	\$4,626.83		
Bank Securities Cash	14.87		
August Cash Receipts	5,115,263.56	5,119,905.26	
Total Cash Available Before Disbursements			\$5,432,485.80
Less:			
Bi-Weekly Payroll Ending Aug. 3	\$83,214.44		
Bi-Weekly Payroll Ending Aug. 17	87,846.09		
Bi-Weekly Payroll Ending Aug. 31	128,701.64		
Bank Securities Purchased	8,126.83		
August Disbursements Paid	2,285,358.97	2,593,247.97	
Cash Balance General Fund—August 31, 1988			\$2,839,237.83

Cash Balances All Accounts—August 31, 1988

General Fund Account	\$2,839,237.83
Petty Cash	2,000.00
Securities	572,950.04
Total Cash Balances—August 31, 1988	\$3,414,187.87

Cash Balances All Accounts—August 31, 1987

General Fund Account	\$2,486,586.84
Petty Cash	1,900.00
Securities	763,068.09
Total Cash Balances—August 31, 1987	\$3,251,554.93

On a motion by Mr. Annexstad, seconded by Mr. Lilliquist and carried, the cash statement of Aug. 31, 1988 was approved (Aye-9; Nay-0).

It was moved by Mr. Korff, seconded by Mr. Simons and carried to adopt the report of the Life Member Advisory Committee filed Aug. 28, 1988 (Aye-9; Nay-0).

Secretary outlined the following list of staff recommended fall construction projects:

Complete the following projects which were budgeted in January:

A-09 Re-roof garage (173)	6,000
A-17 Grandstand vomitory cover	2,000
A-43 Coliseum sound system	60,000*
A-45 Continue window replacement (south side/Cattle Barn)	25,000
A-49 Special event door closures (selected buildings)	10,000
Complete the following work deferred from 1988 budget:	
Sealcoat Cooper Street	10,500
Sealcoat 1/2 of carnival lot	10,000
Undertake new projects:	
Transformer PCB testing (160 transformers)	10,000
Structure inspectins (1/2 of grounds)	5,000
Boulevard restoration and renovation	5,000
Turf renovator	3,200
New Painting Work:	
First floor toilets in 4-H	6,800
Livestock Pavilion trim	9,000
Overhead doors, stairs in Education Building	2,500
Complete Lower Grandstand	5,000

*Original budget allowance was \$35,000.

After discussion, it was moved by Mr. Lund, seconded by Mr. Simons and carried to accept the recommendation (Aye-9; Nay-0).

It was moved by Mr. Keenan, seconded by Mr. Annexstad and carried that the dates of the 1989 Minnesota State Fair be Thursday, August 24 through Labor Day, Monday, September 4 (Aye-9; Nay-0).

After discussion, Mr. Ojakangas set an agenda date for the next meeting of the board at 10 a.m. on Thursday, Nov. 3.

Meeting adjourned.

7—Pittelko and Heffron met with Amy Borgeson to discuss a workers compensation claim due for trial on the next day.

10—Executive Committee approved the August 31, 1988 financial statement as follows:

Cash Activity General Fund—August 31, 1988

Cash Balance—July 31, 1988			\$312,580.54
Add:			
Interest Income	\$4,626.83		
Bank Securities Cash	14.87		
August Cash Receipts	5,115,263.56	5,119,905.26	
Total Cash Available Before Disbursements			\$5,432,485.80
Less:			
Bi-Weekly Payroll Ending Aug 3	\$83,214.44		
Bi-Weekly Payroll Ending Aug 17	87,846.09		
Bi-Weekly Payroll Ending Aug 31	128,701.64		
Bank Securities Purchased	8,126.83		
August Disbursements Paid	2,285,358.97	2,593,247.97	
Cash Balance General Fund—August 31, 1988			\$2,839,237.83

Cash Balances All Accounts—August 31, 1988

General Fund Account	\$2,839,237.83
Petty Cash	2,000.00
Securities	572,950.04
Total Cash Balances—August 31, 1988	\$3,414,187.87

Cash Balances All Accounts—August 31, 1987

General Fund Account	\$2,486,586.84
Petty Cash	1,900.00
Securities	763,068.09
Total Cash Balances—August 31, 1987	\$3,251,554.93

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

14-16—Jim Sinclair visited the Kansas State Fair, Hutchinson.

15—Joan Frawley and Heffron met with Julee Quarve Peterson and Susan Lasoff to discuss a report being prepared on State Fair handicapped facilities and access. Frost and Mary Goiffon attended a labor relations seminar conducted by attorneys from the Larkin, Hoffman, Daly and Lindgren firm.

15-18—North County ski equipment sale was held in the Merchandise Mart.

15-November 16—In Town Apple Store opened in the Dog Exhibit Building.

16—Steve Pooch met with 4-H and open class poultry show personnel to discuss changes necessary for the 1989 fair.

- 17-19—The annual 4-H horse show was held in the Coliseum.
- 20—Jerry Hammer attended and addressed a meeting of the Exchange Club in Faribault.
- 22—Fischler, Frost and Heffron met with Bob Thompson of Northwest Sound to discuss installation of a new sound system in the Coliseum.
- 22-25—The Lift held a ski equipment sale in the Education Building and Annex.
- 23-25—A country folk art show was staged in the Lower Grandstand. The Fall Sportacular (sports memorabilia collectors) swap and sale was held in the Modern Living Building. The Western Saddle Club horse show was contested in the Coliseum.
- 24—The St. Croix Valley Corvette show was conducted in the Dairy Building.
- 26-30—Heffron attended the Los Angeles County Fair, Pomona and visited the Orange County Fairgrounds, Costa Mesa.
- 29-October 1—An Evangelical garage sale was promoted in the church's Block36 dining hall.
- 29-October 2—An Arabian horse fall festival was held in the Coliseum. United Stores held an outdoor sports equipment sale in Modern Living.
- October
- 1—The Junior League promoted a next to new sale in the Education Building.
- 1-2—An antique car show and swap was held in the Grandstand infield.
- 3—A space rental review meeting was held in the Administration Building (see minutes which follow).

Space Rental Committee Meeting Minnesota State Agricultural Society

Administration Building, State Fairgrounds
9:30 a.m., Monday, October 3, 1988

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

Also present: John Galus and Sherry Enzler.

The meeting was called to order at 9:55a.m. by Chairman Korff.

Heffron and Sinclair backgrounded the committee on prior board action calling for removal from the fairgrounds of the carousel owned and operated by Brede Carousel, Inc. and restoration of the underlying premises by December 5, 1988. Heffron followed with instruction as to potential action available to the committee in view of the fact that the decision being reviewed was that of the full board, not the staff.

Messrs. Bill Blinstrup and Larry Harris, counsel for Blinstrup, appeared before the committee.

Heffron explained that from time to time the fair makes changes in attractions so it might provide for a good mix and diversity of concessions... a process necessary to maintain exposition quality. Further, the instability of the contractual relationship between the fair and Brede Carousel, Inc. over the last several years had precipitated such action by the board.

Mr. Harris questioned changes in the text of the 1988 memorandum agreement issued to Brede Carousel by the fair to which Mr. Galus responded by indicating that due to the late date on which the fair was advised of changes which had come about in Brede Carousel, Inc. ownership, the contract was issued in such form to provide the fair reasonable opportunity for review by staff and the committee following the 1988 fair.

Mr. Harris further questioned whether review by the full Board of Managers would not be more appropriate. Galus responded by indicating that the Space Rental Review Committee was the only forum established for such considerations under State Fair rules and that the committee, being made up of members of the board, could carry a recommendation to the board for consideration.

Inquiry by Mr. Harris as to why the board decided to discontinue the carousel as an attraction at the fair was spoken to by Heffron when he reiterated that the instability of the contractual relationship and desire to occasionally make changes in the exposition's presentation were the foundation for board action.

Mr. Harris asked about the potential of a long-term lease agreement between the parties to which Mr. Korff responded by indicating that long-term agreements were not usually allowed under State Fair rules.

