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2018 ★ ANNUAL REPORT

Our MISSION

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

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

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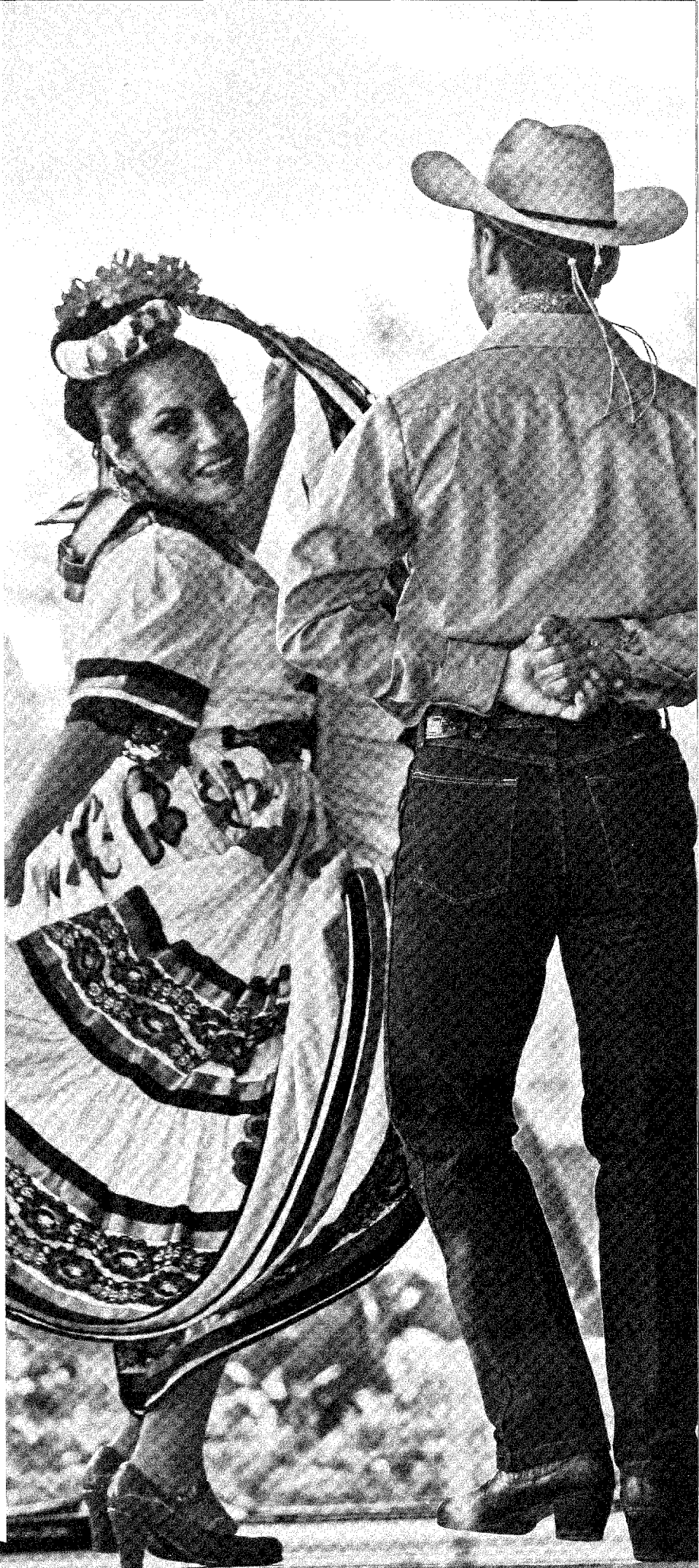
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On the cover: 2018 Minnesota State Fair
Commemorative Art by Minnesota artist Kristi Abbott



Report of the EXECUTIVE VICE PRESIDENT

Too much is made of State Fair attendance. It's a handy yardstick, but the success of the fair is so much more than a turnstile count. The State Fair's true success is measured by the number of amazing shared experiences that are created in a welcoming, safe and beautiful environment. Attendance is a byproduct.

And that was the story of the 2018 State Fair. The cares of today's world were left at the gate by millions of people who were here to celebrate the very best of Minnesota and each other. Participation in the fair's agricultural and creative contests was at an all-time high, fair patrons continued to learn about ag from the people who feed them, the fair's numerous entertainment venues overflowed with happy audiences, vendors served more delightfully diverse food than ever, scores of rides and attractions kept people thrilled, and all sorts of records were set along the way despite frequent rain.

We may be Minnesota's State Fair, but we're attracting a much wider audience. Last year, people attended from all 50 states, plus 25 nations around the world. Among our overseas visitors was the British Ambassador to the United States who said "I love this place!" as his posse packed him off to the airport, then hustled straight back for two more unscheduled days at the fair. We were also honored to host a delegation of government officials from the Kingdom of the Netherlands. One of the Dutch officials said that when she attempted to leave the fair with her group "The others refused to come out and insisted on staying longer. Maybe it was the birthing barn or maybe it was the cheese curds. Whatever it was, they were taken from the get go." Also attending was a group of journalists from around the world, and I asked a writer from Russia for the European equivalent of our fair. "There is none," he said. "Absolutely nothing that I've seen anywhere in the world."

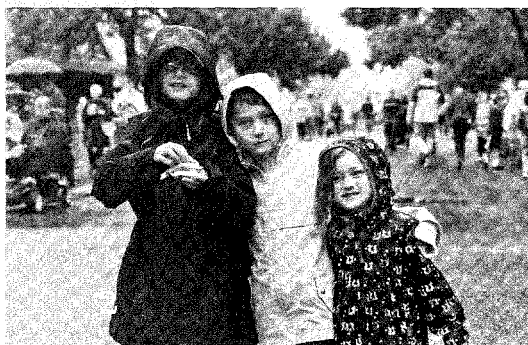
Undeniably, the State Fair's most important impact is social. It's our communal touchstone that brings us together unlike anything else. But there is a huge economic impact as well. Once-in-a-great-while events like the NFL's Super Bowl and NCAA Final Four - both held in the Twin Cities during the past 16 months - are rightly touted for the huge boost they give our local economy. Every year, the State Fair very quietly does exactly the same thing, producing a Super Bowl-level economic impact of \$268 million in the Twin Cities, plus unmeasured impact throughout the state. This impact translates into the equivalent of more than 12,000 full-time, seasonal and part-time jobs, \$77 million in household earnings for Twin Cities residents and \$10 million in tax revenue to the state. Details of the study are on page 14.

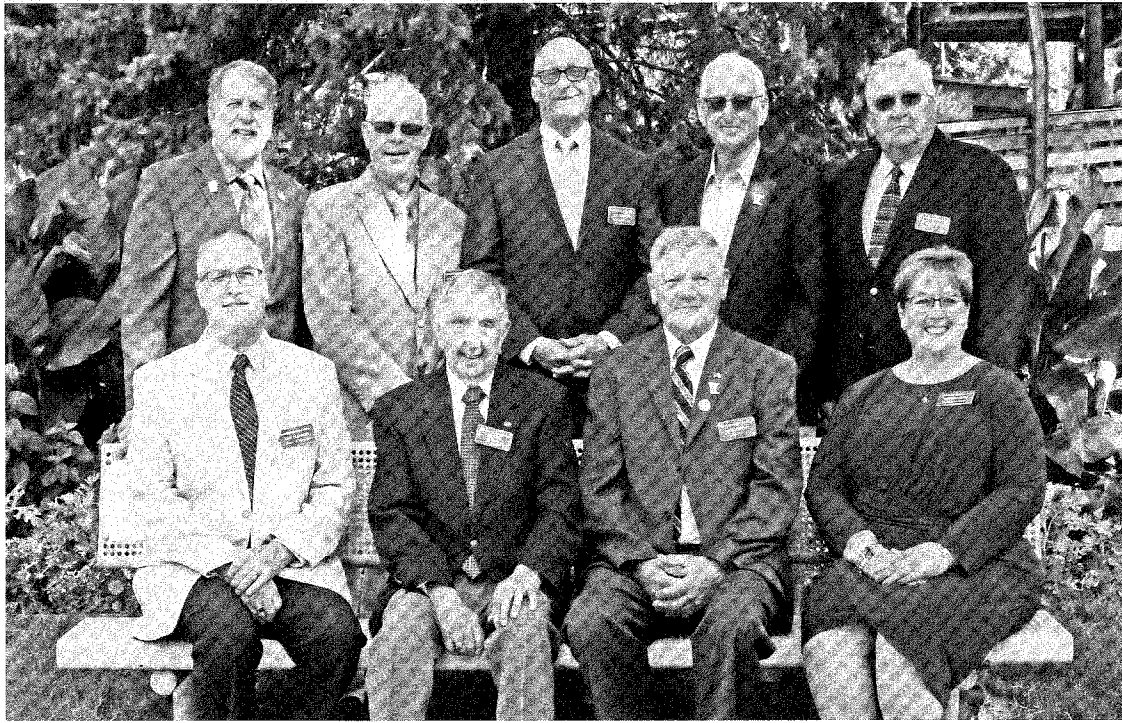
Minnesotans are embracing their fair like never before. Greater numbers of visitors means that the State Fair experience must be expanded and improved. This is in the forefront of our planning when we add new visitor amenities, like last year's new restroom that's 10 times larger than the one it replaced. Programming also needs to expand, and we're doing so in '19 by opening a brand new neighborhood on the North End of the fairgrounds with a sparkling new Event Center featuring major museum-style exhibits. Also included is an innovative celebration of our state's contributions to the world, plus special exhibits that are uniquely Minnesota.

Tens of thousands of dedicated and hard-working people bring the State Fair to life every year, giving their all to weave that special magic that defines the Great Minnesota Get-Together. Fair staff, vendors, agriculture exhibitors, educators, entertainers, contractors and suppliers are united by the goal of creating incredible experiences and making memories that last a lifetime. The fair is built on the framework of a traditional agricultural exposition, but the whole is much greater than the sum of its parts. For millions of people, the State Fair has become an epic celebration of the human spirit. It's a transcendent marvel that shows us all how things can be when we plug into the very best of human nature. On behalf of all whose talent, dedication and hard work make the State Fair possible, thank you for the privilege of serving this incredible institution. God bless, and I'll see you at the fair.



Jerry Hammer
Executive Vice President





State Fair BOARD OF MANAGERS

The State Fair is governed by the Minnesota State Agricultural Society, which is charged exclusively with governance of the State Fair. Society delegates represent all 87 county fairs in Minnesota, along with statewide groups representing Minnesota's agriculture, horticulture and natural resources interests. At its annual meeting each January, this group of delegates elects a 10-member board of managers to set policy and provide oversight for the fair. Nine members represent the Agricultural Society's nine regional districts and the 10th member (the president) serves at large. Pictured left to right (back row): Joe Scapanski, Dan Grunhovd, Jeff Hawkins, Wally Wichmann, Gordy Toenges. Left to right (front row): Ron Oleheiser, Joseph Fox, Paul Merkins, Gail Johnson. Not pictured: D.J. Leary.

Joe Scapanski
Sauk Rapids, MN
6th District Manager

Dan Grunhovd
Gary, MN
9th District Manager

Jeff Hawkins
Inver Grove Heights, MN
2nd District Manager

Wally Wichmann
Balaton, MN
7th District Manager

Gordy Toenges
Alden, MN
1st District Manager

Ron Oleheiser
Grand Rapids, MN
8th District Manager

Joseph Fox
Maplewood, MN
4th District Vice President

Paul Merkins
Stewart, MN
President

Gail Johnson
Anoka, MN
3rd District Manager

Not pictured
D.J. Leary
Minneapolis, MN
5th District Vice President



2018 ADMISSION

PRE-FAIR ADMISSION

- All ages \$11

REGULAR ADMISSION

- Adults (13-64) \$14
- Seniors (65+) \$12
- Kids (5-12) \$12
- Children (under 5) FREE

THRIFTY THURSDAY

AUG. 23

- Adults (13-64) \$12
- Seniors (65+) \$12
- Kids (5-12) \$9
- Children (under 5) FREE

SENIORS DAYS

AUG. 27 & 30

- Seniors (65+) \$9

KIDS DAYS

AUG. 27 & SEPT. 3

- Kids (5-12) \$9
- Children (under 5) FREE

MILITARY APPRECIATION DAY

AUG. 28

Active military, spouses and kids; retired military and spouses; and veterans and spouses who purchased a ticket at the gate and presented valid documentation of military service: \$9

READ & RIDE DAY

AUG. 29

Public library cardholders who purchased a ticket at the gate:

- Adults (13-64) \$12
- Seniors (65+) \$9
- Kids (5-12) \$9
- Children (under 5) FREE

BLUE RIBBON BARGAIN BOOK

- \$5

MIGHTY MIDWAY & KIDWAY

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

VEHICLE PARKING

- \$14



*Total Attendance: 2,046,533**

THURSDAY, AUG. 23

Thrifty Thursday: 122,695*

High: 81 Low: 60
Precipitation: none

FRIDAY, AUG. 24

Governor's Fire

Prevention Day: 108,059

High: 72 Low: 65
Precipitation: 1.05 in.

SATURDAY, AUG. 25

4-H Day: 222,194*

High: 78 Low: 65
Precipitation: none

SUNDAY, AUG. 26

Minnesota Cooks™

Day: 184,716

High: 85 Low: 67
Precipitation: trace

MONDAY, AUG. 27

**Seniors, Kids &
MN State Patrol**

Day: 124,438

High: 84 Low: 66
Precipitation: .15 in.

TUESDAY, AUG. 28

Military Appreciation

Day: 120,209

High: 66 Low: 56
Precipitation: .18 in.

WEDNESDAY, AUG. 29

Read & Ride Day: 144,940*

High: 72 Low: 52
Precipitation: none

THURSDAY, AUG. 30

Seniors Day: 156,764*

High: 77 Low: 55
Precipitation: trace

FRIDAY, AUG. 31

MPR Day: 179,402

High: 85 Low: 68
Precipitation: .07 in.

SATURDAY, SEPT. 1

FFA Day: 270,426*+

High: 88 Low: 72
Precipitation: none

SUNDAY, SEPT. 2

Friends of the Fair Day: 241,102

High: 82 Low: 68
Precipitation: .25 in.

MONDAY, SEPT. 3

Kids & Last Chance Day: 171,588

High: 76 Low: 68
Precipitation: .02 in.

*New attendance record

+ All-time single day attendance record



AGRICULTURE, ANIMALS *and* COMPETITION

COMPETITIONS AND SHOWCASES

2018 saw an expanded schedule of draft horse and miniature horse competitions, and the fair's livestock shows continued to attract more competitors for the national-level exhibitions. Many of the competitors went on to win at other renowned exhibitions and use the regional and super-regional points they earned in Minnesota to garner national recognition. Highlighted competitions include:

Charolais, Hereford, Shorthorn and Shorthorn Plus beef cattle, dairy goats, Holstein and Red & White dairy cattle and sheep. All livestock and horse shows are free with fair admission.

AGRICULTURAL AND CREATIVE COMPETITIONS

The Minnesota State Fair's agricultural and creative competitions (including open class, FFA and 4-H) drew more than 38,000 entries in 2018, with more than 17,400 competitors vying for a share of ribbons, trophies and more than \$1.5 million in prize money. By the numbers breakdown:

- More than 15,000 entries in livestock and horse competitions
- More than 7,000 entries in agriculture and horticulture competitions
- More than 16,000 entries in all other competitions (fine arts, creative activities, school projects, etc.)

CHS MIRACLE OF BIRTH CENTER

The award-winning CHS Miracle of Birth Center welcomed 217 newborn animals, including 157 piglets, 12 calves and 42 lambs and, for the first time ever, six kids (goats).

FINE ARTS EXHIBITION

The State Fair's Fine Arts Exhibition featured the largest juried art show in Minnesota. The 2018 People's Choice Award's Adult Choice went to "Van Gogh with Gray Felt Hat," an oil, acrylic, mixed-media piece by Toni Dachis of Minneapolis, Minn. Brian Berle of Shakopee, Minn., won the Kids' Choice Award for his sculpture "Metal Dog."

CONTESTS *and* ACTIVITIES

MSF AMATEUR TALENT CONTEST

Nearly 8,000 fans cheered on the best amateur talent in the state at the 46th Annual MSF Amateur Talent Contest Finals, sponsored by JACK'S® Pizza, held Sept. 2 at the Grandstand. Contestants were competing for more than \$20,000 in cash awards and JACK'S® Pizza prize packs. Winners were:

Open Division:

First place: Nick Hodge of St. Paul, Minn., acrobatic solo, "24K Magic"

Second place: Russell Sweet of St. Paul, Minn., saxophone solo, "Pequeña Czarda"

Third place: Roland Bernard Hawkins II of Orono, Minn., vocal solo, "Nessun Dorma"

Teen Division:

First place: Lauren Senden of North Mankato, Minn., vocal solo, "A Doll Song"

Second place: Abby King of Mounds View, Minn., vocal solo, "Waves"

Third place: Britta Aas of Tenstrike, Minn., ukulele/vocal solo, "Wagon Wheel"

Preteen Division:

First place: Aaliyah Dixon of St. Michael, Minn., dance solo, "Rhythm Nation"

Second place: Darien Hull of Mendota Heights, Minn., piano solo, "Doctor Gradus ad Parnassum"

Third place: Lauren Cameron of Rosemount, Minn., piano solo, "Preludium"

HIGH SCHOOL MARCHING BAND COMPETITION

High school marching bands from Minnesota, South Dakota and Wisconsin competed in the State Fair's daily parade sponsored



by McDonald's. Rosemount High School was awarded Grand Champion, as well as Class A honors; Waseca High School took first place in Class B, and Cotter High School of Winona, Minn., won in the Class C division.

MILK RUN

Jeremy Reichenberger of Minneapolis, Minn., and Angie Voight of St. Paul, Minn., were the overall male and female 5K Milk Run winners with times of 16:17 and 19:47, respectively.

NEW ENTERTAINMENT, EXHIBITS *and* ELEMENTS

CAMBRIA KITCHEN

The former Creative Activities demonstration kitchen was completely transformed into a state-of-the-art facility to showcase presentations that cultivate interest in creating delicious and attractive food. With a beautiful frame and a curved-front island focal point for optimal audience viewing, the new Cambria Kitchen featured premier local chefs and demonstrators, including Andrew Zimmern, Scott McGillivray, Sean Sherman & The Sioux Chef's Indigenous Food Lab and more.

THE HANGAR

The Hangar was a brand-new destination for food, craft beer and entertainment on the north end of the fairgrounds. Once home to the State Fair aircraft show in the early 1900s, the former Pet Center building was repurposed into this establishment, complete with aircraft-themed décor paying homage to the building's history.

BEST AWARDS

The State Fair's 2018 Best Awards was a presentation of 12 awards to the very best of the State Fair's 1,200 commercial exhibits, concessions, attractions and food vendors.

- The Anchor Coffee House
- Big Bamboo Fun House
- Blue Cross Blue Shield of Minnesota
- The Hangar
- Haunted Castle Dark Ride
- Minnesota United FC
- Nordic Waffles
- Paddle North
- Rainbow Midwest Inc.
- The Vintage Tin
- Whatnot Boutique

MENTAL HEALTH AWARENESS AT THE STATE FAIR

The Minnesota State Advisory Council on Mental Health, Subcommittee on Children's Mental Health, National Alliance on Mental Illness Minnesota and more than 40 local organizations hosted fun games, contests, giveaways and activities on wide-ranging and far-reaching mental health and wellness topics at Dan Patch Park on Aug. 27. Topics included: relaxation and breathing exercises, prenatal care, mental well-being assessments, legal advice on disability and mental health, bullying prevention and more.

NEW CONSTRUCTION ON THE FAIRGROUNDS

- New Pet Pavilions and Outdoor Demonstration Area: A 6,600-square-foot open-air pavilion located just west of the former Pet Center housed purebred dog breed booths and the Pet Surgery Suite, where Minnesota Veterinary Medical Association members performed spay and neuter surgeries. A neighboring structure featured merchants selling pet-centric treats and accessories. Agility and obedience and police K-9 demonstrations were showcased in a new grassy outdoor demonstration area.
- New Restroom Building: A new super-sized high-capacity restroom featured 18 family restrooms, eight drinking fountains and four water bottle refill stations. The new restroom building is located on the south side of Murphy Avenue between Underwood and Cooper streets. This structure became the sixth major restroom facility built on the fairgrounds in the last 10 years.

NEW FEATURES OF POPULAR EXHIBITS & EXPERIENCES

- Alphabet Forest: The Queen of Letters (Debra Frasier) enriched children's vocabulary and sent them out into the world with their very own "word of power."
- Christensen Farms Stage: Fair guests learned fascinating "did you know" tidbits in two new stage programs, "Two Truths and a Lie"

and "Food, Facts and Farming," featuring state agriculture experts, chefs, farmers, food producers and commodity groups.

- The Common Table: *Minnesota Eats*: From aquaponics, lazy recipes and likeable insects to straw bale gardens and vermicomposting, a new slate of presentations engaged and enlightened.
- FFA Chapter House & Leadership Center: FFA youth led hands-on AG-tivities and make-and-take crafts to help young people earn a "Bag of Ag" while learning about plants, livestock and the impact of agriculture on everyday life.
- Health Fair 11: Offered free vision screening for preschoolers.

2018 MINNESOTA STATE FAIR COMMEMORATIVE ART BY KRISTI ABBOTT

The 2018 Commemorative Art (below) was the 15th in a series of artwork created annually for the Great Minnesota Get-Together. Artist Kristi Abbott uses color, pattern and texture in an innovative and exciting way through a combination of papers, adhesives and embellishment materials. Her passion for visual storytelling is evident in her State Fair piece, a tapestry of 50 hidden fair images and layers that captured the spirit of the Minnesota State Fair.



Minnesota State Fair SCHOLARSHIPS



IN 2018

\$20,000

**AWARDED IN
NEW SCHOLARSHIPS**

NEARLY

\$500,000

**AWARDED
SINCE 1994**

NEARLY

500

**STUDENTS AWARDED
SINCE 1994**

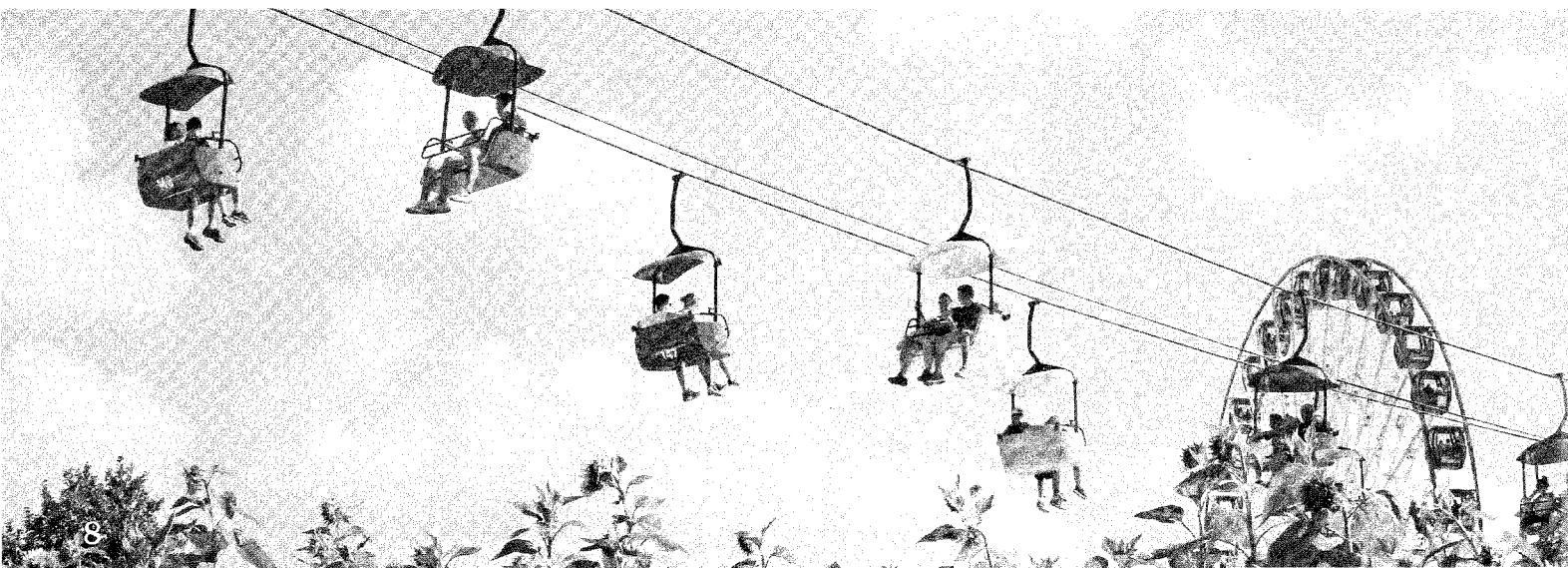
Minnesota State Fair Scholarships were established in 1994 to help further the educational endeavors of young adults from greater Minnesota. Up to 20 scholarships of \$1,000 each are made available to youth enrolled in agriculture programs with participation in the current year's Minnesota State Fair. The following individuals were the 2018 recipients:

- John Altendorf, Red Wing
- Tess Hokanson, Cannon Falls
- Alicia Sandberg, Taylors Falls
- Meghan Beckendorf, Renville
- Isabelle Lindahl, Lindstrom
- Abbey Schiefelbein, Kimball
- Hannah Berg, Pipestone
- Brett Neel, Alden
- Grace Schlueter, Janesville
- Lincoln Bryan, Red Wing
- Hannah Neil, Northfield
- Haley Schewecke, Gibbon
- Sydney Chicos, Alden
- Emma Nelson, Hancock
- Emily Sheehan, Bird Island
- Jason Donkers, Faribault
- Gabrielle Nemitz, Canby
- Austin Weckwerth, Arlington
- Maggie Heezen, Hadley
- Madeline Patterson, Kenyon

50 YEAR AWARDS

Nineteen 50 Year Awards were presented to individuals who have actively participated in the Minnesota State Fair for a half-century. The recipients were:

- Hugh Belgard, Garden City
- Paul Mickelson, Roseville
- Bill Schoetz, White Bear Lake
- Ben Benson, Mahtomedi
- Ed & Sally Neubel, Hudson, Wis.
- Mary Agnes Shimota, Foley
- George Boyd, White Bear Lake
- Efrain Ortiz, Corona, Calif.
- Bill Stesin, Golden Valley
- Kathy Covington, New Ulm
- Konstantinos Papadakis, Minneapolis
- Cynthia Terpstra, Northfield
- Roger Hinrichs, Clearwater
- Mark Peterson, Amboy
- Sharon Wessel, Corcoran
- David Kirch, Shoreview
- Stephen D. Roberts, Stacy
- Refugio Simon Mendez, St. Paul
- Danny Runyon, St. Paul





AWARDS *and* ACCOLADES

HALL OF FAME

Kay Cady, retired executive director of the Minnesota State Fair Foundation, is the newest member of the Minnesota State Fair Hall of Fame. The State Fair Hall of Fame was founded in 1966 to recognize individuals whose outstanding service has had a lasting impact on the Great Minnesota Get-Together. Induction into the Hall of Fame is the State Fair's highest honor. Cady served as executive director from 2004 until October 2017, during which time the Foundation granted more than \$12 million to the State Fair in support of fairgrounds facilities and educational programs. Thousands of State Fair fans have become Foundation Friends of the Fair – a program she founded – contributing to operations, capital campaigns, endowments and special programs. Some of the projects Cady brought to fruition were improvements to the J.V. Bailey House and Warner Coliseum, and construction of the CHS Miracle of Birth and FFA Chapter House, Compeer Arena (formerly AgStar Arena), the History & Heritage Center and Schilling Amphitheater. Other milestones with a focus on every donor's desire for involvement at every level of giving include the Taste of the Fair fundraiser, the recognition paver and bench program, endowment giving, and more.

HONORARY LIFE MEMBER

The Minnesota State Fair annually elects

one individual for honorary life membership in the Minnesota State Agricultural Society. Retired Minnesota State Fair Veterinarian Dr. Thomas J. Hagerty is this year's honoree. Hagerty was born and raised on a livestock farm in Waseca County and graduated from the University of Minnesota's College of Veterinary Medicine in 1959. He served as the State Fair's Official Veterinarian from 2001 to 2017, the State Veterinarian for the Minnesota Board of Animal Health from 1984 to 2001 and had a general veterinary practice in St. Michael, Minn., for 25 years. He also served as president of the Minnesota Veterinary Medical Association (MVMA), chair of the MVMA Government Affairs Committee, and president of the United States Animal Health Association (USAHA), among others. His significant contributions to public health and regulatory veterinary medicine span six decades.

OUTSTANDING SENIOR CITIZENS

The 2018 Outstanding Senior Citizen Awards were presented to Judy Peterson of Itasca County and Al Sannerud of Anoka County. A ceremony was held at the Leinie Lodge Bandshell on Thursday, Aug. 30, to honor 63 seniors representing 36 Minnesota counties. The Outstanding Senior Citizen Awards were sponsored by Humana.

DOUGLAS K. BALDWIN AWARD

The Douglas K. Baldwin Award for FFA livestock show participation and leadership

went to Riley Donkers of Faribault, Minn. (Kenyon-Wanamingo FFA Chapter).

PRINCESS KAY

Rebekka Paskewitz of Browerville, Minn., representing Todd County, was crowned the 65th Princess Kay of the Milky Way and will serve as the official goodwill ambassador for nearly 3,000 Minnesota dairy farm families this year.

IAFE HERITAGE AWARD

Each year, the International Association of Fairs and Expositions (IAFE) presents Heritage Awards to recognize the achievements of exceptional volunteer fair managers. Former Minnesota State Fair board chair and board member Sharon Wessel of Hamel, Minn., was presented with the 2018 Heritage Award, recognizing her volunteer service for 33 years to the Hennepin County Fair.

MSF MVP WINNERS

Five Minnesota State Fair employees were awarded the MSF All-Star MVP Award for exceeding expectations and outstanding service. Winners for 2018 were: Jack Pearl (Competition), Kristen Kinnear-Ohlmann (Employment), Martin Levine (Operations), Craig Bellanger (Operations), and Kaleb Kromann (CHS Miracle of Birth Center).



GRANDSTAND

Thursday, Aug. 23

NIALL HORAN: Flicker World Tour 2018
with special guest **MAREN MORRIS**

7:30 p.m. • \$59, \$49 • Attendance: 9,511



Friday, Aug. 24

SUGARLAND: Still the Same 2018 Tour
with special guests **FRANKIE BALLARD** and **LINDSAY ELL**

7:30 p.m. • \$67, \$57 • Attendance: 12,418 (sold out)

Saturday, Aug. 25

THE CURRENT'S MUSIC ON-A-STICK featuring
TRAMPLED BY TURTLES with special guests
LORD HURON and **LISSIE**

6:30 p.m. • \$35 • Attendance: 15,627 (sold out)



Sunday, Aug. 26

EARTH, WIND & FIRE
with special guest **SINBAD**

7:30 p.m. • \$49, \$39 • Attendance: 10,169

Monday, Aug. 27

THE BEACH BOYS with special guests
JOHN STAMOS and **THE RIGHTEOUS BROTHERS**

8 p.m. • \$38.50 • Attendance: 13,168 (sold out)

Tuesday, Aug. 28

Good Vibes with **JASON MRAZ** and **BRETT DENNEN**

7:30 p.m. • \$49, \$39 • Attendance: 7,587



Wednesday, Aug. 29

OLD DOMINION: Happy Endings World Tour
with special guests **NEAL MCCOY** and **MORGAN EVANS**

7 p.m. • \$48, \$35, \$25 • Attendance: 12,636 (sold out)

Thursday, Aug. 30

truTV IMPRACTICAL JOKERS starring **THE TENDERLOINS**

8 p.m. • \$60, \$50 • Attendance: 8,314

Friday, Aug. 31

31 and THE OFFSPRING with special guest
GYM CLASS HEROES: Never-Ending Summer Tour

7 p.m. • \$59, \$49 • Attendance: 8,119



Saturday, Sept. 1

HAIRBALL: A BOMBASTIC CELEBRATION OF ARENA ROCK
with special guest **KAT PERKINS**

7:30 p.m. • \$15 • Attendance: 7,545

Sunday, Sept. 2

46TH ANNUAL MINNESOTA STATE FAIR
AMATEUR TALENT CONTEST FINALS

7:30 p.m. • Free • Attendance: approximately 8,000

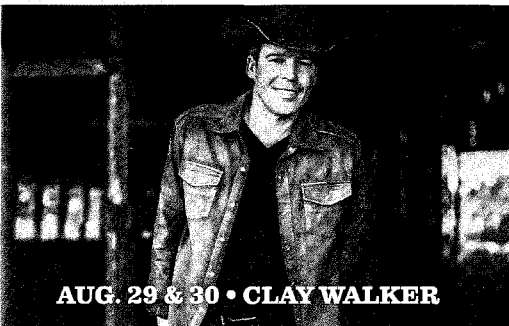
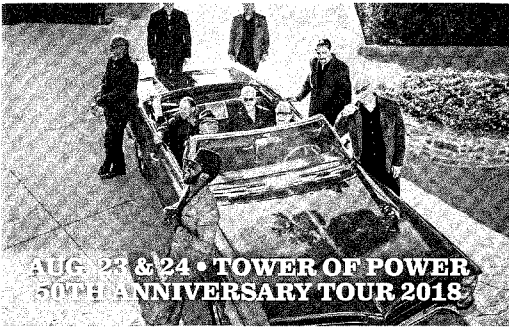


Monday, Sept. 3

Life Tour featuring **BOY GEORGE** and **CULTURE CLUB**,
THE B-52s and **THOMPSON TWINS' TOM BAILEY**

6:30 p.m. • \$45, \$35 • Attendance: 8,843

Free AT THE LEINIE LODGE BANDSHELL TONIGHT!