Mr. Heffron advised that any written proposal the appellant wished to provide him for board review would be given full consideration by the board at their next meeting, if provided in a timely manner, but that the time frame originally established for removal of the carousel and restoration of the premises would remain unchanged.

Mr. Harris thanked the committee for their time and departed with Mr. Blinstrup.

Based on the preceding hearing of the appellant by the committee it was moved by Mr. Lund, seconded by Mrs. Roehlke and carried that prior board action be supported and no further action taken by the committee (Aye-4; Nay-0).

Meeting was adjourned on a motion by Mr. Prokosch, seconded by Mr. Annexstad and carried (Aye-4; Nay-0).

Minutes in Vacation (Continued)

4—Warren Wunderlich and Wes Henderson of Toltz, King, Duvall, Anderson met with Frost and Heffron to discuss upcoming construction projects. Frost met with Lisa Meyer, Carmichael-Lynch Advertising, to discuss a discrepancy in billing 1988 advertising costs.

4-9—Minnesota fall horse show was staged in the Coliseum.

5—Frost attended a meeting of the 4-H Building improvement committee hosted by Leonard Harkness, former 4-H superintendent. Frost met with Mark Wilson regarding plans for the Incredible Acrobats of China at the 1989 State Fair.

6-9—Warner Hardware held a sale in Home Improvement.

7—Frost attended meetings of the Country Music Association and the International Country Music Buyers Association in Nashville, Tennessee.

8—Model railway collectors held a sale in the Education Building.

8-9—Military collectors show was staged in the Merchandise Mart.

10—Executive committee approved the September 30, 1988 financial statement as follows:

Cash Activity General Fund-September 30, 1988		
Cash Balance-August 31, 1988		\$2,839,237.83
Add:		
Interest Income	\$496.94	
Bank Securities Cashed	\$15.45	
September Cash Receipts	\$3,855,522.76	\$3,856,035.15
Total Cash Available Before Disbursements		\$6,695,272.98

Less:		
Bi-Weekly Payroll Ending Sept 9	\$170,222.11	
Bi-Weekly Payroll Ending Sept 23	\$65,460.95	
Bank Securities Purchased	1,000,496.94	
September Disbursements Paid	\$3,679,835.72	\$4,916,015.72
Cash Balance General Fund-September 30, 1988		\$1,779,257.26

Cash Balances All Accounts-September 30, 1988		
General Fund Account		\$1,779,257.26
Petty Cash		\$200.00
Securities		1,573,431.53
Total Cash Balances-September 30, 1988		\$3,352,888.79

Cash Balances All Accounts-September 30, 1987		
General Fund Account		\$346,836.78
Petty Cash		\$200.00
Securities		2,763,068.09
Total Cash Balances-September 30, 1987		\$3,110,104.87

11—Bob Lund, who served on the board and as president of the society in 1950-51, died after a short illness in Lansing, Michigan. Mr. Lund was 94 years old and originally from Thief River Falls.

11-13—Heffron attended the Arkansas State Fair, Little Rock.

14—Heffron met with Rich Hadley, executive vice president of the Greater St. Paul Chamber of Commerce to discuss matters of mutual concern.

18—Pooch and Horse Superintendent Harold Arneman met with representatives of the Minnesota Paint Horse Association and the Minnesota Morgan Horse Association regarding hiring judges and class changes for the 1989 fair.

19—Minnesota LP Gas Association held a training session in their exhibit building.

19-30—A Berman leather sale was held in the Dairy Building.

20—Hammer attended and addressed a meeting of the Minnesota Incentive Club.

21-26—Royal Nissan held a car sale on the carnival lot.

22—Leonard Ramberg, former vice president of the society representing Hennepin County, died after suffering a stroke at his home four days earlier; Mr. Ramberg was 82.

25—Members of the staff, including Pooch, Sinclair, Klinger and Goodrich, met with representatives of the Minnesota Horse Council to discuss matters related to off-season horse shows on the grounds.

26—Sinclair testified in Ramsey County Court in the case of the State of Minnesota vs. Frederick E. Meyer related to Mr. Meyer's unauthorized sale of buttons during the 1988 fair.

Minutes in Vacation

November

2—Frost and Heffron met with Roy Smalley and Lynn Anderson, Governor Perpich's Chief of Operations regarding the Special Olympics.

Meeting of the Governing Board Minnesota State Agricultural Society

Administration Building
November 3, 1988 - 10:00 a.m.

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

Also present: Ken Wenzel; Rick Frenette; Jim Frost; Jim Sinclair; Special Assistant Attorney General Sherry Enzler.

Mr. Ojakangas called the meeting to order at 10:05 a.m.

Motion made by Mr. Annexstad, seconded by Mr. Morris and carried that board and committee minutes, recorded during the 1988 fair-period, be approved as submitted to the members by mail (Aye-8; Nay-0).

Minutes in vacation covering the period August 24 through October 26, 1988, and the administrative action noted therein, were approved on a motion by Mr. Lilliquist, seconded by Ms. Roehlke and carried. Motion included approval of the space rental committee meeting minutes of October 3, 1988 (Aye-8; Nay-0).

Secretary presented an informal financial report, including an estimate of year end gain and a resume of current cash and investment positions. Report was approved on a motion by Mr. Korff, seconded by Mr. Simons and carried (Aye-8; Nay-0).

A proposed schedule of fees, (as per list below), designed to effect a match of anticipated sales tax forgiveness for 1989 was discussed by the board and approved on a motion by Mr. Annexstad, seconded by Mr. Keenan and carried (Aye-8; Nay-0).

STATE FAIR BUILDING FUND Revenue Sources

Actual (1988)	
Space Rental (16%)	\$199,352
Proposed (1989)	
Space Rental (16%)	\$200,000
Off-Season Show Rentals and Storage (16%)	48,000
Grandstand and Coliseum (6%)	90,000
Carnival (add new percentage brackets)	6,000
Campgrounds (10%)	5,000
Beer Corkage Surcharge (10%)	24,000
	\$373,000

Reports on out of state business travel were submitted by the following board members: Mr. Ojakangas and Mr. Lilliquist, Indiana and Iowa State Fairs; Ms. Roehlke and Mr. Morris, Clay County Fair; Mr. Prokosch, North Dakota State Fair; Mr. Ojakangas, FFA Convention, Kansas City. It was moved by Mr. Simons, seconded by Mr. Prokosch and carried that reimbursement of appropriate expenses be allowed for said travel (Aye-8; Nay-0).

Jim Sinclair distributed a written report of the space rental department for 1988 and presented specific highlights covering different categories, as well as summary comparisons with the prior year. After discussion, Mr. Korff moved acceptance of the report and asked that Mr. Sinclair be commended for the concise nature of his summary. Motion seconded by Mr. Morris and carried (Aye-8; 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 Mr. Lilliquist and carried (Aye-8; Nay-0).

Secretary advised the board that a written response from the Blinstrup family attorney, Mr. Lawrence Harris, expressed no interest in a long-term continuance of the giant carousel ride on the fairgrounds nor any guarantee that the ride would not be removed at the owner's caprice. It was agreed that the aforementioned letter confirmed the board's opinion that the Blinstrup family intends to remove the carousel from the fairgrounds as soon as a willing buyer can be found. No additional action forthcoming.

Revised and updated rules governing the operation and management of the State Fair (as follows) were presented for board consideration. Revisions reflect style changes only; no changes in substance are reflected herein. Acceptance moved by Mr. Annestad, seconded by Mr. Prokosch and carried (Aye-8; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY

Rules Governing The Operation And Management Of The Minnesota State Fair And The Minnesota State Fairgrounds.

CHAPTER ONE: GENERAL

S.F. 1.1-Authority These rules are promulgated pursuant to authority granted the Minnesota State Agricultural Society by Minn. Stat. 37.16. Because the Minnesota State Agricultural Society is not an agency of state-wide jurisdiction, these rules will not be contained in the Minnesota Code of Agency Rules (MCAR).