More FREE STAGE ENTERTAINMENT

LEINIE LODGE BANDSHELL

- Aug. 23 – Sept. 1: MSF Amateur Talent Contest Semifinals
- Aug. 23 & 24: Martin Family Circus, Charlie Faye & The Fayettes, Carlene Carter
- Aug. 25 & 26: Bryan White, Tonic Sol-Fa, Redhead Express
- Aug. 27 & 28: The 34th Infantry Division "Red Bull" Band, The Malpass Brothers, Ben Haggard
- Aug. 29 & 30: Chmielewski Funtime Band, The Next Generation Leahy, Jimmie Allen
- Aug. 31 & Sept. 1: Sunpie and the Louisiana Sunspots, Kazual, Cowboy Mouth
- Sept. 2 & 3: The Reminders, The Secret Sisters, Terrance Simien and the Zydeco Experience, C. Willi Myles

FAMILY FAIR STAGE AT BALDWIN PARK

- Aug. 23 – Aug. 31: MSF County Fair Talent Contest Semifinals
- Aug. 23 – Sept. 3: Sean Emery
- Aug. 23 – 28: Steve Trash
- Aug. 29 – Sept. 3: Jared Sherlock
- Aug. 23 & 24: Tuey: Comic Stunt Juggler
- Aug. 25 & 26: Jerry Frasier, Comic Magician
- Aug. 27 & 28: Duke Otherwise
- Aug. 29 & 30: The Chipper Experience
- Aug. 31 & Sept. 1: Alléz-OOPS, MSF County Fair Talent Contest Finals
- Sept. 2 & 3: Kidsdance, Six Appeal

RAMBERG MUSIC CAFE

- Aug. 23 & 24: Hank Thunander, The Neighborhood Trio

- Aug. 25 & 26: The Mad Ripple Hootenanny, Scott Fraser – Guitar Virtuoso

- Aug. 27 & 28: The Banjo Boys Variety Band, Jeff Arundel and The Hammsmen
- Aug. 29 & 30: Jim Berner's Music Legends, Doug Otto & The Getaways
- Aug. 31 & Sept. 1: Martin Devaney, Rod Cerar Orchestra
- Sept. 2 & 3: Bill Koncar, Becky Kapell & The Fat 6

INTERNATIONAL BAZAAR STAGE

- Aug. 23 & 24: Mariachi Jalisco de Minnesota, Café Accordion Orchestra
- Aug. 25 & 26: Siam's Congo Roots, Native Pride Dancers
- Aug. 27 & 28: Ray Sands and The Polka Dots, Scottie Miller Band
- Aug. 29 & 30: Natania & Ticket to Brasil, Annie Mack Band
- Aug. 31 & Sept. 1: Black Market Brass, The Men of New Hope
- Sept. 2 & 3: BATO! BATO! Breck School Marimba, Walter Chancellor Jr. Band featuring Thomasina

BAZAAR AFTER DARK

- Aug. 23 & 24: Shane Martin
- Aug. 25 & 26: Ipso Facto
- Aug. 27 & 28: Pop ROCKS
- Aug. 29 & 30: I Am, He Said: A Celebration of the Music of Neil Diamond
- Aug. 31 & Sept. 1: Tropical Zone Orchestra
- Sept. 2 & 3: '90s R&B Revival featuring Kathleen Johnson and Mario Dawson

SCHELL'S STAGE AT SCHILLING AMPHITHEATER

- Aug. 23 – Sept. 3: MNHS presents History On-A-Schtick
- Aug. 23 & 24: Miss Myra & The Moonshiners, Lisa Wenger Band, In Capable Hands
- Aug. 25 & 26: The Minnesota State Fiddle Contest, The High 48s, Kristoffer Olson, Funny Magician
- Aug. 27 & 28: The Barbary Coast Dixieland Showband, The WoodPicks, The Memories
- Aug. 29 & 30: Sisters of Swing, Randy Sabien & The Fiddlehead Band, Tim Harmston
- Aug. 31 & Sept. 1: Minnesota Americana-Roots Music Contests, The Okee Dokee Brothers, Buckets and Tap Shoes
- Sept. 2 & 3: Bockfest Boys, Humbird, James Wedgwood

WEST END AT SUNSET

- Aug. 23 & 24: The Last Revel
- Aug. 25 & 26: Mayda
- Aug. 27 & 28: The Dustbowl Revival
- Aug. 29 & 30: The Dave & Deke Combo
- Aug. 31 & Sept. 1: Chastity Brown
- Sept. 2 & 3: Church of Cash

THE X-ZONE

- Aug. 23 – Sept. 3: 3rd Lair SkatePark

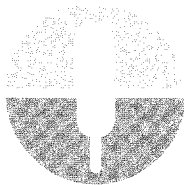
THE NORTH WOODS

- Aug. 23 – Sept. 3: All-Star Stunt Dogs Splash, Timberworks Lumberjack Show

Fun FACTS

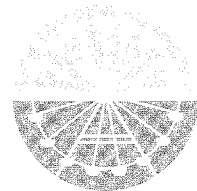


Photo courtesy of Dan And



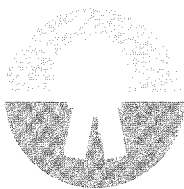
FOOD

500 food offerings were available at the Minnesota State Fair, including five new food vendors, 27 new foods and 27 new specialty brews and beverages.



RIDES & GAMES

More than 60 rides thrilled fair guests at Mighty Midway and Kidway, including five new rides.



COMPETITION & AGRICULTURE

There were more than 38,000 competition and agriculture entries this year at the fair!



ENTERTAINMENT

29,115 minutes of free entertainment were enjoyed on Minnesota State Fair stages performed by 132+ acts. 113,937 people attended the Grandstand Concert Series!

Thank you TO OUR SPONSORS

- Allina Health | Aetna
- August Schell Brewing Co.
- Beech-Nut®
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- Cal Spas
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- Gold'n Plump®
- Good Health Saunas
- Great River Energy
- Green Mill Restaurant
- Humana
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- Jacob Leinenkugel Brewing Co.
- John Deere Company
- Kemps
- LeafFilter
- Lyft
- Mazda
- McDonald's
- Midwest Dairy
- Minnesota Corn Growers Association
- Minnesota Farm Bureau
- Minnesota Farmers Union
- Minnesota Livestock Breeders Association (MLBA)
- Minnesota Lottery
- Minnesota Rusco
- North Suburban Eye Specialists
- Sleep Number
- SPLASH
- Summit Brewing Co.
- Treasure Island Resort & Casino
- Xcel Energy
- Xfinity



ECONOMIC *Impact*

■ STATE FAIR'S TWIN CITIES ECONOMIC IMPACT IS \$268 MILLION

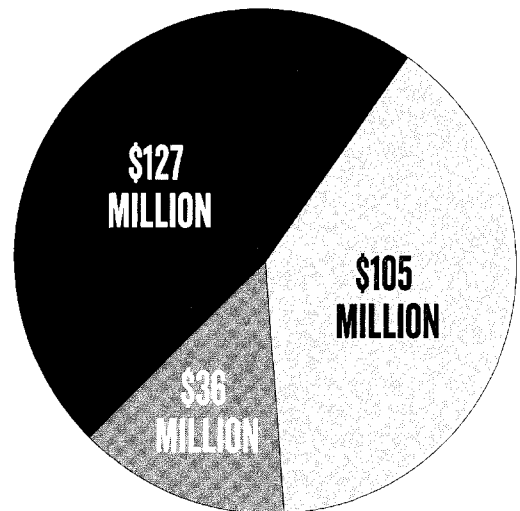
The year-round operations of the 2018 Minnesota State Fair generated \$268 million in economic impact for the Twin Cities, plus additional unmeasured impact throughout the Midwest. The economic impact study, conducted by Markin Consulting of Maple Grove, shows that the State Fair supports more than 12,000 full-time, seasonal and part-time jobs with \$76.9 million in direct earnings for Twin Cities residents. In addition, the State Fair's annual operation generates \$9.9 million in state and local taxes. The economic impact study was produced using data from

the 2018 operations of the Minnesota State Agricultural Society, the governing body of the State Fair. The Society is responsible for the production of the annual State Fair and the year-round operations and maintenance of the 322-acre State Fairgrounds and does not receive any government funding. In 2018, the State Fair attracted more than 2 million visitors during its 12-day run, plus the fairgrounds hosted a busy schedule of 150 non-fair events throughout the year. Following are details of the study.

■ \$268 MILLION IN ECONOMIC BENEFIT

The Minnesota State Agricultural Society generates economic impact from three distinct sources:

- Operating revenues and resulting local expenditures of the 12-day Minnesota State Fair (\$127 million)
- Activities and expenditures of concessionaires, ride & game operators, commercial exhibitors and livestock and horse show exhibitors at the annual Minnesota State Fair (\$105 million)
- Activities and expenditures of promoters, participants and exhibitors of non-fair events held at the State Fairgrounds throughout the year (\$36 million)



\$76.9 MILLION IN WAGES AND 12,390 JOBS

Of the \$268 million in total economic benefit to the Twin Cities area, \$76.9 million represents wage earnings paid to Twin Cities employees directly, as well as through local businesses and their employees in support of State Fair activities and its users. This supported 12,390 full-time, seasonal and part-time jobs.



\$9.9 MILLION IN TAX REVENUE

Operations of the State Fair and the fairgrounds, as well as events held at the fairgrounds, generated state and local sales taxes and fuel and lodging taxes of \$9.9 million.

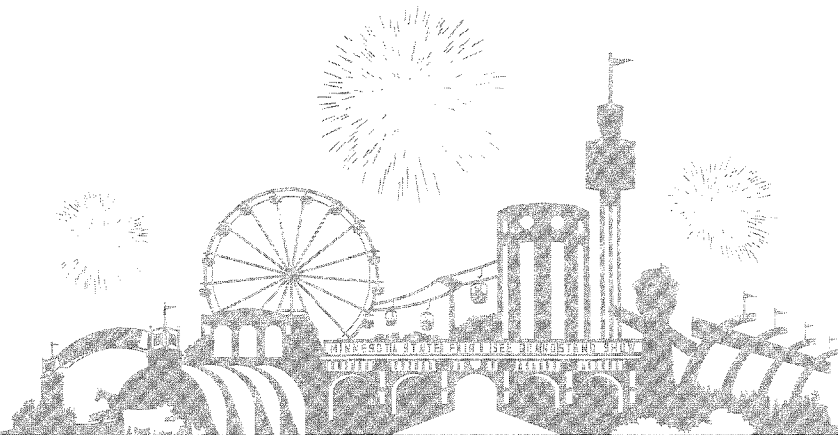
The Report on the Economic Impacts of the Minnesota State Agricultural Society was produced by Markin Consulting using data from the State Fair's fiscal year Nov. 1, 2017, to Oct. 31, 2018.

For a copy of the summary report, email: fairinfo@mnstatefair.org

FINANCIAL *Highlights*

The information provided below highlights significant activities as of October 31, 2018 and 2017, illustrating the Society's statement of revenue and expenses and changes in net position.

2018	YEARS ENDED OCTOBER 31	2017
\$55,756,131	OPERATING REVENUE	\$55,307,142
\$47,636,754	OPERATING EXPENSES	\$52,688,134
\$8,119,377	NET OPERATING INCOME	\$2,619,008
\$8,775,677	CHANGE IN NET POSITION	\$3,154,812



The October 31, 2018 and 2017 financial information presented above is derived from our audited financial statements and does not include the notes that are integral to a full presentation of our financial position. The complete audited financial statements can be found on the following pages, including information regarding the change in accounting principle that was implemented in the year ended October 31, 2018.



PRINCIPALS

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Managers and Management
Minnesota State Agricultural Society

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the enterprise fund and the discretely presented component unit of the Minnesota State Agricultural Society (dba Minnesota State Fair) (the Society) as of and for the year ended October 31, 2018, and the related notes to the financial statements, which collectively comprise the Society's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Minnesota State Fair Foundation (the Foundation), a discretely presented component unit whose statements reflect total assets and expenses of \$2,939,520 and \$2,498,455, respectively, as of and for the year ended October 31, 2018. Those financial statements were audited by other auditors whose reports thereon have been furnished to us. Our opinion on the basic financial statements, insofar as it relates to the amounts included for this organization as a component unit of the Society, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

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

(continued)

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

5353 Wayzata Boulevard • Suite 410 • Minneapolis, MN 55416 • Phone: 952-545-0424 • Fax: 952-545-0569 • www.mmkr.com

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

OPINIONS

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the enterprise fund and the discretely presented component unit of the Society as of October 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

EMPHASIS OF MATTER

As described in Note 13 of the notes to the basic financial statements, the Society has implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended October 31, 2018. Our opinion is not modified with respect to this matter.

OTHER MATTERS

Required Supplementary Information

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

Other Information

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

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

(continued)

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

Prior Year Comparative Information

We have previously audited the Society's 2017 financial statements and we, with reliance on other auditors, expressed unmodified audit opinions on the respective financial statements of the enterprise fund and the discretely presented component unit in our report dated March 29, 2018. In our opinion, based on our audit and the report of the other auditor, the partial comparative information presented herein as of and for the year ended October 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2019 on our consideration of the Society's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Society's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Society's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota
April 15, 2019

MINNESOTA STATE FAIR

■ MANAGEMENT DISCUSSION AND ANALYSIS

The Minnesota State Agricultural Society produces the annual Minnesota State Fair and manages the State Fairgrounds. The Society is a quasi-state agency, and operates with no public subsidy of any kind, for any purpose. The costs to produce the annual State Fair and all capital and maintenance improvements to the historic State Fairgrounds are financed with revenue earned by the Society and State Fair Foundation donations. Following is an analysis of the Society's financial activities and performance during the fiscal years ended October 31, 2018 and 2017, along with detailed financial statements and supplementary information.

The Minnesota State Fair Foundation was established in 2002 as a tax exempt 501(c)(3) nonprofit corporation with the exclusive mission of raising accessible funds to significantly assist the Society in improving and maintaining the State Fairgrounds. Therefore, comparative Foundation financial statements for fiscal years 2018 and 2017 are presented as a component unit of the Society.

■ OVERVIEW OF THE FINANCIAL STATEMENTS

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

■ NET POSITION

The Condensed Statement of Net Position provides a quick look at the Society's overall financial position. Net position increased to \$62.6 million during fiscal 2018, an increase of \$8.8 million; of this increase, \$9.2 million is from current year operating results offset by a \$0.4 million decrease related to the change in accounting principle, which the Society recorded in the current year with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. The change reflects standards established for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures as they relate to other post-employment benefit liabilities. The significant change in the net pension liability, deferred outflows of resources and deferred inflows of resources is related to the Society's participation in the Minnesota State Retirement System (MSRS) pension plan. The plan experienced an increase in plan assets to the fund due primarily to strong financial market performance.

Approximately \$64.1 million of the Society's net position represents the Society's continual investment in capital assets (building, equipment and infrastructure) that are absolutely essential to the Society's ability to present the annual exposition and conduct a busy schedule of non-fair events year-round.

■ INCOME AND EXPENSE

The State Fair realized an increase in net position of \$8.8 million in 2018, based upon gross revenues of \$57.2 million, gross expenses of \$48.0 million and a \$0.4 million change in accounting principle that reduced the year-end net position. State Fair income is earned primarily from three sources: ticket sales, licensing of commercial exhibit space and the rental of fair facilities for non-fair events. In a typical year, ticket sales represent two-thirds of the State Fair's gross annual income. In 2018, the ticket sales total of \$35.3 million was earned chiefly through sales of outside gate and parking tickets (\$23.0 million), Mighty Midway and Kidway tickets (\$8.0 million) and Grandstand tickets (\$4.3 million).

As with most business enterprises, expenses are very diverse. The State Fair provides extensive services to fair visitors that include police protection, sanitation, Park & Ride bus service, guest services and parking (\$5.8 million). Other expenses include Grandstand and free entertainment (\$6.7 million), fairgrounds plant operations and maintenance (\$11.0 million) and depreciation of State Fair facilities (\$3.6 million).

The change in pension accounting required by GASB Statement No. 68 increased the net position due to the required recognition of the Society's portion of the overall unfunded pension liability of the MSRS. In the previous year the Society recognized an additional \$2.2 million in pension expense. Due to fluctuations in the stock market, the current year pension expense decreased \$3.8 million as a result of this required pension reporting.

A detailed breakdown of the State Fair's income and expenses is included in the Revenues and Expenses Supporting Schedule on pages 34-37.

■ CAPITAL ASSETS (THE STATE FAIRGROUNDS)

The State Fair's capital assets consist of: 122 fair-owned structures, land and improvements to the land, personal property and infrastructure including an intricate network of electricity, communications, gas, water and sewer distribution systems.

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

In 2018, the State Fair invested \$10.5 million in capital improvements. Projects included \$2.3 million for the purchase and renovation of Ye Old Mill; \$2.1 million for the construction of a new restroom at the North End; \$2.3 million for the purchase and renovation of a building at 1640 Como Ave.; and \$1.9 million for improvements to the fairgrounds electrical system.

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

LONG-TERM LIABILITIES

Scheduled debt payments on notes in the current year reduced the Society's outstanding note payable balance by \$2.2 million during the year ended October 31, 2018. Additional information on long-term debt can be found in note 4 of the accompanying financial statements.

STATE FAIR FOUNDATION

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

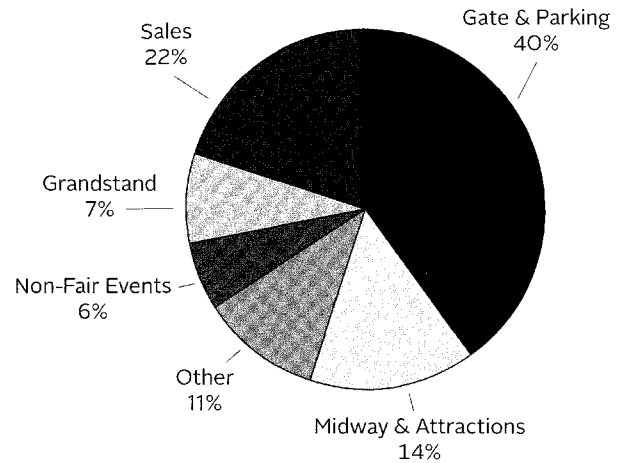
REVENUE, EXPENSE AND CHANGES IN NET POSITION

	2018	2017
Revenue		
Ticket sales	\$35,258,478	\$35,914,308
Activities	14,731,276	13,945,051
Other	5,766,377	5,447,783
Non-operating revenue		
Investment income	18,438	12,917
Grant revenue	1,464,581	998,487
Gain on sale of capital asset	<u>12,651</u>	<u>-</u>
Total revenue	57,251,801	56,318,546
Expense		
Activities, support and administrative	29,463,004	36,653,465
General operations	<u>18,586,491</u>	<u>16,510,269</u>
Total expense	48,049,495	53,163,734
Change in net position	9,202,306	3,154,812
Beginning net position, as previously reported	53,822,403	50,667,591
Change in accounting principle	<u>(426,629)</u>	<u>-</u>
Beginning net position, restated	<u>53,395,774</u>	<u>50,667,591</u>
Ending net position	\$62,598,080	\$ 53,822,403

CONDENSED STATEMENT OF NET POSITION

	2018	2017
Current & other assets	\$ 14,372,825	\$ 16,784,053
Capital assets	<u>73,632,970</u>	<u>66,797,319</u>
Total assets	88,005,795	83,581,372
Deferred outflows of resources	9,404,575	13,460,508
Long term notes	9,658,000	11,887,000
Other liabilities	<u>10,846,182</u>	<u>21,871,349</u>
Total liabilities	20,504,182	33,758,349
Deferred inflows of resources	14,308,108	9,461,128
Net investment in capital assets	64,057,880	55,008,908
Restricted	2,604,182	2,600,742
Unrestricted	<u>(4,063,982)</u>	<u>(3,787,247)</u>
Total net position	\$ 62,598,080	\$ 53,822,403

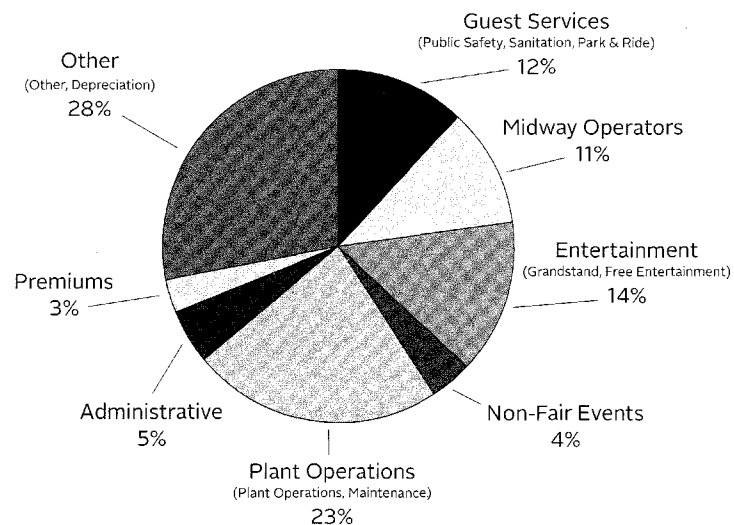
2018 INCOME (\$57.2 million)



2018 Income (in millions)

- Sales - \$12.4
- Gates - \$23.0 (Gates, Parking)
- Midway & Attractions - \$8.0 (Midway, MSF Attractions, Carnival Activities)
- Other - \$6.2 (Beef Expo, Other)
- Non-Fair Events - \$3.3
- Grandstand - \$4.3

2018 EXPENSE (\$48.0 million)



2018 Expense (in millions)

- Guest Services - \$5.8 (Guest Services, Public Safety, Parking, Sanitation, Park & Ride)
- Midway Operators - \$5.2
- Entertainment - \$6.7 (Grandstand, Free Entertainment)
- Non-Fair Events - \$1.8
- Plant Operations - \$11.0 (Plant Operations, Maintenance)
- Administrative - \$2.4
- Premiums - \$1.6
- Other - \$13.5 (Other, Depreciation)

■ MINNESOTA STATE FAIR STATEMENT OF NET POSITION

As of October 31

	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents - unrestricted	\$ 10,680,253	\$ 12,895,886
Cash and cash equivalents - restricted	2,604,182	2,600,742
Accounts receivable	806,786	1,130,569
Prepaid expenses	<u>281,604</u>	<u>156,856</u>
Total current assets	\$ 14,372,825	\$ 16,784,053
Non-current assets:		
Capital assets, not being depreciated	\$ 3,685,097	\$ 2,533,957
Capital assets, net of related depreciation	<u>69,947,873</u>	<u>64,263,362</u>
Total non-current assets	\$ 73,632,970	\$ 66,797,319
Total assets	\$ 88,005,795	\$ 83,581,372
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding of debt	\$ 201,158	\$ 251,447
Pension plan deferments - MSRS	9,027,424	13,209,061
Other post employment benefit deferments	<u>175,993</u>	<u>-</u>
Total deferred outflows of resources	\$ 9,404,575	\$ 13,460,508
Total assets and deferred outflows of resources	\$ 97,410,370	\$ 97,041,880
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 3,389,873	\$ 1,970,836
Accrued salaries	417,689	368,970
Unearned revenue	406,735	719,285
Note interest payable	38,342	47,180
Capital lease - current	34,609	34,609
Note payable - current	2,302,000	2,229,000
Compensated absences - current	<u>447,434</u>	<u>407,588</u>
Total current liabilities	\$ 7,036,682	\$ 5,777,468
Noncurrent liabilities:		
Capital lease	\$ 83,639	\$ 118,249
Note payable	7,356,000	9,658,000
Compensated absences	434,891	464,399
Other post employment benefit liability	2,668,968	2,014,269
Net pension liability - MSRS	<u>2,924,002</u>	<u>15,725,964</u>
Total non-current liabilities	\$ 13,467,500	\$ 27,980,881
Total liabilities	\$ 20,504,182	\$ 33,758,349
DEFERRED INFLOWS OF RESOURCES		
Pension plan deferments - MSRS	\$ 14,308,108	\$ 9,461,128
Total liabilities and deferred inflows of resources	\$ 34,812,290	\$ 43,219,477
NET POSITION		
Net investment in capital assets	\$ 64,057,880	\$ 55,008,908
Restricted for:		
Debt service	2,603,732	2,600,292
Capital improvements	450	450
Unrestricted	<u>(4,063,982)</u>	<u>(3,787,247)</u>
Total net position	\$ 62,598,080	\$ 53,822,403
Total liabilities, deferred inflows of resources, and net position	\$ 97,410,370	\$ 97,041,880

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

■ MINNESOTA STATE FAIR FOUNDATION STATEMENT OF FINANCIAL POSITION

As of October 31

2018

2017

ASSETS

Cash and cash equivalents	\$ 1,719,237	\$ 1,386,814
Investments	942,474	638,421
Accounts receivable	-	142,206
Contributions receivable, net	266,313	482,770
Prepaid expenses and other assets	5,602	4,698
Merchandise inventory	5,003	3,537
Property and equipment, net of accumulated depreciation of \$7,466 and \$7,242, respectively	<u>891</u>	<u>1,115</u>
Total assets	<u>\$ 2,939,520</u>	<u>\$ 2,659,561</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 5,054	\$ 9,022
Accrued expenses	31,214	32,228
Payables due to the Minnesota State Agricultural Society	<u>59,684</u>	<u>-</u>
Total liabilities	95,952	41,250

Net Assets

Unrestricted:		
Undesignated	1,089,541	1,030,292
Board-designated for fine arts	<u>64,689</u>	<u>47,039</u>
Total unrestricted net assets	1,154,230	1,077,331
Temporarily restricted	673,892	933,818
Permanently restricted	<u>1,015,446</u>	<u>607,162</u>
Total net assets	<u>2,843,568</u>	<u>2,618,311</u>
Total liabilities and net assets	<u>\$ 2,939,520</u>	<u>\$ 2,659,561</u>

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

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

For the years ended October 31

	2018	2017
OPERATING REVENUES		
Ticket sales	\$ 35,258,478	\$ 35,914,308
Activities	14,731,276	13,945,051
Other	<u>5,766,377</u>	<u>5,447,783</u>
Total operating revenues	\$ 55,756,131	\$ 55,307,142
OPERATING EXPENSES		
Administrative	\$ 2,346,030	\$ 8,588,046
Activities and support	27,116,974	28,065,419
Premiums	1,645,526	1,580,824
Plant operations	7,300,753	6,400,681
Plant maintenance	3,736,925	3,085,514
Other	1,896,600	1,676,204
Depreciation	<u>3,593,946</u>	<u>3,291,446</u>
Total operating expenses	\$ 47,636,754	\$ 52,688,134
Operating income (loss)	\$ 8,119,377	\$ 2,619,008
NON-OPERATING REVENUES (EXPENSES)		
Investment income	\$ 18,438	\$ 12,917
Grant revenue	1,464,581	998,487
Gain on sale of capital asset	12,651	-
Interest expense	<u>(412,741)</u>	<u>(475,600)</u>
Total non-operating revenues (expenses)	\$ 1,082,929	\$ 535,804
Change in net position	\$ 9,202,306	\$ 3,154,812
Net position, beginning of the year, as previously reported	53,822,403	50,667,591
Change in accounting principle	<u>(426,629)</u>	<u>-</u>
Net position, beginning of the year, restated	53,395,774	50,667,591
Net position, end of year	\$ 62,598,080	\$ 53,822,403

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

■ MINNESOTA STATE FAIR FOUNDATION STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the years ended October 31

	2018				2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES								
Contributions	\$ 325,841	\$ 1,122,014	\$ 408,284	\$ 1,856,139	\$ 394,610	\$ 704,581	\$ 277,902	\$ 1,377,093
Support from the Minnesota State Agricultural Society	213,690	-	-	213,690	324,869	-	-	324,869
In-kind contributions	283,342	-	-	283,342	62,003	-	-	62,003
Special events, net of direct benefits of \$33,399 and \$44,369, respectively	101,880	-	-	101,880	77,855	-	-	77,855
Interest and dividends	7,583	-	-	7,583	3,813	-	-	3,813
Realized and unrealized gains (losses) on investments	3,190	(6,393)	-	(3,203)	(384)	76,085	-	75,701
Net assets released from restrictions	<u>1,375,547</u>	<u>(1,375,547)</u>	<u>-</u>	<u>-</u>	<u>1,134,920</u>	<u>(1,134,920)</u>	<u>-</u>	<u>-</u>
Total	2,311,073	(259,926)	408,284	2,459,431	1,997,686	(354,254)	277,902	1,921,334
Merchandise sales and commissions	381,553	-	-	381,553	362,925	-	-	362,925
Less: cost of goods sold	<u>(117,272)</u>	<u>-</u>	<u>-</u>	<u>(117,272)</u>	<u>(90,759)</u>	<u>-</u>	<u>-</u>	<u>(90,759)</u>
Net merchandise sales and commissions	<u>264,281</u>	<u>-</u>	<u>-</u>	<u>264,281</u>	<u>272,166</u>	<u>-</u>	<u>-</u>	<u>272,166</u>
Total revenues	2,575,354	(259,926)	408,284	2,723,712	2,269,852	(354,254)	277,902	2,193,500
EXPENSES								
Grants to the Minnesota State Agricultural Society	1,464,581	-	-	1,464,581	998,487	-	-	998,487
Payroll	719,901	-	-	719,901	648,503	-	-	648,503
Production expenses	116,382	-	-	116,382	117,157	-	-	117,157
Contract services	48,328	-	-	48,328	41,815	-	-	41,815
Office expenses	48,493	-	-	48,493	53,463	-	-	53,463
Occupancy	24,924	-	-	24,924	24,526	-	-	24,526
Business expenses	44,343	-	-	44,343	40,470	-	-	40,470
Travel and meetings	11,407	-	-	11,407	2,496	-	-	2,496
Other expenses	<u>20,096</u>	<u>-</u>	<u>-</u>	<u>20,096</u>	<u>12,667</u>	<u>-</u>	<u>-</u>	<u>12,667</u>
Total expenses	<u>2,498,455</u>	<u>-</u>	<u>-</u>	<u>2,498,455</u>	<u>1,939,584</u>	<u>-</u>	<u>-</u>	<u>1,939,584</u>
CHANGE IN NET ASSETS	76,899	(259,926)	408,284	225,257	330,268	(354,254)	277,902	253,916
Net assets - beginning	<u>1,077,331</u>	<u>933,818</u>	<u>607,162</u>	<u>2,618,311</u>	<u>747,063</u>	<u>1,288,072</u>	<u>329,260</u>	<u>2,364,395</u>
NET ASSETS - ENDING	<u>\$ 1,154,230</u>	<u>\$ 673,892</u>	<u>\$ 1,015,446</u>	<u>\$ 2,843,568</u>	<u>\$ 1,077,331</u>	<u>\$ 933,818</u>	<u>\$ 607,162</u>	<u>\$ 2,618,311</u>