S.F. 1.2-Definitions For purposes of these rules, the following definitions shall apply:

A. Board of managers: The board of managers of the Minnesota State Agricultural Society, which is responsible for the management and control of the Minnesota State Fair.

B. Commercial exhibitor: Any person or firm which shows goods, machinery or services for advertising purposes from an assigned fairgrounds location during the period of the State Fair. Institutions or individuals operating under commercial exhibit contracts are permitted to take orders, but may not accept payment for future delivery or make deliveries from their assigned premises.

C. Competitive exhibitor: Any person or firm which enters animals or articles for competitive exhibition at the State Fair.

D. Concessionaire: Any person or firm which sells, makes deliveries, and/or accepts deposits for future delivery on or from an assigned fairgrounds location during the period of the State Fair.

E. Department superintendent: That employee of the State Fair who is head of a specific State Fair department and reports to the secretary and general manager.

F. Institutional exhibitor: Any institution or organization whose exhibit, in the discretion of the rental services department, qualifies as educational or as a service to the State Fair and/or fair going public. No retail sales, order taking, deposit acceptance, contribution solicitation or product/service deliveries are allowed under the terms of this space rental agreement. Space, if available, may be provided upon proper and timely application, and, if requested, upon submission of a showing of qualification.

G. Merchandise permit: The license issued by the State Fair to vendors who desire to solicit orders for and/or deliver articles of food and merchandise to concessionaires at the State Fair. Such a permit does not authorize retail sales of any kind.

H. Minnesota State Agricultural Society (State Fair): The Public Corporation and Department of State charged with the responsibility for management of the State Fairgrounds and the conduct of the annual Minnesota State Fair.

I. Secretary and general manager: The secretary and general manager of the Minnesota State Fair is the chief operating officer of the State Fair.

J. Space rental committee: The committee of three or more members of the board of managers, designated by the president.

K. State Fairgrounds: That certain area of land in Ramsey County, Minnesota defined and described in Minn. Stat. 37.01 and other real estate parcels as recorded with Ramsey County Register of Deeds, including the area outside as well as inside the fenced portion thereof.

S.F. 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 the secretary and general manager.

S.F. 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.

S.F. 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.

S.F. 1.21-Use of metal detectors 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 and general manager in the legitimate conduct of society work.

CHAPTER TWO: SPACE RENTAL

S.F. 2.1-Length of space rental contracts Space rental contracts are for the designated period of the annual State Fair and, unless otherwise agreed in writing, commence on the first day and expire with close of the State Fair each year. Such contracts cannot be sold, transfer-

red, assigned, or devised by will without the written approval of the State Fair.

S.F. 2.2-Renewal policy In order to attract and maintain high-quality concessions and exhibits, it is the policy of the Minnesota State Fair to annually extend to the concessionaires, commercial and institutional exhibitors from the prior year's State Fair the opportunity to renew their space rental contracts for the next State Fair. However, the State Fair reserves the right to refuse to renew any space rental contract, when in the sole discretion of the State Fair management, such action is in the best interest of the State Fair and its patrons. Concession, commercial and institutional exhibit contract renewals are normally made on the basis of a renewal for the same space, purpose, products, and ownership as in the prior year. Grounds or space alterations or other changes may make it necessary to eliminate certain previously available space from one year to the next. In such instances, the State Fair reserves the right to offer substitute locations or discontinue contracts entirely. The State Fair reserves the right to not renew any space rental contract where the concessionaire, commercial or institutional exhibitor has violated any regulation of the State Fair or any state or federal law.

S.F. 2.3-Renewal procedures As close to November 1 as is practical, the space rental department will send renewal applications to concessionaires, commercial, or institutional exhibitors from the prior year's State Fair. The applications must be returned within 30 days of mailing to assure timely processing of the renewal application. Any request for approval of change in location, purpose, or products must be noted on the renewal application.

S.F. 2.4-Space rental rates General policy determinations governing the rates charged for concession, commercial and institutional exhibit space at the State Fair shall be set by the board of managers and shall be implemented by the staff of the space rental department.

S.F. 2.5-New application policy Application forms will be available and new applications for concession, commercial and institutional exhibit space at the State Fair shall be accepted by the space rental department beginning on January 1 of each year. Normally there are more applications for space than space available and the space rental department, in its review of these applications, shall exercise its best judgment in determining what is in the best interest of the State Fair and its patrons. Among the factors to be considered by the space rental department in reviewing new applications shall be the health and safety of the fair-going public, the extent to which the proposed product or service duplicates those of existing concessions, geographic mix and balance of products and services on the fairgrounds, the product originality and overall quality of the proposed concession, commercial or institutional exhibit, the experience and financial stability of the applicant, and such other factors as the space rental department deems appropriate in determining the best interests of the State Fair and its patrons.

S.F. 2.6-Space rental decisions The following kinds of decisions of the space rental department shall be in writing and shall be approved by the secretary and general manager and the director of operations:

A. A determination not to renew a concession or exhibit contract;

B. A determination to grant a renewal with certain changes as to location, purpose, and products;

C. A determination approving or denying a new application for a space rental contract; and

D. A determination approving or denying the proposed sale, transfer or conveyance of any interest in a concession or exhibit at the State Fair.

S.F. 2.7-Space rental review Any member of the public adversely affected by a decision of the space rental department shall have the right to petition the space rental committee for review of such decision. The review shall be initiated by any such person submitting a request for review in writing to the secretary and general manager within 20 days of the date of the letter of action taken by the space rental department. The secretary and general manager shall set a meeting of the committee within 45 days thereafter, at which time the committee shall review the matter with the State Fair staff and the person requesting review. If the committee determines that the person was improperly or unfairly handled by the space rental department, it shall have the authority to direct the space rental department to take such remedial steps as the committee deems fair and appropriate. After final disposition of any matter reviewed pursuant to this regulation, the committee shall report such disposition to the board. Requests for review received by the secretary and general manager after August 1, will be heard after that year's State Fair.

S.F. 2.8-Construction and maintenance of improvements Any new construction or alteration to concession, commercial or institutional exhibit buildings, booths, tents or enclosures must be approved in advance by the space rental department. A concessionaire, commercial or institutional exhibitor intending to erect or alter such a facility shall submit complete plans and specifications to the space rental department, showing that the proposed construction will be in compliance with applicable building codes and will be of an appropriate design and appearance. All tents must be flameproofed and accompanied by a letter of certification showing annual treatment for flameproofing by an approved vendor. The management shall from time to time engage qualified engineering personnel to inspect and evaluate the structural condition of buildings on the grounds. Changes and/or maintenance as shall be ordered by said engineering personnel to insure structural stability and public safety must be accomplished by lessee within a reasonable specific time limit or structure may be ordered closed, removed or torn down at the expense of the owner.

S.F. 2.9-Off-season use of improvements on grounds State Fair owned buildings may not be used by concessionaire, commercial or institutional exhibitor for storage or any other purpose during the non-fair period without the written approval of the space rental superintendent. Privately owned structures on the grounds may only be used by their owners during the non-fair period for storage of furniture, equipment and supplies used by that person as a part of his State Fair concession, commercial or institutional exhibit. Such structures may be used for other purposes only with the written approval of the space rental superintendent.

S.F. 2.10-Ownership of improvements All buildings, tents, booths, or other enclosures, whether portable or permanently affixed to State Fair property, are personal and not real property. The use of any such improvements on the fairgrounds is subject to the space rental contract and the regulations of the State Fair. All portable improvements must be removed from the fairgrounds by September 13 following the State Fair or they will be removed or torn down by the State Fair. In the event, for any reason whatsoever, the State Fair determines that the space rental contract for a concession, commercial or institutional exhibit involving an improvement permanently affixed to State Fair property shall not be renewed and that the permanent improvement should be removed from the grounds, the State Fair shall give written notice to the owner and provide a reasonable time for the removal of the permanent improvement and restoration of the underlying real property. Failure to remove the permanent improvement within the time specified by the State Fair shall result in the forfeit of all claims to the permanent improvement and the State Fair may take possession of or remove the same, charging any expense for removal and restoration to the owner.