MINNESOTA STATE FAIR STATEMENT OF CASH FLOWS

For the years ended October 31

	2018	2017
Cash flow from operating activities		
Cash received from operations		
Ticket sales	\$ 35,258,478	\$ 35,914,483
Activities	14,807,040	13,729,693
Other	5,701,846	5,930,687
Cash payment for operating expenses		
To suppliers for goods or services	(36,558,668)	(37,027,371)
To employees for services	<u>(10,833,868)</u>	<u>(10,572,270)</u>
Net cash provided by operating activities	<u>\$ 8,374,828</u>	<u>\$ 7,975,222</u>
Cash flow from capital and related financing activities		
Payments for acquisition and construction of capital assets	\$ (9,164,449)	\$ (4,602,730)
Principal payments on revenue note	(2,229,000)	(2,110,000)
Principal payments on capital lease	(34,610)	(20,189)
Interest payments on revenue note	(371,290)	(433,175)
Proceeds from sale of capital asset	12,651	-
Proceeds from sale of capital lease	<u>-</u>	<u>173,047</u>
Net cash provided (used) by capital and related financing activities	<u>\$ (11,786,698)</u>	<u>\$ (6,993,047)</u>
Cash flow from non-capital financing activities		
Grant revenue	<u>1,181,238</u>	<u>936,483</u>
Cash flow from investing activities		
Interest earnings	<u>18,439</u>	<u>12,917</u>
Net increase (decrease) in cash and cash equivalents	(2,212,193)	1,931,575
Cash and cash equivalents, beginning of year	<u>15,496,628</u>	<u>13,565,053</u>
Cash and cash equivalents, end of year	<u>\$ 13,284,435</u>	<u>\$ 15,496,628</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 8,119,377	\$ 2,619,008
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	3,593,946	3,291,446
Other non-operating revenues and cash expenses	283,342	62,004
Changes in assets, deferred outflows, liabilities and deferred inflows		
Assets: (increase) decrease		
Accounts receivable	323,783	(201,237)
Prepaid expenses	(124,748)	87,094
Deferred outflows of resources: (increase) decrease		
Pension plan deferments - MSRS	4,181,637	4,699,961
Other post employment benefit deferments	(175,993)	-
Liabilities: increase (decrease)		
Accounts payable	153,889	(749,853)
Accrued salaries	48,719	42,707
Compensated absences	10,338	29,399
Unearned revenue	(312,550)	468,958
Other post-employment benefit obligations	228,070	136,453
Net pension liability - MSRS	(12,801,962)	(10,063,717)
Deferred inflows of resources: increase (decrease)	<u>4,846,980</u>	<u>7,552,999</u>
Total adjustments	<u>\$ 255,451</u>	<u>\$ 5,356,214</u>
Net cash provided by operating activities	<u>\$ 8,374,828</u>	<u>\$ 7,975,222</u>

Supplemental disclosure of non-cash transactions

For fiscal year 2018 and 2017, accounts payable included capitalized expenses of \$1,531,121 and \$265,973 respectively. For fiscal year 2018 and 2017, the Society received in-kind contributions totaling \$283,342 and \$62,004 respectively.

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

■ FOOTNOTES

NOTE 1: SUMMARY OF ACCOUNTING POLICIES

The Minnesota State Agricultural Society (dba Minnesota State Fair) is charged with the conduct of the annual State Fair and the management of the State Fairgrounds, as outlined by Chapter 37 of Minnesota Statutes. The financial activities of the Society are accounted for as an enterprise fund which operates in a manner similar to a private business enterprise. Accordingly, the accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The Society's accounting practices conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned and expenses recorded when a liability is incurred, regardless of the time of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

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

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

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

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

Utility systems:	
Electrical system.....	30 years
Gas distribution system.....	30 years
Sewer system	20 years
Water distribution system.....	20 to 50 years
Personal property:.....	5 to 10 years

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

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

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

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

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

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

insurance coverage in fiscal year 2018.

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

1. Net investment in capital assets - consists of capital assets, net of accumulated depreciation and any outstanding debt that is attributable to the purchase, construction or improvement of those assets.
2. Restricted net position - consists of net position (funds) that are reported separately due to restrictions in place required by debt obligations or enabling legislation that mandate how these funds are applied by the Society. These assets are for debt service payments and capital improvements.
3. Unrestricted net position - consists of all other assets that do not meet the criteria of restricted or net investment in capital assets.

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

The Statement of Net Position and Statement of Revenue, Expenses and Changes in Net Position include prior year partial comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United State of America. Accordingly, such information should be read in conjunction with the Society's financial statements for the year ended October 31, 2017 from which the summarized information was derived. Also, certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation.

NOTE 2: CASH & CASH EQUIVALENTS

The Society's cash balance is invested in deposit accounts in accordance with Minnesota Statute 37. Minnesota State Statute Section 118A.03 requires that deposits by municipalities, including public corporations, be secured by depository insurance, or a combination of depository insurance and collateral security. The statute further requires that total collateral computed at its fair market value be at least 10 percent more than the amount on deposit in excess of any uninsured portion at the close of the business day. On October 31, 2018, the Society had a bank balance of \$14,726,529. After adjusting the bank balance for outstanding checks, deposits in transit, and other reconciling items, the carrying value of deposits totaled \$13,284,435. At October 31, 2018, all deposits were fully covered by federal depository insurance, surety bonds, or collateral held by the Society's agent in the Society's name.

Cash and Cash Equivalents of the Minnesota State Agricultural Society for the year ended October 31, 2018 were:

Cash equivalents - restricted			
Building account	\$		450
Debt service account		<u>2,603,732</u>	
Total restricted cash equivalents			2,604,182
Cash equivalents - unrestricted		<u>10,680,253</u>	
Total cash equivalents			<u>\$13,284,435</u>

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

NOTE 3: PROPERTY, STRUCTURES, UTILITIES & EQUIPMENT

	Beginning Balance 11/01/17	Increases	Decreases	Ending Balance 10/31/18
Capital assets, not being depreciated:				
Land	\$ 2,503,439	\$ 300,000	\$ (682)	\$ 2,802,757
Construction in progress				
	<u>30,518</u>	<u>882,340</u>	<u>(30,518)</u>	<u>882,340</u>

Total capital assets, not being depreciated	2,533,957	1,182,340	(31,200)	3,685,097
Capital assets, being depreciated:				
Land improvements	107,783,704	7,289,215	(13,669)	115,059,250
Utility systems	15,476,981	1,879,106	-	17,356,087
Personal property	<u>2,252,837</u>	<u>110,136</u>	<u>-</u>	<u>2,362,973</u>
Total capital assets, being depreciated	125,513,522	9,278,457	(13,669)	134,778,310
Less accumulated depreciation for:				
Land improvements	(51,139,565)	(2,932,177)	13,669	(54,058,073)
Utility systems	(8,347,386)	(495,612)	-	(8,842,998)
Personal property	<u>(1,763,209)</u>	<u>(166,157)</u>	<u>-</u>	<u>(1,929,366)</u>
Total accumulated depreciation	<u>(61,250,160)</u>	<u>(3,593,946)</u>	<u>13,669</u>	<u>(64,830,437)</u>
Total capital assets, being depreciated, net	<u>64,263,362</u>	<u>5,684,511</u>	<u>-</u>	<u>69,947,873</u>
Total capital assets, net	<u>\$ 66,797,319</u>	<u>\$ 6,866,851</u>	<u>\$ (31,200)</u>	<u>\$ 73,632,970</u>

NOTE 4: LONG-TERM LIABILITIES

	Balance 11/01/17	Additions	Deletions	Balance 10/31/18	Due Within One Year
Refunding revenue note	\$ 3,587,000	\$ -	\$ (680,000)	\$ 2,907,000	\$ 699,000
Revenue note series 2013	8,300,000	-	(1,549,000)	6,751,000	1,603,000
Capital Lease	<u>152,858</u>	<u>-</u>	<u>(34,610)</u>	<u>118,248</u>	<u>34,609</u>
Total long-term liabilities	<u>\$12,039,858</u>	<u>\$ -</u>	<u>\$ (2,263,610)</u>	<u>\$ 9,776,248</u>	<u>\$ 2,336,609</u>

The Refunding Revenue Note was issued to finance the retirement (refunding) of prior bond issues. The note is a special, limited liability obligation of the Society and is not secured by the full faith and credit of the Society. The note is payable solely from the revenues of the State Fair. Operating revenues at October 31, 2018 were \$55,756,131 which exceeds the amount required for payment of principal and interest in 2019. The interest rate is 2.53% and matures September 15, 2022. As of October 31, 2018, \$3,790,000 of defeased revenue bond debt is outstanding.

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

	Principal	Interest
2019	\$ 699,000	\$ 73,547
2020	718,000	55,862
2021	735,000	37,697
2022	<u>755,000</u>	<u>19,102</u>
	<u>\$ 2,907,000</u>	<u>\$ 186,208</u>

The Revenue Note, Series 2013 was issued to assist in financing the construction of the West End Market. This note is a special, limited liability obligation of the Society and is not secured by the full faith and credit of the Society. The note is payable solely from the revenues of the State Fair. Operating revenues at October 31, 2018 were \$55,756,131, which exceeds the amount required for payment of principal and interest in 2019. The Series 2013 revenue note principal amount was \$9,600,000 with an interest rate of 3.38% and matures September 15, 2022.

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

	Principal	Interest
2019	\$ 1,603,000	\$ 228,184
2020	1,658,000	174,002
2021	1,715,000	117,962

2022	1,775,000	59,995
	<u>\$ 6,751,000</u>	<u>\$ 580,143</u>

Capital lease:

The Society entered into an interest free capital lease agreement to finance the acquisition of a multi-media printer for the sign shop. The total financed through this capital lease was \$173,047, with a maturity in April 2022. As of October 31, 2018, this asset had a capitalized value of \$173,047 with accumulated depreciation of \$69,218.

Annual capital lease principal payments to maturity is as follows:

	Principal
2019	\$ 34,609
2020	34,609
2021	34,609
2022	<u>14,421</u>
	<u>\$ 118,248</u>

Compensated Absences:

	Balance 11/01/17	Additions	Retirements	Balance 10/31/18	Due within one year
Severance benefits payable	\$ 486,448	\$ 45,405	\$ (61,757)	\$ 470,096	\$ 35,205
Vacation benefits payable	<u>385,539</u>	<u>465,233</u>	<u>(438,543)</u>	<u>412,229</u>	<u>412,229</u>
	<u>\$ 871,987</u>	<u>\$ 510,638</u>	<u>\$ (500,300)</u>	<u>\$ 882,325</u>	<u>\$ 447,434</u>

NOTE 5: SHORT TERM OBLIGATIONS

During fiscal year 2018, the Society renewed a working capital line of credit in the amount of \$1.5 million, with a maturity date of June 30, 2019, for possible short-term financing of fair operations. The interest rate is the prime interest rate, with a minimum rate of 4.5%. No short-term financing was necessary in fiscal 2018.

NOTE 6: RETIREMENT PENSION PLAN

Plan Description

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

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

Benefits Provided

MSRS provides retirement, disability, and death benefits through the State Employees Retirement Fund. Benefit provisions are established by state statute and can only be modified by the state legislature. Benefits are based on a member's age, years of credit, and the highest average salary for any sixty successive months of available service at termination of service. Benefit increases are provided to benefit recipients each January, and are related to the funded ratio of the plan. Benefit

recipients received a 2.0 percent benefit increase on January 1, 2018. Annual benefit increases will change to 1.0 percent for five years, beginning January 1, 2019 and 1.5 percent per year thereafter. Retirees who have been receiving a benefit for at least 12 full months as of June 30 of the calendar year immediately before the post-retirement benefit increase adjustment will receive the full increase. Members receiving benefits for at least one month, but less than 12 full months, will receive a pro rata increase.

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

Contributions

Minnesota Statutes Chapter 352 sets the rates for employer and employee contributions. Eligible General Plan members and participating employers were required to contribute 5.5 percent of the annual covered salary through the pay period ending July 6, 2018. The rate increased to 5.75 percent for members and 5.875 percent for participating employers for subsequent pay periods in fiscal 2018. The Society's contribution to the General Plan for the fiscal year ending October 31, 2018 was \$354,822. These contributions were equal to the contractually required contributions for each year as set by state statute.

Actuarial Assumptions

The Society's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2014 generational mortality tables for males or females, as appropriate, with adjustments to match fund experience. Benefit increases for retirees were established in state statutes and no assumptions are required.

Actuarial assumptions used in the June 30, 2018 valuation were based on the last experience study, dated June 30, 2015, a review of inflation and investment return assumptions dated September 11, 2017, and a recent asset liability study obtained by the SBI.

The long-term expected rate of return on pension plan investments is 7.50 percent. During fiscal year 2016, the SBI hired an outside consultant to perform a thorough asset and liability study. Based on the study, the SBI staff proposed an update to the asset allocation, which yields a lower nominal expected return. As a result of this study, and keeping in mind the national trend towards lower investment rate assumptions, the MSRS Board of Directors approved the use of a 7.50 percent long-term expected rate of return assumption for the fiscal year 2018 actuarial valuations.

The SBI, which manages the investments of MSRS, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method. Best estimates of expected future real rates of return are developed for each major asset class.

These asset class estimates and target allocations are combined to produce a geometric, expected long-term rate of return as summarized in the following table:

Asset class	Target allocation	SBI's long-term expected real rate of return (geometric mean)
Domestic stocks	36%	5.10%
International stocks	17%	5.30%
Fixed Income	20%	0.75%
Treasuries	0%	0.50%
Private Markets	25%	5.90%
Cash	2%	0.00%

All MSRS defined benefit funds use a long-term expected rate of return assumption of 7.50 percent, and a municipal bond rate of 3.62 percent, as published by the Fidelity Index in June 2018. The projection of cash flows used to determine the single discount rates assumes that plan member and employer contributions will be made at the current statutory contribution rates. For the State Employees Fund, the fiduciary net position was projected to be available to make all future benefit payments of current plan members through fiscal year 2118. Therefore, the discount rate is the long-term expected rate of return on pension plan investments, which was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability was 7.5 percent. For the State Employees Retirement Fund, the use of a 7.5 percent discount rate was an improvement from the previous year, when the single blended rate was 5.42 percent.

Net Pension Liability

At October 31, 2018, the Society reported a liability of \$2,924,002 for its proportionate share of MSRS' net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Society's proportion of the net pension liability was based on the Society's contributions received by MSRS during the measurement period July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of MSRS' participating employers. At June 30, 2018, the Society's proportion was 0.211 percent.

Pension Liability Sensitivity

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

	1% decrease in discount rate (6.5%)	Discount rate (7.50%)	1% increase in discount rate (8.5%)
Society's proportionate share of the net pension liability	\$6,759,910	\$2,924,002	(\$258,918)

Pension Plan Fiduciary Net Position

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

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

For the year ended October 31, 2018, the Society recognized pension revenue of \$3,435,925. At October 31, 2018, the Society reported deferred outflows of resources and deferred inflows of resources

related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 80,813	\$ 215,938
Changes in assumptions	\$ 8,246,217	\$ 13,089,015
Net difference between projected and actual earnings on investments	-	\$ 752,844
Changes in proportion and differences between actual contributions and proportionate share of contributions	\$ 570,253	\$ 250,311
Contributions paid to MSRS subsequent to the measurement date	\$ 130,141	-
Total	\$ 9,027,424	\$ 14,308,108

Amounts reported as deferred outflows of resources related to pensions resulting from Society contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended October 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended October 31	Pension expense amount
2019	\$ 322,797
2020	\$ 367,695
2021	(\$4,151,668)
2022	(\$1,949,649)

Deferred Compensation

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

NOTE 7: OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS

Plan Description

The Society provides retirees, who meet certain defined requirements, payments for a portion of medical insurance premiums until they reach the age of 65. This type of benefit is classified as an Other Post Employment Benefit (OPEB), a single-employer defined benefit plan administered by the Society. The plan does not issue a publicly available financial report.

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

The Society is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees until the retiree reaches Medicare eligibility, whether the premiums are paid by the Society or the retiree. Consequently, participating retirees are considered to receive a secondary benefit known as the "implicit rate subsidy." This benefit related to the assumption that the retiree is receiving a more favorable premium rate

than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the Society's younger and statistically healthier active employees.

Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements. The Society has not established a trust fund to finance these OPEB benefits.

Membership

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

Retirees and beneficiaries receiving benefits	5
Active plan members	<u>75</u>
Total members	<u>80</u>

Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial study with valuation and measurement dates as of October 31, 2017, using the alternative measurement method, using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified:

Discount rate	3.49%
20-year municipal bonds	3.49%
Inflation rate	2.75%
Medical trend rate	6.80%
	grading to 5.2% through 2054
Dental trend rate	4%

Mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2017, and other adjustments.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.49 percent. The projection of cash flows used to determine the discount rate was determined by estimating the long-term investment yield on the employer funds that will be used to pay benefits as they come due. The Society discount rate used on the prior measurement date was 3.32 percent.

Changes in the Total OPEB Liability

	Total OPEB liability
Beginning balance	\$ 2,546,310
Changes for the year	
Service cost	175,377
Interest	88,610
Changes of assumptions	(35,917)
Benefit payments	<u>(105,412)</u>
Total net changes	<u>122,658</u>
Ending Balance	<u>\$2,668,968</u>

Total OPEB Liability Sensitivity to Discount and Healthcare Cost Trend Rate Changes

The following presents the total OPEB liability of the Society, as well as what the Society's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% decrease in discount rate	Discount rate	1% increase in discount rate
OPEB discount rate	2.49%	3.49%	4.49%
Total OPEB liability	\$2,887,694	\$2,668,968	\$2,468,085

The following presents the total OPEB liability of the Society, as well as what the Society's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% decrease in healthcare trend rates	Healthcare trend rates	1% increase in healthcare trend rates
Healthcare trend rate	5.8% decreasing to 4.2% through 2054	6.8% decreasing to 5.2% through 2054	7.8% decreasing to 6.2% through 2054
Dental trend rate	3.00%	4.00%	5.00%
Total OPEB Liability	\$2,396,386	\$2,668,968	\$2,993,101

OPEB Expense and Related Deferred Outflows and Deferred Inflows of Resources

The Society recognized OPEB expense of \$228,070 in the current year, and at year-end reported the following deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Society's contributions subsequent to the measurement date	\$ 175,993	\$ -

NOTE 8: DISAGGREGATION OF RECEIVABLE & PAYABLE BALANCES

Receivables: Accounts receivable balances for the year ended October 31, 2018 were:

Tickets	\$ 4,320
Activities	441,950
Other	<u>360,516</u>
Total receivables	<u>\$ 806,786</u>

Payables: Accounts payable balances for the year ended October 31, 2018 were:

Administration	\$ 54,504
Activities	369,076
Plant operations	965,515
Capitalized	1,531,121
Other	<u>469,656</u>
Total payables	<u>\$ 3,389,873</u>

NOTE 9: FOUNDATION

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

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

Financial Statement Presentation

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly,

net assets of the Foundation and changes therein are classified and reported as follows:

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

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

Permanently Restricted Net Assets - Those resources subject to a donor imposed restriction that they be maintained permanently by the Foundation. The donors of these resources permit the Foundation to use all or part of the income earned, including capital appreciation, or related investments for unrestricted or temporarily restricted purposes.

Contributions Receivable

Pledges to give that are expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the pledge is received. Amortization of the discount is included in contribution revenue. An allowance for doubtful contributions receivable of \$16,000 was recorded as of October 31, 2018.

Contributions receivable at October 31, 2018 represent the present value of receivable due. Present value is determined using discount rates ranging from 1.24% to 2.98%. The expected collection periods of the contributions receivables at October 31, 2018, are as follows:

<u>Year ending October 31</u>	<u>Amount</u>
2019	\$ 199,050
2020	86,198
2021	1,175
2022	<u>1,000</u>
Total	\$287,423
Less: unamortized discount	5,110
Less: allowance for doubtful pledges	<u>16,000</u>
Total	<u>\$266,313</u>

Revenue Recognition

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

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

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

Donated Services

Employees of the State Fair have made significant contributions of their time to the Foundation's activities. These uncompensated services are included in the agreement between the State Fair and the Foundation. Additionally, volunteers have donated time to the Foundation in various

capacities. For the year ended October 31, 2018, volunteer hours were 2,390. No amounts have been reflected in the statement for donated services, since the services do not meet established criteria for recognition. These criteria require that the donated services create or enhance the nonfinancial assets, require specialized skills which would be purchased if not donated, and have an objective basis for measurement.

Fair Value Measurements

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

Level 1 - Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Foundation has the ability to access (examples include active exchange-traded equity securities, listed derivatives, and most U.S. Government and agency securities).

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

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

Income Taxes

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

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

Investments

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

Merchandise Inventory

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

Property and Equipment

Property and equipment are recorded at cost, if purchased, and at fair

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

NOTE 10: RELATED PARTY TRANSACTIONS

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

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

At October 31, 2018, the Foundation had outstanding payables due to the Society for payroll and other compensation-related expenses in the amount of \$59,684. The Society contributed payroll expenses of \$168,184 during fiscal 2018.

Grants to the Minnesota State Agricultural Society

During the year ended October 31, 2018, the Foundation granted \$225,365 towards the construction costs of the West End Market; Creative Activities demonstration kitchen improvements valued at \$250,000; Swine Barn improvements valued at \$434,295; Dairy Building improvements valued at \$105,725; fair-time educational enrichment and artistic experiences valued at \$71,098; environmental applications valued at \$37,273; recognition pavers and benches valued at \$123,300, and various other miscellaneous gifts valued at \$217,524, for a grant total of \$1,464,581 during fiscal 2018.

NOTE 11: CONSTRUCTION COMMITMENTS

At October 31, 2018, the Society had outstanding contract commitments totaling \$13,713,760 for the construction of a new north end exhibit building.

NOTE 12: SUBSEQUENT EVENTS

On November 14, 2018, the Minnesota State Agricultural Society entered into an agreement for a \$10,000,000 revenue note for the construction of the North End Event Center. The note has an interest rate of 4.05 percent and a maturity date of September 15, 2027.

On November 15, 2018, the Minnesota State Agricultural Society entered into a 54-month capital lease agreement in the amount of \$148,392 for the rental of two wheeled loaders.

On November 15, 2018, the Minnesota State Agricultural Society entered into a 60-month capital lease agreement in the amount of \$81,458 with an interest rate of 6.30 percent for the rental of three skid steer loaders.

NOTE 13: CHANGE IN ACCOUNTING PRINCIPLE

During the year ended October 31, 2018, the Minnesota State Agricultural Society implemented GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. This statement establishes standards for employer recognition and measurement of liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures for OPEB. Certain amounts necessary to fully restate fiscal year 2017 financial information are not determinable; therefore, prior year comparative amounts have not been restated. The implementation of the statement resulted in the following restatement of the enterprise fund net position as of October 31, 2017:

Net position - beginning, as previously reported	\$ 53,822,403
Change in accounting principle	
Net OPEB obligation, under previous reporting standards	2,014,269

Total OPEB liability, under current reporting standards	(2,546,310)
Deferred outflows of resources, under current reporting standards	<u>105,412</u>
Total change in accounting principle	<u>(426,629)</u>
Net position - beginning, restated	<u>\$ 53,395,774</u>

REQUIRED SUPPLEMENTARY INFORMATION

Defined Benefit Pension Plans

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

Minnesota State Retirement System:

	2018	2017	2016	2015
Society's proportion of the net pension liability	<u>0.2110%</u>	<u>0.2120%</u>	<u>0.2080%</u>	<u>0.2050%</u>
Society's proportionate share of the net pension liability	<u>\$ 2,924,002</u>	<u>\$ 15,725,964</u>	<u>\$ 25,789,681</u>	<u>\$ 3,155,757</u>
Society's covered- employee payroll	<u>\$ 6,297,473</u>	<u>\$ 6,081,370</u>	<u>\$ 5,636,409</u>	<u>\$ 5,455,335</u>
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>46.43%</u>	<u>258.59%</u>	<u>457.56%</u>	<u>57.85%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>90.56%</u>	<u>62.73%</u>	<u>47.51%</u>	<u>88.32%</u>

Defined Benefit Pension Plans

Schedule of Society Contributions
State Employees Retirement Fund

Minnesota State Retirement System:

	2018	2017	2016	2015
Statutorily required contribution	\$ 354,822	\$ 330,738	\$ 318,863	\$ 301,287
Contributions in relation to the statutorily required contributions	<u>354,822</u>	<u>330,738</u>	<u>318,863</u>	<u>301,287</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Society's covered- employee payroll	<u>\$ 6,316,155</u>	<u>\$ 6,013,418</u>	<u>\$ 5,797,508</u>	<u>\$ 5,477,929</u>
Contributions as a percentage of covered- employee payroll	<u>5.62%</u>	<u>5.50%</u>	<u>5.50%</u>	<u>5.50%</u>

Note 1: The Society implemented GASB Statement No. 68 in fiscal 2015. This information is not available for previous fiscal years.

Note 2: For both of these tables, the Society fiscal year-end date is October 31, and the MSRS fiscal year-end date (measurement date) is June 30.

Note 3: 2016 changes in actuarial assumptions. Benefit increases for retirees was changed from 2.0 percent every January 1 through 2015 and 2.50 percent thereafter to 2.0 percent per year for all future years. The long-term expected rate of return was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 4.17 percent.

Note 4: 2017 changes in actuarial assumptions. The single discount rate was changed from 4.17 percent to 5.42 percent.

Note 5: 2018 changes in actuarial assumptions. The single discount rate was changed from 5.42 percent to 7.5 percent.

2018 Changes to plan provisions. Effective July 1, 2018, the employer contributions increased from 5.5 percent to 5.875 percent and the member contributions increased from 5.5 percent to 5.75 percent. Post-retirement benefit increases were changed from a 2.0 to 2.5 percent per year increase based upon funded ratio, to a fixed rate of 1.0 percent for five years beginning January 1, 2019, and 1.5 percent per year thereafter.

REQUIRED SUPPLEMENTARY INFORMATION

Other Post-Employment Benefits Plan

Schedule of Changes in the Society's Total OPEB Liability and Related Ratios

Year Ended October 31, 2018

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 175,377
Interest	88,610
Changes of assumptions	(35,917)
Benefit payments	<u>(105,412)</u>
Net change in total OPEB liability	122,658
Total OPEB liability - beginning of year	<u>\$2,546,310</u>
Total OPEB liability - end of year	<u>\$2,668,968</u>
Covered - employee payroll	<u>\$5,402,854</u>
Total OPEB liability as a percentage of covered - employee payroll	49.4%

Note 1: The Society implemented GASB Statement No. 75 in fiscal 2018. This information is not available for previous fiscal years.

Note 2: The Society has not established a trust fund to finance GASB Statement No. 75 related benefits.

Note 3: 2018 changes in actuarial assumptions. The discount rate was changed from 3.32 percent to 3.49 percent.

MINNESOTA STATE FAIR SUPPORTING SCHEDULE - REVENUES AND EXPENSES

For the years ended October 31

2018

2017

OPERATING REVENUE

Ticket sales:

Carnival	\$ 7,776,388	\$ 7,710,191
MSF attractions	185,045	-
Grandstand	4,325,671	5,754,160
Outside gate	21,543,906	21,022,481
Parking	1,427,468	1,427,476
Total ticket sales	\$ 35,258,478	\$35,914,308

Activities:

Campground	\$ 133,451	\$ 146,357
Carnival	136,816	135,024
Competition	350,483	339,449
Entertainment	63,777	66,420
Fine arts	93,563	68,501
Forage	151,562	168,623
4-H auction	783,704	744,489
Public safety	7,452	7,094
Sales	12,366,691	11,597,145
Ticket office	643,777	671,949
Total activities	\$ 14,731,276	\$13,945,051

Other:

Beef Expo	\$ 145,399	\$ 158,016
Licensee utilities	297,286	306,408
Miscellaneous	81,622	106,695
Non-fair events	3,301,973	3,033,478
Sale of bulk milk	8,232	10,438
Sale of market animals	55,722	71,817
Sponsorships	1,203,506	1,085,190
Telephone	75,622	72,477
Utility assessments	597,015	603,264
Total other	\$ 5,766,377	\$ 5,447,783

Total operating revenue

\$ 55,756,131

\$ 55,307,142

OPERATING EXPENSES

Administrative:

Administrative services	\$ 754,946	\$ 555,849
Annual meeting	51,626	57,751
Auditing services	52,325	51,575
Computer	446,110	478,985
Dues and subscriptions	21,421	22,060
Insurance	214,946	300,857
Legal services	112,604	96,642
Managerial services	475,504	630,542
Medical insurance	1,171,173	1,231,460
Paid leave	827,577	941,256
Postage and mailing service	94,699	95,045
Printing and supplies	95,580	71,553
Retirement fund	(3,435,925)	2,708,203
Social security	807,061	791,745
Telephone	296,391	212,591
Travel expense	136,149	139,366
Unemployment compensation	84,886	69,748
Workers compensation	138,957	132,818
Total administrative	\$ 2,346,030	\$ 8,588,046

	2018	2017
Activities and Support:		
Admissions	\$ 234,417	\$ 227,232
Advertising	1,051,547	955,229
Bee culture	20,005	18,899
Beef Expo	147,427	115,418
Campground	63,094	64,970
Carnival	5,836,412	5,748,880
MSF attractions	55,513	-
Cattle	134,348	116,651
Christmas trees	7,973	7,574
Competition	819,140	786,615
Creative activities	107,175	104,793
Dairy products	1,592	2,478
Dog trials	3,352	3,657
Education programming	406,458	399,414
Farm crops	31,906	32,773
FFA	49,431	41,802
Finance	294,251	306,959
Fine arts	45,059	38,142
Flower and agriculture shows	64,968	64,204
Flowers	11,889	10,242
Forage	208,245	214,415
4-H club	270,151	227,194
Free entertainment	1,833,348	1,783,356
Fruit	14,612	13,456
Gate tickets	243,906	239,693
Goats - Boer	2,574	2,158
Goats - Dairy	6,048	6,091
Grandstand - concerts	4,819,175	6,862,344
Guest services	57,504	48,876
Heritage exhibits	78,471	131,088
Horse and rodeo	233,748	227,476
K-12 competition	43,226	41,752
Llamas	2,930	3,454
Marketing	467,838	486,780
Park & Ride	2,528,043	2,321,103
Parking	192,643	204,669
Poultry	18,341	18,154
Publications	670,514	432,088
Public safety	1,746,375	1,725,116
Sales	1,711,139	1,551,444
Sanitation	1,265,525	1,180,851
Senior citizens & recognition programs	14,054	14,520
Sheep	7,957	7,735
Swine	23,395	18,835
Ticket audit	2,328	3,180
Ticket office	681,216	679,802
Ticket promotion	493,421	478,198
Trams	45,947	42,000
Transportation	39,126	44,758
Vegetables	9,217	8,901
Total activities and support	\$ 27,116,974	\$ 28,065,419
Premiums:		
Bee culture	\$ 3,261	\$ 3,457
Beef Expo	28,575	27,842
Cattle	117,912	117,968
Christmas trees	2,825	2,875

	2018	2017
Creative activities	17,490	16,857
Dairy products	1,490	1,545
Dog trials	1,015	1,110
K-12 competition	9,537	8,537
Farm crops	17,392	17,548
FFA	83,979	80,809
Fine arts	16,000	15,050
Fine arts sales	93,563	67,865
Flowers	3,145	3,291
4-H auction	784,104	747,179
4-H club	71,200	71,500
Fruit	2,218	2,061
Goats - Boer	1,249	1,532
Goats - Dairy	12,934	13,540
Horse	170,150	156,925
Llama	2,870	3,555
Poultry	7,345	8,140
Rural youth scholarships	20,000	20,000
Sale of bulk milk	7,391	10,344
Sale of market animals	55,940	71,818
Sheep	32,767	33,230
Swine	45,064	40,642
Talent contest	31,175	31,175
Vegetables	4,935	4,429
Total premiums	\$ 1,645,526	\$ 1,580,824
Plant operations:		
Architectural and engineering	\$ 337,595	\$ 222,971
Fire and police service	376,059	346,308
Fuel, oil and gasoline	119,387	75,994
Greenhouse	261,825	211,602
Operations	1,540,692	1,366,539
Property tax and assessments	60,985	-
Salaries and contract services	989,618	733,579
Set-up and take-down	1,922,423	1,731,881
Signs	144,736	159,284
Supplies	269,315	197,877
Utilities	1,011,318	1,109,223
Water and sewer	266,800	245,423
Total plant operations	\$ 7,300,753	\$ 6,400,681
Plant maintenance:		
Electric system	\$ 915,239	\$ 510,212
Fence and fixtures	27,697	32,867
Gas system	-	337
Land	482,747	207,678
Personal property	325,624	397,972
Sewer system	45,759	36,784
Streets and sidewalks	115,087	164,341
Structures	1,594,084	1,532,070
Vehicles	206,833	141,467
Water system	23,855	61,786
Total plant maintenance	\$ 3,736,925	\$ 3,085,514
Other expenses:		
Miscellaneous	\$ 22,868	\$ (95)
Non-fair events	1,840,721	1,644,732
Veterinarian service	33,011	31,567
Total other	\$ 1,896,600	\$ 1,676,204