S.F. 2.11-Multiple ownership of concessions, commercial and institutional exhibits It is the policy of the board of managers to have as many different persons as is possible and practical participating as commercial or institutional exhibitors and concessionaires at the State Fair. The board discourages ownership of multiple concessions by any one person, partnership or corporation. Owners of multiple concessions, commercial or institutional exhibits will not be allowed to enter into additional space rental contracts unless there are compelling factors which indicated that it would be in the best interest of the State Fair and the fair-going public to do so.

S.F. 2.12-Approval of transfers A concessionaire, commercial or institutional exhibitor may transfer his interest in a concession, commercial or institutional exhibit contract when, in the judgement of the space rental department, it is in the best interest of the State Fair and the fair-going public to continue to have that concession or exhibit participate in the State Fair. In reviewing a request for such a transfer, the space rental department shall consider, among other things, the following: 1. Quality and character of any structures, improvements and personal property involved. 2. Nature and originality of any products or services presented. 3. Geographic mix, balance and extent of product/service presentation about the State Fair.

A concessionaire, commercial or institutional exhibitor desiring to transfer their interest in a space rental contract should so notify the space rental department in writing between January 1 and August 1. The space rental department shall respond in writing to the request for transfer within 30 days after the receipt thereof. If a request for transfer is approved, the concession, commercial or institutional exhibit will be posted as such for 30 days at the State Fair space rental department to advise members of the public interested in obtaining a concession, commercial or institutional exhibit at the State Fair that the particular concession, commercial or institutional exhibit is available for transfer. The State Fair may subsequently enter into a space rental contract with a proposed purchaser or transferee upon satisfaction of the following:

A. The proposed concession, commercial or institutional exhibit purchaser or transferee has applied for rental space according to procedures defined under State Fair Rule S.F. 2.5 - New application policy and had their application reviewed and accepted by the space rental department.

B. A full and appropriate financial disclosure has been made in writing concerning the transfer of the concession, commercial or institutional exhibit and any personal property involved.

C. The transaction does not violate the State Fair's policy concerning multiple ownership of concessions and exhibits or any other rule, regulation, policy or procedure of the State Fair as promulgated in its space rental rules and regulations and information manual.

D. The proposed purchaser or transferee has adequate experience and financial stability to successfully own and operate a concession, commercial or institutional exhibit at the State Fair.

E. The proposed transaction is reasonable, in the best interest of the State Fair and is consistent with the health, safety and enjoyment of the fair-going public.

It is the policy of the board of managers to not approve concession, commercial or institutional exhibit transfers where the proposed purchase price is not reasonably related to the actual values of the personal property involved in a proposed transfer. Because of the large number of high quality new applications for concessions, commercial and institutional exhibits, it is the general policy of the board of managers not to allow transfer of portable concessions, commercial or institutional exhibits or space in State Fair owned buildings. Proper completion and execution of a Minnesota State Fair space rental department transfer policy acknowledgement verifying understanding and acceptance of State Fair transfer policy, procedures and terms, and delivery of a copy of same to the space rental department, along with a properly executed purchase agreement between the parties, shall constitute finalization of approved concession, commercial or institutional exhibit transfer.

S.F. 2.13-Use of space A commercial or institutional exhibitor or concessionaire must confine his business, and the promotion and advertising of same on the fairgrounds to the space assigned him. Failure to comply with this rule will subject commercial or institutional exhibitor or concessionaire to forfeiture of space privileges without reimbursement.

S.F. 2.14-Risk of loss The State Fair assumes no liability for loss or damage to any property of the exhibitor or concessionaire due to fire, tornado, weather conditions, theft, vandalism, or other causes. It is suggested that a commercial or institutional exhibitor or concessionaire bringing property or goods onto the State Fairgrounds protect such property or goods by appropriate insurance.

S.F. 2.15-Prize drawings The following will apply to all concessionaires, commercial or institutional exhibitors who intend to hold a sign-up prize drawing at the State Fair.

A. All concessionaires, commercial and institutional exhibitors who intend to hold a prize drawing must first obtain permission from the space rental superintendent and obtain from him the necessary forms; and

B. Drawings must be completed during the period of the State Fair. Only the advertised prize may be awarded and no further drawing or purchase shall be necessary for the person to be eligible for the prize drawing; and

C. All concessionaires, commercial or institutional exhibitors who conduct prize drawings must submit to the space rental department, within two weeks after the close of the State Fair, a written statement listing the name, address and prize delivered to each winner; and

D. If persons signing up for a prize drawing are subject to sales appointments, contracts or calls because they have signed up for a prize drawing, this must be indicated in writing at the drawing registration point; and

E. All persons or companies which do not comply with this rule may be subject to removal from the grounds and/or forfeiture of contract as the State Fair may elect.

S.F. 2.16-Merchandise permits Parties desiring merchandising permits for the designated period of the annual State Fair must obtain such permits from the office of the space rental superintendent. Delivery trucks not properly identified with said merchandise permits shall be prohibited from entering the grounds at any time during the period of the State Fair.

S.F. 2.17-Regulation of conduct and activities The society recognizes that the State Fair is a proper forum for the free exchange of ideas necessary to a free society, yet reserves the right to regulate all activities, concessions and exhibitions on the fairgrounds with regard to time, manner and place in pursuance of its valid interest in maintaining peace and order and protection of the general public. Concessionaires, commercial and institutional exhibitors shall comply with all applicable state and federal laws and must be familiar with procedures and information set forth in the space rental information manual.

S.F. 2.18-Sales tax permit Concessionaires, commercial and institutional exhibitors involved in taxable retail sales shall be responsible for obtaining a Minnesota State Sales Tax Permit. Non-compliance with Minnesota tax laws may be grounds for cancellation of space and/or denial or renewal.

CHAPTER THREE: COMPETITIVE EXHIBITS

S.F. 3.1-Exhibition Times Times for the setup of entries, the dismantling and removal of entries and the hours of public viewing will be set annually by the competitive exhibits superintendent and will be stated in individual department premium books.

S.F. 3.2-Responsibility for exhibits The State Fair will use diligence to protect livestock and articles entered for exhibition, after their arrival and placement, but under no circumstances will it be responsible for any loss, injury or damage done to or caused by any animal or article on exhibition. It is the responsibility of the competitive exhibitor to obtain appropriate insurance for any damages due to or caused by the exhibit and to identify and hold the State Fair harmless against any claim arising out of incidents involving the exhibit. Removal or pickup of exhibits at established times as stated in individual department premium books, entry blanks and/or entry receipts, shall be the responsibility of the competitive exhibitor. The State Fair shall not be responsible for any exhibit not removed or picked up at established time and will dispose of all exhibits not removed or picked up within one year of such established time.

S.F. 3.3-Board of Animal Health The exhibition of livestock shall be under the supervision of the Minnesota Board of Animal Health and its applicable rules and regulations will be complied with in full. Health requirements for individual departments will be set forth in their respective premium books.

S.F. 3.4-General entry requirements Competitive exhibitors must file proper entry blanks with any applicable fees prior to the designated closing date for entries. The State Fair reserves the right to refuse entries or prohibit the exhibition of animals or articles entered if the showing of such animals or articles is contrary to law, or violative of the State Fair's valid interest in providing for the health, safety and protection of the fair-going public. Exhibits entered in the wrong lot or category may be transferred prior to judging at the discretion of the department superintendent to the proper lot or category of competition. Deception of any type by an exhibitor, as determined by the judge or department superintendent, will ban the exhibitor from any further competition and result in the forfeiture of all premiums. Mechanical or artistic articles must be entered in the name of the artist, inventor, manufacturer or maker. No officer of the society or member of the board of managers or State Fair employee or department superintendent, or member of such person's family, shall be permitted, directly or indirectly, to make a competitive entry in any department over which that person has supervisory responsibility or in which that person is employed.