	2018	2017
Depreciation:		
Electric system	\$ 381,180	\$ 319,338
Fence and fixtures	75,381	83,060
Gas system	78	78
Land improvement	289,525	293,154
Personal property	166,157	172,718
Sewer system	90,151	101,107
Streets & sidewalks	115,230	116,187
Structures	2,452,041	2,181,951
Water system	24,203	23,853
Total depreciation	\$ 3,593,946	\$ 3,291,446
TOTAL OPERATING EXPENSES	\$ 47,636,754	\$ 52,688,134
Operating income	\$ 8,119,377	\$ 2,619,008
NON-OPERATING REVENUE (EXPENSES)		
Investment income	\$ 18,438	\$ 12,917
Grant revenue	1,464,581	998,487
Gain on sale of capital asset	12,651	-
Interest expense	(412,741)	(475,600)
Net non-operating revenue (expenses)	\$ 1,082,929	\$ 535,804
CHANGE IN NET POSITION	\$ 9,202,306	\$ 3,154,812



PRINCIPALS

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

To the Board of Managers and Management
Minnesota State Agricultural Society

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the enterprise fund and the discretely presented component unit of the Minnesota State Agricultural Society (dba Minnesota State Fair) (the Society) as of and for the year ended October 31, 2018, and the related notes to the financial statements, which collectively comprise the Society's basic financial statements, and have issued our report thereon dated April 15, 2019. We did not audit the financial statements of the Minnesota State Fair Foundation (the Foundation) as of and for the year ended October 31, 2018. Our report includes a reference to other auditors who audited the financial statements of this entity, as described in our report on the Society's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

(continued)

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

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

COMPLIANCE AND OTHER MATTERS

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

PURPOSE OF THIS REPORT

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

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

Minneapolis, Minnesota
April 15, 2019

**MINNESOTA STATE AGRICULTURAL SOCIETY
ANNUAL MEETING**

January 11-12-13-14, 2018

DoubleTree by Hilton Hotel, Bloomington

The 159th annual meeting of the Society, held in conjunction with the annual conventions of the Minnesota Federation of County Fairs and the Midwest Showmen's Association, opened Thursday, Jan. 11, at the DoubleTree Hotel in Bloomington, Minn.

MEETING OF THE SALES COMMITTEE

5 p.m. Thursday, Jan. 11, 2018

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

Also present: Renee Alexander; Brian Hudalla; Cheryl Huber; Carol Doyle; Debbie Edman; Brett Ward; Nikki Hines.

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

Mr. Sinclair reviewed the report of '17 State Fair sales revenue, originally distributed at the Nov. 14, 2017, meeting of the board. The report was approved as submitted on a motion by Mr. Fox, seconded by Mr. Scapanski and carried (Aye-8; Nay-0).

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

Ms. Hines presented the following fees for percentage attractions at the 2018 State Fair:

CONCESSIONAIRE	ATTRACTION	2017%	2018%
Big Adventures, Inc.	<u>Turbo Bungy</u>	25%	25%
Biggest Wheel LLC	Ferris Wheel	5%	10%
D.M.C., Inc.	Skyride	30%	30%
Fun Adventures, Inc.	<u>Rock Climbing Wall</u>	25%	25%
Giant Ride, Inc.	Giant Slide	30%	30%
Grandstand Artist	Artist CDs/DVDs	10%	10%
Merchandise Sales	Other Merchandise	20%	20%
Hot Shot Thrill Rides	<u>Sling Shot</u>	25%	25%
K & M Recreation, Inc.	Haunted House	30%	30%
KMB Performance, Inc.	Go Karts	25%	25%
Krazy Maze LLC	<u>Krazy Maze</u>	25%	25%
Mighty Midway and Kidway	Midway Rides and Shows	41%	41%
	Kidway Rides and Shows	43%	43%
	Games of Skill	23%	23%
River Raft Ride, Inc.	River Raft Ride	25%	25%
Skyfair, Inc.	SkyGlider	30%	30%
Skyscraper Two, Ltd.	<u>Skyscraper</u>	25%	25%
Spineless Wonders	Butterfly House	20%	20%
Tinsley Amusements, Inc.	Carousel	40%	40%
Ventnor Place, Inc.	Space Tower	25%	25%

Attractions underlined are located in Adventure Park

After discussion, the attraction percentages were approved on a motion by Mr. Grunhovd, seconded by Mr. Leary and carried (Aye-8; Nay-0). The approved percentage fees represent the fees payable to the State Fair on receipts from ticket sales associated with operation of the preceding attractions. Percentages are applied as follows; state sales tax (7.125%) is deducted from gross receipts and reconciliation between the State Fair and concessionaires is made on the net of tax balance.

Ms. Hines presented the following ticket prices for the attractions:

CONCESSIONAIRE	ATTRACTION	2018 TICKET PRICE(S)
Big Adventures, Inc.	<u>Turbo Bungy</u>	\$5
Biggest Wheel LLC	Ferris Wheel	\$5
D.M.C., Inc.	Skyride	\$4.50 one-way \$6 round trip
Fun Adventures, Inc.	<u>Rock Climbing Wall</u>	\$5
Giant Ride, Inc.	Giant Slide	\$2.50
Hot Shot Thrill Rides, Inc.	<u>Sling Shot</u>	\$30 single/\$55 for 2 riders. Early Bird \$25 per rider from opening to 1 p.m.
K & M Recreation, Inc.	Haunted House	\$4
KMB Performance, Inc.	Go Karts	\$7 for Driver \$4 for Passenger
Krazy Maze LLC	<u>Krazy Maze</u>	\$5
Mighty Midway and Kidway	Rides, Shows and Games of Skill	\$1 single \$25 for 30 tickets (\$.833 per ticket) \$40 for 54 tickets (\$.741 per ticket)
		(Advance Purchase) \$15 for 25 tickets (\$.60 per ticket)
River Raft Ride, Inc.	River Raft Ride	\$5
Skyfair, Inc.	SkyGlider	\$4.50 one-way \$6 round trip
Skyscraper Two, Ltd.	<u>Skyscraper</u>	\$30 single/\$55 for 2 riders. Early Bird \$25 per rider from opening to 1 p.m.
Spineless Wonders	Butterfly House	\$3
Tinsley Amusements, Inc.	Carousel	\$2.50
Ventnor Place, Inc.	Space Tower	\$3

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

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

Mr. Ward presented the following concessionaires recommended for beer and wine licenses at the '18 State Fair:

CONCESSIONAIRE	BLOCK	LOCATION
Andrus Concessions, Inc. (Robert and Joseph Andrus)	Block 42	1774 Carnes Ave., Arcade Bldg. Malt Beverages
Ball Park Café, Inc. (Daniel and David Theisen)	Block 35	1312 Underwood St., Crossroads Bldg. Malt Beverages & Cider
Blue Plate Restaurant Company Inc., dba The Blue Barn (Stephanie Shimp, David Burley)	Block 27	1839 W Dan Patch Ave. Malt Beverages
Tres-C, Inc. dba Café Caribe (Joel and Mary Chesin)	Block 42	1770 Carnes Ave., Arcade Bldg. Malt Beverages & Minn. Wine
Chicago Dogs, Inc. (Anne Chesin)	Block 35	1670 Dan Patch Ave. Malt Beverages
Coasters, Inc. (Paul and Diana Hohenwald)	Block 42	1804 Carnes Ave., Arcade Bldg. Malt Beverages & Minn. Wine

Dino's Gyros (Constantin, Vona and Jason Adamidas)	Block 36	1701 Carnes Ave. Malt Beverages
Werner's Frontier, Inc. (Richard C. Werner)	Block 42	1790 Carnes Ave., Arcade Bldg. Malt Beverages
RC's Barbecue – American Restaurant Inc. (Randy Jernberg and Charlie Torgerson)	Block 28	1801 Dan Patch Ave., Bldg. 289A Malt Beverages
French Creperie (Marc and Tracy Veziez)	Block 36	1711 Carnes Ave. Minnesota Produced Wine
Giggles' Campfire Grill LLC (Timothy Weiss)	Block 19	1520 Cooper St. Malt Beverages & Minn. Wine
H.M.H. of Saint Paul, Inc. dba Shanghaied Henri's (Henry and Ellen Hanten)	Block 47	1658 Judson Ave., International Bazaar Malt Beverages & Minn. Wine
The Hideaway-GSH Food Services, Inc. (Bryan and Jennie Enloe)	Block 28	1755 Dan Patch, Bldg., 286U Malt Beverages & Minn. Wine
Hildebrand Concessions, Inc. (Jan Hildebrand)	Block 28	1755 Dan Patch, Bldg. 286S Malt Beverages & Minn. Wine
CMK Investments dba Leinie Lodge (Robert J. Kirschner)	Block 34	1302 Cooper St., Bandshell Malt Beverages
Lancer Management Services, Inc. (Glenn Baron)	Block 50	1784 Judson Ave., Coliseum Malt Beverages
FireFly Group, Inc. dba LuLu's Public House (Charlie Burrows and Mike Brennan)	Block 27	1839 W Dan Patch Ave. Malt Beverages
Mancini's al Fresco (Pat and Jane Mancini)	Block 36	1715 Carnes Ave. Malt Beverages & Minn. Wine
Mintahoe, Inc. – MN Farm Wine Assoc. (James McMerty)	Block 44	1271 Underwood St. Minnesota Produced Wine
Midway Men's Club (Michael Wright)	Block 30	1354 Underwood St. Malt Beverages
MJ Financial Group, Inc. dba Ragin Cajun (Ronald Jacob)	Block 35	1670 Dan Patch Ave., The Garden Malt Beverages
O'Gara's at The Fair (Daniel and Kris O'Gara)	Block 34	1626 Dan Patch Ave. Malt Beverages & Minn. Wine
Cuisine Concepts dba Tejas (Wayne Kostroski and Mark Haugen)	Block 35	1670 Dan Patch Ave., The Garden Malt Beverages
Lancer Mgmt. - Minn. Craft Brewers Guild (Tony Arvdison)	Block 45	1263 Cooper St., Ag-Hort Malt Beverages

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

Ms. Simon offered the following commercial vendors recommended for multiple-site licenses at the '18 State Fair:

CONCESSION-EXHIBIT	DESCRIPTION	SITES
Batten Industries	Nellie's Laundry Products, Green Heat Packs & Cooley Towels	2
Big Dog Corn Dogs	Corn Dogs, Footlong Hot Dogs & Beverages	2

Butcher Boys	London Broil Sandwiches – Sausages	2
Cenaiko Enterprises, Inc.	Chamois, Shami Mops/ JD's Salsa	2
Delrick Enterprises	Popcorn, Caramel Corn, Caramel Apples & Beverages	2
Gary Crutchfield	Cheese on a Stick	2
George Funk - Moon Beam Coffee	Leather Goods/Coffee	2
Giant Ride, Inc.	Giant Slide/Cheese on a Stick	2
Groscurth Concessions	Corn Dogs and Beverages	2
Gregory J. Tetrault	Ice Cream, Sno Cones, Caramel Apples & Beverages	2
Gripstic	Gripstick - Air purifier	2
Holly's Hobby	Seasonal Handcrafts	2
Larry Abdo – Gopher Ice Co.	Big Fat Bacon/Ice (Ice = wholesale permit only)	2
Mark Andrew	French Fries/S'Mores	2
Midwest Dairy Assoc.	Ice Cream, Milk & Dairy Foods	2
Minn. Honey Producers	Honey, Honey Ice Cream & Honey Candy	2
Minne-Kabob Foods	Kabobs	2
Netterfield's Lemonade & Popcorn	Popcorn, Caramel Corn/ Sausage, Corn Dogs, Burgers	2
Orange Treet Sales	Orange Treet Drink & Smoothies/Dairy Bar	2
Produce Exchange	Ready to eat Fresh Fruits	2
Stafford Ent.	Microfiber Mops/ Therapy Products	2
Starr International	Knife Sharpener/Wine Opener	2
Tina Isaac	Sandwiches and Spiral Chips/ Designer Coffees & Desserts	2
Wozniak Concessions, Inc.	Fresh Cut French Fries	2
Great Lakes Coca Cola	Coca Cola Soft Drinks	3
Icee USA Corp.	Icee Frozen Beverages	3
Kathy Yahr	Cotton Candy	3
Larry Immerman	Cotton Candy	3
Leah H. O'Neil	Hot Dogs on a Stick	3
Lynn Davis	Ice Cream, Sno Cones, Caramel Apples & Beverages	3
Maxine Davis	Ice Cream, Sno Cones & Caramel Apples/Baked Potatoes	3
Crocker Ent.	Root Beer Barrels	4
Lancer Management Services, Inc.	Food, Beverages & Beer (Coliseum)	4
Schroder Concessions, Inc.	Popcorn, Caramel Corn & Caramel Apples/Cheese Curds	4
Syndicate Sales Corp.	Vegetable Cutters/Knives/ Salsa Makers/Total Tiller	4
Wee Dazzle	Novelties, Souvenirs & Toys	4
Dandy Souvenirs	Novelties, Souvenirs & Toys	8

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

The committee recommended Society purchase of the structure and equipment of Ye Old Mill boat ride for \$80,000 from the John Keenan family – the sole owners and operators of the ride since its opening in 1915 – on a motion by Mr. Leary, seconded by Mr. Fox and carried (Aye-8; Nay-0).

Non-fair event licenses for alcohol sales were approved for Encore Concessions (Soundset Music Festival May 27) and Chop Liver Craft Beer Fest (St. Paul Beer Fest June 9) on a motion by Mr. Scapanski, seconded by Mr. Wichmann and carried (Aye-8; Nay-0).

Mr. Larson provided an update on the status of the Robbinsdale OES Dining Hall structure for the 2018 State Fair. Information only; no action taken.

The sales committee meeting adjourned at 6:02 p.m. on a motion Mr. Grunhovd, seconded by Mr. Leary and carried (Aye-8; Nay-0).

**MEETING OF THE BOARD OF MANAGERS
10:15 a.m. Friday, Jan. 12, 2018**

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

Also present: Jim Sinclair; Brian Hudalla; Renee Alexander; Cheryl Huber; Wally LeVesseur; Chris Leach; Heather Brady; Dennis Larson; Pam Simon; Theresa Weinfurtnr; Jill Nathe; Michelle Butler; Brett Ward; Carol Doyle; Josie Belde; Nikki Hines; Virginia Mold; Cynthia Cashman; Lynn Varco; Joe Bagnoli; Leah Janus.

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

Mr. Bagnoli of the McGrann Shea Carnival Straughn & Lamb law firm reported on the upcoming session of the Minnesota legislature and issues that may affect the State Fair. Information only; no action taken.

Mr. Hammer and Mr. LeVesseur offered historical background on attendance, sources of revenue and expense, trends in departmental expenses, annual cash flow and long-term debt, followed by a detailed review of the Society's financial activities during fiscal '17. Information only; no action taken.

Mr. Hammer reviewed the proposed operating budget and year-end cash position for '18, followed by discussion on the budget's relationship to capital and maintenance projects. Information only; no action taken.

A resolution approving the purchase of 1.89 acres of property and structures at 1640 Como Ave., and directing Mr. Hammer and staff to finalize the purchase pending successful resolution of contingencies in the sales agreement, was passed on a motion by Mr. Fox, seconded by Mr. Leary and carried (Aye-9; Nay-0). The complete resolution is on file at Society offices on the State Fairgrounds.

Sales committee action taken Jan. 11, 2018, recommending purchase of Ye Old Mill by the State Fair was approved on a motion by Mr. Scapanski, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

The meeting adjourned at 11:38 a.m. on a motion by Mr. Fox, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

**MEETING OF THE BOARD OF MANAGERS
2:30 p.m. Friday Jan. 12, 2018**

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

The meeting was called to order at 2:30 p.m. by President Wessel and declared in executive session.

The meeting was adjourned by President Wessel at 3:30 p.m.

**DISTRICT CAUCUSES OF THE SOCIETY
11:15 a.m. Saturday, Jan. 13, 2018**

Delegates from the second, seventh and ninth district met in caucus to certify nominees for election to the State Fair board of managers during the Society's general business session Sunday Jan. 14. Selected were Dennis Van Moorlehem of Arlington (second district), Wally Wichmann of Balaton (seventh district) and Dan Grunhovd of Gary (ninth district).