S.F. 3.5-Animal entry requirements When animals are entered for competition by an entity other than an individual, that entity (whether a corporation, partnership, breeding establishment or other form) must have been in existence as of the closing date of entries. Appropriate documentation showing the status of the entity must be available for inspection by the department superintendent. All animals entered under a breed classification must be recorded in a breeding association recognized as representative of the particular breed. The competitive exhibitor must produce a certificate of registry at the request of the department superintendent. All animals shown must be owned by the competitive exhibitor from the time of making entry, except as otherwise provided in special rules of the department.

S.F. 3.6-Judges No person who is a competitive exhibitor can act as judge in a class in which he or she is competing. Judges shall be responsible for reading and understanding the general rules and all special rules applicable to the department or class in which they are to serve.

S.F. 3.7-Interference with judging Judges shall report to the department superintendent any competitive exhibitor who in any way, whether in person or by agent or employee, interferes with them or shows any disrespect to them during the judging. The department superintendent may, at his discretion, exclude any such competitive exhibitor from further competition. The secretary and general manager may withhold from such competitive exhibitor any or all premiums that have been awarded and may also exclude such competitive exhibitor from further competition at the State Fair.

S.F. 3.8-Award books Judges and persons acting as clerks to the judges must use special care, after awards have been made, to record the proper names in the award books. The judge, department superintendent and clerk recording the awards of the department must sign the award book at the close of each class immediately after all awards in such class have been made.

S.F. 3.9-Qualification of entries If there is any question as to the regularity of an entry or the right of any animal or article to compete in any lot or category, the judge or judges shall report same to the department superintendent in charge for adjustment. Judges shall place a reserve award in each lot. Should any animal or article awarded a prize be disqualified, the animal or article awarded the next lower prize shall graduate into the next higher position, if in the opinion of the judge, it is worthy of such prize. Judges must not award a prize to an unworthy exhibit. No premium or distinction of any kind shall be given to any animal or article that is not deserving.

S.F. 3.10-Finality of decisions In judging livestock, the decision of the official State Fair veterinarian and judge as to soundness shall be final. The decision of the judge shall be final in all cases, except when mistake, fraud, misrepresentation or collusion, not known at the time of the award is discovered. In such cases, the secretary and general manager shall take appropriate action or refer the matter to the board of managers.

S.F. 3.11-Interpretation of rules A faithful observance of all rules governing the exhibit will be required, and when in doubt as to the application or meaning of a rule, the department superintendent in charge shall interpret such a rule. This opinion when required by either a competitive exhibitor or judge must be reduced to writing and returned to the competitive exhibits coordinator with the award books.

S.F. 3.12-Protests and appeals A protest from the decision of a judge will only be accepted from an exhibitor named in the official entry blank for competition in the lot of class under protest, and must be filed with the secretary and general manager within five (5) hours after the award has been made. An award is deemed to have been made when the notation of the decision of the judge is entered into the department award book. All protests must be made in writing and must be accompanied by a deposit of twenty (\$20.00) dollars. The protest must state plainly and specifically the facts upon which the complaint or appeal is based. The right to appeal will lie only when it is charged that the award has been made in violation of the rules governing the exhibit, or when it is charged that the decision of the judge has been influenced or interfered with by another person. No protest or appeal based upon the statement that the judge or judges are incompetent or have overlooked an animal or article will be considered. The twenty (\$20.00) dollar deposit will be returned only if the protest or appeal is upheld.

S.F. 3.13-Late showing of exhibit No animal or exhibit will be judged or awarded a prize if it is not ready for judging and promptly brought into the show-ring when the lot is called or the exhibit category is called or the exhibit category is judged.

S.F. 3.14-Premium money Cash premiums awarded will be paid by check made out to the exhibitor and mailed to the post office address as stated on the entry blank. Competitive exhibitors may forfeit all premium money if exhibits are removed from the grounds prior to the official time of release. The board of managers reserves the right to make reductions in premiums if the financial conditions of the Minnesota State Fair make such reductions necessary.

It was moved by Mr. Lilliquist, seconded by Mr. Korff and carried that secretary be authorized to enter into contracts with acts and attractions for the 1989 fair (Aye-8; Nay-0).

Secretary was authorized to prepare operating budgets for 1989 on the basis of a \$.25 increase in the outside gate admission fee for adults upon a motion by Mr. Simons, seconded by Mr. Prokosch and carried (Aye-8; Nay-0).

Following a presentation by Mr. Frost, it was moved by Mr. Prokosch, seconded by Ms. Roehlke and carried that the following general advertising policy be implemented for 1989: The state fair's basic advertising outlets shall be all daily and weekly newspapers in Minnesota as well as broadcast outlets selected from the state's radio and television stations, plus selected newspapers and radio and television stations in surrounding states (Aye-8; Nay-0).

A review of fair-period payrolls was undertaken, after which it was moved by Mr. Lilliquist, seconded by Mr. Morris and carried that the submitted payroll summary, totalling \$1,057,034, be approved (Aye- 8; Nay-0).

It was moved by Mr. Korff, seconded by Mr. Keenan and carried that the following Grandstand and Coliseum tickets be transferred to "non-pay" status (Aye-8; Nay-0):

GRANDSTAND

8-25	Alabama and K.T. Oslin	8 p.m.	64 @ \$11.00 Contract Provision
8-26	Alabama and K.T. Oslin	8 p.m.	58 @ \$11.00 Contract Provision
8-27	Beach Boys	2 p.m.	241 @ \$11.00 Contract Provision
8-27	Beach Boys	8 p.m.	261 @ \$11.00 Contract Provision
8-28	Peter, Paul and Mary	2 p.m.	30 @ \$ 9.00 Contract Provision
8-28	The Judds and Randy Travis	8 p.m.	35 @ \$11.00 Contract Provision
8-29	Belinda Carlisle and Limited Warranty 2 p. m.		50 @ \$ 8.00 Contract Provision
8-29	Chuck Berry and Fabulous Thunderbirds 8 p. m.		25 @ \$10.00 Contract Provision
8-30	REO Speedwagon	8 p.m.	88 @ \$10.00 Contract Provision
8-31	Manhattan Transfer	8 p.m.	30 @ \$11.00 Contract Provision
9-1	Roger Whittaker	8 p.m.	4 @ \$11.00 Contract Provision
9-1	Roger Whittaker	8 p.m.	786 @ \$11.00 Editors, Legislators, Seniors, et al
9-2	Willie Nelson and Emmylou Harris 8 p.m.		107 @ \$10.00 Contract Provision
9-3	Everly Brothers	2 p.m.	16 @ \$ 9.00 Contract Provision
9-4	Dirty Dancing Concert Tour	2 p.m.	168 @ \$11.00 Contract Provision
9-4	Reba McEntire and Southern Pacific 8 p.m.		50 @ \$ 9.00 Contract Provision

COLISEUM

8-26	English Horse Show	1 p.m.	5 @ \$ 4.50 Hunter and Jumper Judge
8-26	English Horse Show	6 p.m.	5 @ \$ 4.50 Hunter and Jumper Judge
8-27	English Horse Show	6:30 p.m.	5 @ \$ 4.50 Hunter and Jumper Judge
8-31	Draft Horse Pull	7 p.m.	5 @ \$ 4.50 Announcer's Box
9-1	Rodeo	1 p.m.	5 @ \$ 4.50 Announcer's Box
9-1	Rodeo	7 p.m.	5 @ \$ 4.50 Announcer's Box
9-2	Rodeo	7 p.m.	5 @ \$ 4.50 Announcer's Box

A breakdown of outside gate tickets used by various departments and for institutional purposes during the 1988 fair was submitted for reclassification as "non-pay". It was moved by Mr. Korff, seconded by Mr. Keenan and carried that said tickets, total value \$111,148, be reclassified as "non-pay" (Aye-8; Nay-0).

Breakdown follows:

Administrative:

State Agriculture Department	\$123
State Board of Electricity	72
State Employment Services	111
State Health Department	102
State Revenue Department	156
Miscellaneous	36
	\$600

Departmental:

Box Office	\$222
Cattle	72
Communications	470
Creative Activities	417
Education	1,950
4-H	26,421
Free Entertainment	20,340
Fruits	240
FFA	600
Grandstand	5,874
Horse	1,002
Meats	402
FFA	600
Public Safety	4,452
Senior Citizens	756
Space Rental	15
Youth Camp	120
	63,353

Institutional-Organizations:

ABLE	\$290
Accessibility, Inc.	240
Alexandra House	39
Alpha Human Services	105
Amicus	300
Anoka Metro Regional Treatment Center	300

Andrew, Inc.	600
Ascension Place	60
Association of Retarded Persons - Hennepin County	36
Big Brothers/Big Sisters (Minneapolis)	250
Big Brothers/Big Sisters (St. Paul)	250
Bristol Place	300
**Brookwood Residence	45
Camilla Rose Nursing Home	30
Care Co. Homes, Inc.	45
Center for Creative Living	150
Charaka	300
Civic Community Services, Inc.	240
Comm. Human Serv. Dept. (Day Treatment West)	75
Comm. Human Serv. Dept. (Extended Day Treatment-East)	75
Comm. Human Serv. Dept. (Extended Day Treatment-West)	75
Comm. Human Serv. Dept. (Fort Road Day Treatment)	60
Comm. Human Serv. Dept. (Foster Care)	30
Comm. Human Serv. Dept. (Hearing Impaired)	33
Comm. Human Serv. Dept. (Lake Owasso)	300
Comm. Human Serv. Dept. (Volunteer Services)	300
Comm. Involvement Program (Aveyron)	57
Comm. Involvement Program (Passageway)	90
Courage Center	300
County of Carver (Community Support)	60
Demar Childrens Home	60
Da-Trac Dakota Adult Transit	90
Dungarvin, Inc.	75
Elliot Board and Care	24
Emerson Place North	21
Faribault Regional Treatment Center	300
Family Style Homes	150
First Christian Church Residence	63
Franklin Place East	69
Fraser, Louise (Westby House)	33
Golden Valley Health Center	66
Goodwill Industries	300
Granville-Jane Dickman Center	114
Guild Residences	180
Hammer Residences	300
Henn. Co. Medical Center	120
Henn. Co. Mental Health (Day Treatment)	90
Henn. Co. Mental Health (Social Rehabilitation)	90
Henry Hagen Residence	33
Hiawatha Valley MHC	150
Hoikka House, Inc.	150
Home Free	250
Homeward Bound (Brooklyn Park)	69
Homeward Bound (New Hope)	135
House, The	90
Little Sisters of the Poor	105
Lutheran Soc. Service of MN (Friendship House)	96
Lyngblomsten Care Center	150
March House	60
Metro Care Center	45
Metropolitan/Mount Sinai Medical Center	30
Midway Training Services	120
Minneapolis Society for the Blind	300
Minn. Correction Facility (Lino Lakes)	300
Minn. Indian Women Resource Center	300
Minn. Vets. Home (Minneapolis)	300
Minn. Vets. Home (Hastings)	45
Mission Lodge	150
Multi Resource Center	75
Muscular Dystrophy Association	300
Mykkanen, Art & Mary Lou	15
NEB Care Centers	144
New Foundations	60
New Hope Center	120
Norhaven	135
Oasis	75
One Eighty Degrees, Inc.	108
Opportunity Workshops (Golden Valley)	195
Opportunity Workshops (Minnetonka)	300
Orion House	18
Parents & Friends of Orvilla, Inc.	300
People, Inc. (Anchor)	45
People, Inc. (Apollo Center)	90
People, Inc. (Child Care)	90
People, Inc. (Journey House)	39
People, Inc. (Link)	90
People, Inc. (Peoples Apartment Network)	150
People, Inc. (Petra Howard House)	45
Phoenix Residence	300
Portland Residence	300
Pyramid Mental Health Center	45
Ramsey Clinic	60
REM Lyndale	45
REM Pillsbury	102
Rose of Sharon Manor	45
St. Joseph's Children's Home	175
St. Joseph's Hospital (Outpatient)	150
St. Paul-Ramsey Med. Center (Safe House)	120
St. Paul Society for the Blind	300
St. Peter Regional Treatment Center	300
Salvation Army (Harbor Light Center)	75
Salvation Army (Adult Rehabilitation)	300
Senior Resources (Henn. Co.)	108
Shalom Home	300
Sharing Life in the Community	300
South Center Manor	84

Trevilla of Robbinsdale	300
United Blind of Minnesota	300
United Hospital (Adolescent Day Treatment)	60
University of Minn. (Volunteer Services)	240
Vail Place	225
Walker Methodist Health Center	24
Way 12	135
Wayside House	180
Wellspring Therapeutic Communities	30
Wilder-Bush Memorial	140
	17,195

Institutional - Promotion:

Multiple Sclerosis Society Readathon	30,000
TOTAL	\$111,148

Meeting adjourned.

Minutes in Vacation (Continued)

4—Frost visited Churchill Downs, Louisville, Kentucky and met with representatives of Transit Image, Inc. regarding large screen projection.

9—Bob Armstrong attended a meeting of the Ramsey County Historical Society at Town & Country Club at which a presentation about history of the State Fair was made. Frost met with Maureen Flahaven and her staff regarding Celebrate Minnesota 1990.

10—The executive committee approved the October 31, 1988 cash transaction summary as follows:

GENERAL FUND ACTIVITY:

Cash Balance-Sept 30, 1988		\$1,779,257
Add:		
Oct Cash Receipts	\$720,515	
Less:		
Payroll Ending Oct 7	(72,335)	
Payroll Ending Oct 21	(59,425)	
Oct Cash Disbursements	(2,309,685)	<u>\$(1,720,930)</u>
Cash Balance-Oct 31, 1988		\$58,327

MARKETABLE SECURITIES ACTIVITY:

Balance-Sept 30, 1988		\$1,573,432
Add:		
Interest Earned	\$2,265	
Securities Purchased	\$500,000	
Less:		
Service Charges	(88)	
Securities Cashed	(300,000)	<u>\$202,117</u>
Balance-Oct 31, 1988		\$1,775,609

BUILDING FUND ACTIVITY:

Balance-Sept 30, 1988		\$0
Add:		
Interest Earned	\$0	
Securities Purchased	199,352	
Less:		
Service Charges	0	
Securities Cashed	0	<u>\$199,352</u>
Balance-Oct 31, 1988		\$199,352

CASH BALANCES FOR MONTH ENDING OCTOBER 31:

	1988	1987
General Fund	\$58,327	\$49,374
Petty Cash	\$200	\$200
Marketable Securities	\$1,775,609	\$1,887,798
Building Fund	\$199,352	\$0
Total Cash Balances	\$2,033,488	\$1,937,372

15—Wenzel, Sinclair and Heffron met with Chuck Johnson to discuss a Coliseum food and catering service contract for 1989.

16—Hammer attended a Como Park Community Council District 10 planning meeting at Lyngblomsten Center to monitor a discussion of fair-period lawn parking in the adjacent neighborhood.

17—The legislative audit began this date. Pat Klinger and Heffron met with Connie Isreal representing the Olympic Festival organizers to discuss use of State Fair facilities for the 1990 summer event. Ken Giannini attended a quarterly meeting of area members of the Box Office Management International at Orchestra Hall. A post-fair operations division meeting of superintendents and supervisors was held to review 1988 procedures.

18-20—Heffron attended and spoke at the Dakotas Fair Meeting in Bismarck.

21—Sinclair and Klinger met with representatives of the Minnesota Twins to discuss plans for co-promotion of Agriculture Awareness Days, August 31, September 1.

22—John Galus and Steve Buffington from the attorney general's office represented the State Fair at a pre-trial settlement conference called by Ramsey County District Judge James Lynch. Ken Giannini attended the National Employee Services and Recreation Association (NESRA) Region V Conference at Scanticon Executive Conference Center and Hotel in Plymouth.

23—Frost, Wenzel and Heffron met with Wayne Olson and Warren Wunderlich of TKDA to discuss budget for '89 construction projects.

25-December 24—Split Rock Christmas tree sale was held in Block 9.

27-December 2—Frost, Wenzel, Fischler, Hammer, Sinclair, Leach, Pooch and Heffron, along with board members Ojakangas, Morris, Annestad, Korff, Lilliquist, Prokosch, Roehlke and Simons, attended the annual convention of the International Association of Fairs & Expositions in Las Vegas, Nevada.

December

3—Horse superintendent Arneman and assistant Fickett attended the annual meeting of the Minnesota Draft Horse Breeders to discuss mutual concerns.

5—Pooch, Sinclair, Klinger and Goodrich attended a meeting of the Tri-State Horse Association at the Administration Building to discuss fair-period and off-season horse shows.

6—Wenzel, Fischler and Heffron met with Steve Herbitz of MN DOT to discuss Snelling Avenue construction claims settlement.

8—Sinclair and Klinger met with Chuck Johnson to finalize and execute a contract for Coliseum off-season concession and catering during 1989.

10—The executive committee approved the November 30, 1988 cash transaction summary as follows:

GENERAL FUND ACTIVITY:

Cash Balance-Oct 31, 1988		\$58,327
Add:		
Nov Cash Deposits	\$360,371	
Less:		
Payroll Ending Nov 8	(65,293)	
Payroll Ending Nov 22	(53,972)	
Nov Cash Disbursements	(207,626)	<u>\$33,480</u>

Cash Balance-Nov 30, 1988 \$91,807

MARKETABLE SECURITIES ACTIVITY:

Balance-Oct 31, 1988		\$1,775,609
Add:		
Interest Earned	\$34,484	
Securities Purchased	0	
Less:		
Service Charges	0	
Securities Cashed	(200,000)	<u>(165,516)</u>
Balance-Nov 30, 1988		\$1,610,093

BUILDING FUND ACTIVITY:

Balance-Oct 31, 1988		\$199,352
Add:		
Interest Earned	\$1,498	
Securities Purchased	0	
Less:		
Service Charges	\$0	
Securities Cashed	\$0	<u>\$1,498</u>
Balance-Nov 30, 1988		\$200,850

CASH BALANCES

FOR MONTH ENDING NOVEMBER 30:	1988	1987
General Fund	\$91,807	\$169,337
Petty Cash	\$200	\$200
Marketable Securities	\$1,610,093	\$1,570,508
Building Fund	\$200,850	\$0

Total Cash Balances \$1,902,950 \$1,740,045

12—Heffron met with Como neighbor Walter Corbey to discuss issues in the area related to the State Fair.

14—Pooch, Fischler and Frost met with 4-H staff and TKDA architects to discuss planned improvements to the 4-H Building and fund raising progress. Klinger and Goodrich met with International Special Olympics committee members to discuss use of the Coliseum for equestrian events during the 1991 event.

16—Frost, Wenzel and Heffron met with the Snelling fence improvement team to discuss proposals for improvements to the east edge of the fairgrounds.

20—An employee Christmas luncheon was held in the Administration Lower Conference Room. Frost met with Mike Bolin and Larry Shear, M.R. Bolin Advertising, to discuss the fair's advertising needs.

21—Frost, Wenzel, Fischler and Heffron met with Don Ringrose and Jim Lasher of BRW, Inc. to discuss certain landscape architecture work on the fairgrounds. Frost, Wenzel, Fischler and Heffron met with Wayne Olson and Warren Wunderlich of TKDA to discuss the same architectural issues.

22—Wenzel and Heffron met with Rich Keenan and (former counsel) Kent Harbison to review Whitewater Raft Ride litigation.

January

3—The space rental department began distribution and acceptance of applications for 1989 commercial space.

4—Frenette and Heffron met with Jeanine Leifeld and Pat Ryan of the Legislative Audit office to discuss proper accounting procedures for handling the new sales tax exemption law. Klinger met with Normandy Inn sales director Claudia Serafini to discuss the hotel's participation in Agriculture Awareness Days at the 1989 fair. Pooch and Sheep Superintendent Jordan met with representatives of the Minnesota Hampshire Sheep Association to discuss arrangements for the regional Hampshire futurity show during the 1989 fair.

10—Mary Pittelko hosted an education scholarship reception for Executive Women International in the Administration Lower Conference Room. The executive committee approved the December 31, 1988 cash transaction summary as follows:

GENERAL FUND ACTIVITY:

Cash Balance-Nov 30, 1988		\$91,807
Add:		
Dec Cash Deposits	\$380,473	
Less:		
Payroll Ending Dec 6	(58,718)	
Payroll Ending Dec 20	(55,745)	
Dec Cash Disbursements	(248,007)	<u>18,003</u>

Cash Balance-Dec 31, 1988 \$109,810

MARKETABLE SECURITIES ACTIVITY:

Balance-Nov 30, 1988		\$1,610,093
Add:		
Interest Earned	0	
Securities Purchased	0	

Less:		
Service Charges	(574)	
Securities Cashed	(300,000)	<u>\$(300,574)</u>
Balance-Dec 31, 1988		\$1,309,519
BUILDING FUND ACTIVITY:		
Balance-Nov 30, 1988		\$200,850
Add:		
Interest Earned	\$1,323	
Less:		
Service Charges	\$(46)	
Disbursements	\$0	<u>\$1,277</u>
Balance-Dec 31, 1988		\$202,127
CASH BALANCES		
FOR MONTH ENDING DECEMBER 31:		
	1988	1987
General Fund	\$109,810	\$278,499
Petty Cash	200	500
Marketable Securities	1,309,519	1,035,508
Building Fund	<u>202,127</u>	<u>0</u>
Total Cash Balances	\$1,621,656	\$1,314,507

Annual Meeting Minnesota State Agricultural Society

St. Paul Radisson Hotel
Jan. 14-16, 1989

The 130th annual meeting of the Minnesota State Agricultural Society opened with a day-long registration session on Saturday, Jan. 14. Registration continued Sunday, Jan. 15 and Monday (morning) Jan. 16. A total of 461 delegates, 265 associate members and 248 guests registered for participation at the meeting.

A welcome reception, sponsored by the Society, the Minnesota Federation of County Fairs and the Midwest Showmen's Association, was held at 8 p.m., Saturday evening.

The credentials committee met to conduct business at 9:30 a.m., Sunday. Delegates named to this committee were James Hartle, Owatonna; Richard Johnson, St. Peter (chairperson); Shirley Eklund, Stanchfield; Joe Fox, Maplewood; Rich Keenan, Minneapolis; Sandra Crozier, Brainerd; Lois Novosad, Marshall; Brian Carlson, Grand Rapids; David Volkerding, Ada.

Appointees to the resolutions committee, which also met at 9:30 a.m., Sunday, included Jerry Hennessey, Rochester; Keith Kreykes, St. Peter; Lyle Steltz, Rush City (chairperson); Bob Reistad, St. Paul; Mayella Yonak, Buffalo; Dale Benson, Alexandria; Jim Clark, Hibbing; Ed Turn, Warren.

At 3:30 p.m., Sunday, delegates from the first, second and eighth regional districts met in caucus to certify nominees for election to the Society's board of managers on Monday, Jan. 16. Selected were: first district—Howard Recknor, Hartland; second district—Martin Annexstad, St. Peter; eighth district—Don Simons, Grand Rapids.

Members of the society met in general session at 9:30 a.m., Monday. Secretary Heffron offered the following report:

Good morning ladies and gentlemen...

The Minnesota Agricultural Society has a very specific reason for existing, a reason perhaps more valid today than it was in 1853 when proposed by, among others, David Olmstead, Alexander Ramsey, Henry Rice, Norman Kitson, William Nobles, John Mower and Henry Sibley.

Not all of the original incorporators of the organization were farmers and agriculturists; few of them, in fact, ever expected to be. Some were Indian traders, others were politicians, editors, bankers or all of the above in various combinations. Nearly all were land speculators however, impressed with the possibilities of developing Minnesota into a profitable agricultural region.

During its formative years, the society saw itself in a dual roll. The exposition, as a functional enterprise, was not yet viable. Members of the society, in the meantime, sought to promote their namesake—agriculture—by introducing and adopting resolutions of high-sounding character so as to impress their eastern cousins.

In 1853, Mr. W.A. Hotchkiss of Hennepin County moved the following: "Resolved, that it is the opinion of the society that the climate and soil of Minnesota are particularly adapted to the successful growth of wheat." On a day like today in January, how could Mr. Hotchkiss keep a straight face while talking about the climate?

The following January, Captain William Holcombe of Washington County introduced and had accepted the following resolution: "Resolved that, in the opinion of the society, Minnesota is a good stock-growing climate more healthful than in other states, which are noted for stock-raising." Here we go with the climate again, right in the middle of winter.

It is hard to say how impressed easterners and Europeans were by these proposals given that they generally believed the territory to be a rough, undeveloped wilderness, inhabited solely by savages, bearded carpetbaggers and bears. Minnesota's most successful enterprise in 1854 was fur trading. Easterners knew about the fur trade because they were its best customers. They also knew that fox and beaver could not be successfully hitched to a plow or expected to pick corn.

It became abundantly clear during the next three years that presenting fairs, as the society did in 1855, '56 and '57, was the single best strategy available for promoting Minnesota agriculture. Fairs drew people, people who talked to one another and to others outside the territory; fairs made newspaper headlines, headlines read far from the provincial borders of Minnesota; but most of all, fairs gave tangible evidence as to the quality and abundance of agricultural products and livestock, not to mention forestry and mining resources in the region. The society had found its place and its reason for being... a reason that over 134 years has neither diminished nor changed.

Promoting the great State of Minnesota today is no less important than it was during the nineteenth century. Furthermore, the task is no more complicated. The simple fact is... Minnesota continues to demonstrate excellence in its people and in its products. Our job is simply to showcase that excellence for all the world to see.

As you know, we have a "wealth" of state agencies, community commissions and local departments spending a "wealth" of Minnesota tax dollars to promote "something." We have tourism groups... we have trade groups... we have consumer groups... all fighting to spend public money for promotion. Meanwhile, the state fair spends no public dollars and does a better, more cost efficient job of promoting Minnesota industry than does all of its contemporaries combined. Moreover, it's been consistent in productive state promotion for over 13 decades.

How does the society position itself today? Well only a fool would try to convince you that methods and emphasis are unchanged. Our state and our region continue to develop and move forward. Our exposition must change accordingly so that the mirrored image we provide is accurate and no less modern than the public we serve.

A fair cannot and should not confine itself to being a collection of static exhibits, concessions and side shows. It must be a living, breathing, ever-changing demonstration of what is best in our area. It must offer the opportunity for expanded horizons, growth, education, culture, and let's not ignore the appropriateness of quality, family entertainment.

Our continuing mandate is to provide opportunity for an ever-expanding industrial base while remaining true to the traditional logic that Minnesota's greatness is unconditionally linked to the good, dark earth and to the generations of good people who have worked the soil and gathered from it the sustenance and strength of our Republic. The charter under which we have been operating these many years requires acknowledgement of the basic principle.

On Oct. 31, we concluded an operating cycle marked by two major events. The first, a long, debilitating drought took its toll on agriculture throughout the Midwest and was especially severe in Minnesota. Some relief was experienced in late August as the exposition opened, but its wilting effects were evident all around the fairgrounds; lawn and flower beds were thin, agricultural exhibits lacked their characteristic quality. The cool break continued through the run of the fair, and as a result, attendance at the event once again reached a record level.

Several months earlier in May, a landmark piece of legislation was signed into law by the governor. Known as the "State Fair sales tax bill," this initiative allowed the society to keep the sales taxes it would ordinarily pay over to the state on the gate and show admissions with the stipulation that proceeds be used to improve fair-owned facilities. The new law, which goes into effect this year, is expected to generate an annual building fund of over \$350,000.

Many of you were instrumental in passage of the sales tax law by lobbying on its behalf. The impact of your efforts was obvious... a lame duck bill well on its way to defeat, all of a sudden became a popular cause at the capitol. That only happened after your letters and calls began. The board has asked after you letters and calls began. The board has asked that I once more acknowledge and express gratitude to you for your timely response to our call for help.

Today, we once again see a "changing-of-the-guard" in society leadership. Sulo Ojakangas, who has served the fair long and diligently will step aside after two years as president. We wish Mr. Ojakangas well and hope he will continue as a friend and active participant in the affairs of our organization.

Finally, ladies and gentlemen, may I offer for your approval a report of cash activity and investment balances for the fiscal period ending Oct. 31, 1988.

The opening balance, Nov. 1, 1987 was \$1,937,373. During the year, an excess of cash receipts over cash disbursements of \$105,580 resulted in a closing balance on October 31, 1988 of \$2,042,953.

This, then, Mr. Chairman, is the operating and financial report of your secretary for 1988.

The following credentials report was presented by Chairman Richard Johnson and adopted by the membership:

Credential blanks submitted to the State Agricultural Society seeking the accreditation of county agricultural societies and statewide associations have been inspected by the full committee.

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

Credential form submitted by Yellow Medicine County Fair was accepted with the stipulation that the attachment made to said credential be disallowed.

It was also noted that notary endorsements were not necessary for credential validation.

Resolutions committee report was offered for the record by Chairman Lyle Steltz. The following resolutions were adopted by the membership:

Resolution 1—We, the members of the Minnesota State Agricultural Society, express our gratitude to all those involved in presenting the 1988 Minnesota State Fair—the board, full-time and fair-time staff, competitive and commercial exhibitors, entertainers and their agents, sponsors, members of the news media, purveyors and all others whose dedicated work was essential to the success of the fair.

Resolution 2—We also express our sincere thanks to those who truly made the fair a record-breaking success through their attendance and participation—the 1,621,279 people who visited the 1988 exposition.

Resolution 3—The society also thanks our neighbor, the people of Como Park, St. Anthony Park and Falcon Heights, for their good-natured understanding and support during the 12 days of the fair. We further resolve to work with these communities to ease the inconvenience of our neighbors in any way practical.

Resolution 4—We resolve to maintain the State Fair as the premiere agricultural, educational and entertainment event in the Upper Midwest while remaining financially independent through sound and fiscally responsible management.

Resolution 5—Our alliance with the Minnesota Federation of County Fairs and membership in the International Association of Fairs and Expositions are of great benefit to the society and we resolve to continue our mutually beneficial association with these groups to further the fair industry.

Resolution 6—We express our deep regret and acknowledge the great loss suffered by the society through the passing of Edward LaPointe (life member and former mechanical services superintendent), Robert Lund (life member, past president and former vice president). We extend our sympathies to the families of these fine and worthy gentlemen.

Resolution 7—Finally, we extend our thanks to the responsible members of the State Fair staff and to the staff of the St. Paul Radisson Hotel for their hard work in bringing us the 130th annual meeting of the State Agricultural Society.

The society proceeded to conduct elections with results as follows:

Bill Korff, Faribault, president, one-year term; Bert Lund, St. Paul, vice president/fourth regional district, two-year term; Howard Recknor, Harland, first regional district manager, one-year term vacated by Bill Korff; Martin Annexstad, St. Peter, second regional district manager, three-year term; Don Simons, Grand Rapids, eighth regional district manager, three-year term; Sulo Ojakangas, Hibbing, honorary life member of the society.

There being no further business before the body, the 130th annual meeting of the Minnesota State Agricultural was adjourned.