**MEETING OF THE PLANNING COMMITTEE
1 p.m. Saturday, Jan. 13, 2018**

Present: Gordy Toenges, chairman; Joe Fox; D.J. Leary; Dan Grunhovd; Gail Johnson; Paul Merkins; Joe Scapanski; Wally Wichmann; Sharon Wessel, ex officio; Jerry Hammer, ex officio; Brian Hudalla, ex officio; Sean Casey, ex officio.

Also present: Renee Alexander; Cheryl Huber; Debbie Edman; Chris Leach; Wally LeVesseur; Heather Brady; Dennis Larson; Theresa Weinfurtnr; Steve Grans; Patrick Schoen; Brett Ward; Josie Belde; Cynthia Cashman; Shana Zaiser; Jim Ertl.

Chairman Toenges called the meeting to order at 1:09 p.m.

Mr. Hudalla provided a detailed review of capital and maintenance expenditures from 2017. Information only; no action taken.

Mr. Hammer reviewed 21 years of State Fair capital and maintenance projects, totaling \$138.1 million. Information only; no action taken.

Mr. Hammer and Mr. Hudalla presented capital and maintenance project recommendations for 2018 totaling \$11.1 million. A summary of the project list follows, and includes projects previously approved at the Nov. 14, 2017, meeting of the board:

**2018 MAINTENANCE & IMPROVEMENT
BUDGET SUMMARY**

A. Structure Improvements	<u>\$ 5,375,000</u>
B. Land Improvements	
BI. Fencing & Fixtures	_____
BII. Land	_____
BIII. Sewer System	_____
BIV. Streets & Sidewalks	_____
BV. Water Distribution System	_____
BVI. Gas Distribution System	_____
BVII. Land Purchases	<u>300,000</u>
TOTAL Land Improvements	\$ 300,000
C. Personal Property	<u>\$ 108,000</u>
D. Electric Plant:	<u>\$ 1,510,000</u>
TOTAL Improvements	\$ 7,293,000
E. Structure Maintenance	<u>\$ 1,724,200</u>
F. Land Maintenance	
FI. Fencing & Fixtures	<u>35,000</u>
FII. Land	<u>346,000</u>
FIII. Sewer System	<u>39,000</u>
FIV. Streets & Sidewalks	<u>462,000</u>
FV. Water Distribution System	<u>37,000</u>
FVI. Gas Distribution System	<u>2,500</u>
TOTAL Land Maintenance	\$ 921,500
G. Personal Property Maintenance	<u>\$ 279,500</u>
H. Vehicle Maintenance:	<u>\$ 178,000</u>
I. Electric Plant Maintenance:	<u>\$ 755,500</u>
TOTAL Maintenance	\$ 3,858,700
TOTAL Improvements & Maintenance	<u>\$11,151,700</u>

After review and discussion, Mr. Merkins moved, Mr. Fox seconded and motion carried that the '18 improvements and maintenance budget be approved by the committee as presented and recommended to the full board for approval (Aye-7; Nay-0). Included in the motion was staff authority to adjust, shift, add or cancel specific line items as appropriate to accommodate changes that occur throughout the budget year.

The planning committee adjourned at 2:15 p.m. on a motion by Ms. Johnson, seconded by Mr. Wichmann and carried (Aye-7; Nay-0).

GENERAL BUSINESS SESSION OF THE SOCIETY

8:30 a.m. Sunday, Jan. 14, 2018

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

President Wessel called for a report of the credentials committee by Marie Pflipsen of Benton County. The committee report was presented as follows and adopted as read:

Credential forms submitted to the State Agricultural Society have been inspected by the full committee. All credentials have been found to be in order with the following exceptions: Three statewide associations did not file with the secretary of state as required by Dec. 20, 2017. One statewide association and two county fairs did not provide correct information on their credentials applications. Members of the credentials committee do attest to the actions noted above on the 13th day of January, 2018.

President Wessel called for a report of the resolutions committee. Committee member Don Nolander of Freeborn County presented the following resolutions for consideration by the Society:

Resolved, that the Minnesota State Agricultural Society expresses its sincere gratitude to the 1,997,320 guests who were part of the 2017 State Fair, the highest-attended in our history, and to the additional 1 million people who came to events at the State Fairgrounds throughout the year.

Resolved, that the Society acknowledges the State Fair is dependent on retaining these visitors. Therefore, we are committed to advancing the fair's mission of educating and engaging people by presenting a world-class showcase of agriculture, entertainment and the innovative exchange of knowledge and ideas; providing outstanding customer service in a safe, clean, carefully maintained environment that is accessible to all; and providing exceptional value while remaining financially independent through fiscally sound management.

Resolved, that we recognize with great appreciation all those who contributed to the success of the State Fair, including staff, the board of managers, volunteers, exhibitors, concessionaires, entertainers, sponsors, media, contractors, advertisers, youth, school groups, and members of 4-H and FFA. We also extend our gratitude to our neighbors in the communities surrounding the fairgrounds.

Resolved, that we also recognize with great appreciation the generosity of the Minnesota State Fair Foundation's board, staff, donors and volunteers, whose gifts of time, talent and money play an important role in preserving and improving State Fair buildings, fairgrounds and educational programs.

Resolved, that the Society's affiliations and strong relationships with the International Association of Fairs and Expositions, Minnesota Federation of County Fairs, Outdoor Amusement Business Association, National Independent Concessionaires Association, Midwest Showmen's Association and other organizations devoted to professional improvement are valuable in furthering the fair industry statewide and nationally.

Resolved, it is with regret and a deep sense of loss that we acknowledge the passing this past year of these Society members and State Fair friends: Charles Bankey, longtime State Fair employee

in the heritage exhibits department; Steve Dahl, entertainment agent with the Paradigm Agency in Nashville and a friend of the fair; Ned Hanna, mayor of Como Park; Bill Hermes, Minnesota State Fair greenhouse superintendent for 22 years; Edwin Krueger, longtime State Fair employee in the public safety and senior citizens departments and husband of Marge Krueger, senior citizens department superintendent and honorary life member of the Society; Roger J. Larson, longtime State Fair employee who worked as DNR and Bazaar building superintendent, as well as in the public safety department, and was a 50 Year Award recipient in 2009; Walter Melnychuk, longtime owner of the Delicious Potato Skins food concession; Bob Morrison, longtime veterinary volunteer in the CHS Miracle of Birth Center; Edwin Murphy of Martin County, awarded this year's Minnesota Federation of County Fair's District 2 Fair Person of the Year; Jerry Pendleton, president of SkyFair Inc./SkyGlider; Larry Shear, former representative with Bolin Advertising, which coordinated State Fair advertising for many years; Manny Simons, son of Don Simons, Society board of managers member from 1987 to 2002 and an honorary life member of the Society; Emily L. Taylor, 2014 Commemorative Artist; and Roy Thompson, longtime State Fair farm crops judge.

Whereas, the Great Minnesota Get-Together is one of the most highly regarded expositions in North America, providing an unparalleled and world-class forum for education, recreation and employment, and

Whereas, the immense cultural and economic impact of a successful State Fair and a robust Minnesota tourism industry play a key role in the economic vitality of our state,

Now therefore be it resolved, that the membership of the Minnesota State Agricultural Society – representing both rural and urban stakeholders – strongly urges continued support for current state law requiring Minnesota's schools to open after Labor Day, ensuring that children, families and workers from throughout the state can fully participate in the historic, educational and culturally rich Minnesota State Fair.

Be it further resolved, the Society extends its thanks and appreciation to all who helped make its 159th annual meeting a success.

The resolutions were adopted as read.

President Wessel called for a report of the membership committee by Clair Anderson of Lac Qui Parle County. The committee report was presented as follows and adopted as read:

The membership committee met on Jan. 13, 2018, to review the request from the Minnesota Boer Goat Association to become a member of the State Agricultural Society. Committee members approved the Boer Goat Association to become a member, and the association will be able to participate in the Society's 2019 annual meeting. Members of the membership committee do attest to the above action on the 13th day of January, 2018.

President Wessel turned the chair over to Vice President Fox to conduct the election of Society president for a term of one year. Paul Merkins of Stewart was elected and assumed the chair.

President Merkins turned the chair over to State Fair board past president and Honorary Society Life Member Al Paulson of Shevlin who nominated Sharon Wessel for life membership; Ms. Wessel was elected by acclamation and was presented with awards recognizing her Honorary Life Membership and honoring her 12 years of service to the Society's board of managers.

President Merkins then proceeded to conduct elections as follows: D.J. Leary of Minneapolis was reelected to a two-year term as fifth district vice president; Jeff Hawkins of Inver Grove Heights was elected to fill the final year of Paul Merkins' unexpired three-year term as second district representative; Wally Wichmann of Balaton was reelected to a three-year term as seventh district representative; and Danny Grunhovd of Gary was re-elected to a three-year term as ninth district representative.

With no further business to be brought before the Society, President Merkins declared the meeting adjourned at 10:50 a.m.

**MEETING OF THE BOARD OF MANAGERS
11 a.m. Sunday, Jan. 14, 2018**

Present: Paul Merkins, president; Joe Fox, vice president; D.J. Leary, vice president; Dan Grunhovd; Jeff Hawkins; Gail Johnson; Joe Scapanski; Gordy Toenges; Wally Wichmann; Jerry Hammer, secretary.

Also present: Jim Sinclair; Renee Alexander; Brian Hudalla; Cheryl Huber; Debbie Edman; Wally LeVesseur; Dennis Larson; Sean Casey; Heather Brady; Chris Leach; Gail Anderson; Steve Grans; Cory Franzmeier; Theresa Weinfurter; Marie LeFebvre; Michelle Butler; Patrick Schoen; Jill Nathe; Chris Noonan; Lara Hughes; Danielle Dullinger; Brett Ward; Grace Woodis; Virginia Mold; Beth Schuldt; Keri Huber; Josie Belde; Kim Scibak; Leah Janus; Tim Higgins.

President Merkins called the meeting to order at 11:07 a.m.

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

Paul Merkins of Stewart, president (one-year term); D.J. Leary of Minneapolis, fifth district vice president (two-year term); Jeff Hawkins of Inver Grove Heights, second district representative (final year of unexpired three-year term); Wally Wichmann of Balaton, seventh district representative (three-year term); and Danny Grunhovd of Gary, ninth district representative (three-year term).

On a motion by Mr. Leary, seconded by Mr. Wichmann and carried, Jerry Hammer of St. Paul was re-appointed to a one-year term as executive vice president of the Society (Aye-8; Nay-0). Ms. Huber administered the oath of office to Mr. Hammer.

Minutes of the board meeting conducted Nov. 14, 2017, were reviewed and approved on a motion by Mr. Grunhovd, seconded by Mr. Fox and carried (Aye-8; Nay-0).

Minutes of interim activities covering the period Nov. 14, 2017, through Jan. 11, 2018, were approved on a motion by Mr. Fox, seconded by Mr. Wichmann and carried (Aye-8; Nay-0).

Mr. LeVesseur presented the financial statement for Dec. 31, 2017, as follows:

**MINNESOTA STATE FAIR
CASH TRANSACTION SUMMARY
Month Ending December 31, 2017
OPERATING ACCOUNT ACTIVITY:**

Balance - Nov. 30, 2017		\$11,231,359
Add: Cash Deposits	\$674,868	
Less: Payroll Ending Dec. 1	(239,733)	
Payroll Ending Dec. 15	(236,352)	
Payroll Ending Dec. 29	(227,961)	
Cash Disbursements	(900,014)	
	(929,192)	
Balance - Dec. 31, 2017		\$10,302,167

BUILDING FUND ACTIVITY:

Balance - Nov. 30, 2017	\$	451
Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance - Dec. 31, 2017	\$	451

CONSTRUCTION ACCOUNT:

Balance - Nov. 30, 2017	\$	-
Add: Note Proceeds		
Interest		
Less: Disbursements		
Balance - Dec. 31, 2017	\$	-

CASH BALANCES FOR MONTH ENDING:

	<u>2016</u>	<u>2017</u>
Operating Account	\$7,703,322	\$10,302,167
Petty Cash	6,100	6,100
Building Fund	450	451
Total Cash Balances	<u>\$7,709,872</u>	<u>\$10,308,718</u>

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

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

Bremer Bank as the depository for the Society's operating account, payroll account and premium fund account with the following signatory authority: Operating account – Jerry Hammer and Wally LeVesseur with "Hammer/LeVesseur" signature imprint authorized for operating account; Regular and fair-period payroll account - Jerry Hammer with "Hammer" signature imprint authorized for payroll funds; Premium account - Jerry Hammer with "Hammer" signature imprint authorized for premium account; Security fund transfer resolution - Jerry Hammer or Wally LeVesseur. After discussion, the preceding was approved on a motion by Mr. Fox, seconded by Mr. Grunhovd and carried (Aye-8; Nay-0).

The following standing committee appointments for 2018 were presented by President Merkins:

Finance - Fox, chairman; Hawkins; Leary; Oleheiser; Toenges; Wichmann; Merkins, ex officio; Hammer, ex officio; LeVesseur, ex officio.

Foundation Nominating - Merkins, chairman; Fox; Oleheiser; Hammer.

Governmental Affairs - Scapanski, chairman; Grunhovd; Leary; Johnson; Toenges; Wichmann; Merkins, ex officio; Hammer, ex officio; Alexander, ex officio; Hudalla, ex officio; Sinclair, ex officio.

Honors - Leary, chairman; Alexander; Goodrich; Sinclair; Merkins, ex officio; Hammer, ex officio.

Operations - Grunhovd, chairman; Fox; Johnson; Oleheiser; Scapanski; Wichmann; Merkins, ex officio; Hammer, ex officio; Hudalla, ex officio; Leach, ex officio.

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

Public Affairs - Johnson, chairman; Grunhovd; Leary; Oleheiser; Scapanski; Toenges; Merkins, ex officio; Hammer, ex officio; Alexander, ex officio.

Rules & Premium List - Wichmann, chairman; Fox; Grunhovd; Johnson; Scapanski; Toenges; Merkins, ex officio; Hammer, ex officio; Goodrich, ex officio; LeFebvre, ex officio.

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

The committee appointments were approved on a motion by Ms. Johnson, seconded by Mr. Toenges and carried (Aye-8; Nay-0).

President Merkins presented the following board liaison and department superintendent appointments for 2018:

Administration - Wichmann

 Employment Office - Oleheiser

Competition

 Bee Culture - Johnson (David Schaaf, superintendent)

 Beef Cattle - Oleheiser (Chuck Schwartau, superintendent)

 Christmas Trees - Johnson (Kim Ustruck)

 Creative Activities - Fox (Curt Pederson, superintendent)

 Dairy Cattle - Grunhovd (Deb Kraus, superintendent)

Dairy & Boer Goats - Johnson (Mark Boorsma & Gretchen Sankovitz, supts)
 Dairy Products - Grunhovd (Lisa Radmacher, superintendent)
 Dog Trials - Hawkins (JoAnna Yund, superintendent)
 K-12 Competition - Leary (Florence Newton, superintendent)
 Farm Crops - Johnson (Ron Kelsey, superintendent)
 Fine Arts - Wichman (Jim Clark, superintendent)
 Flowers - Johnson (Phyllis Andrews, superintendent)
 4-H - Oleheiser (Brad Rugg, superintendent)
 Fruits - Johnson (Louis Quast, superintendent)
 FFA - Scapanski (Duane Hutton, superintendent)
 Horses - Scapanski
 Llamas - Hawkins (Jen Rouillard, superintendent)
 Milking Parlor - Fox (Doris Mold, superintendent)
 Miracle of Birth - Wichmann (Jim Ertl, superintendent)
 Poultry - Merkins (Paul Bengtson, superintendent)
 Seniors - Fox (Marge Krueger, superintendent)
 Sheep - Toenges (Jo Bernard, superintendent)
 Swine - Wichmann (Jerry Hawton, superintendent)
 Vegetables - Johnson (Phil Klint, superintendent)

Entertainment - Johnson
 Grandstand Production - Grunhovd (Gary Perkins, superintendent)
 Heritage Exhibits - Hawkins (Jan Bankey, superintendent)
 Finance - Leary
 Fair-time Payroll - Fox
 Ticket Sales - Leary (JoAnne Ferry, superintendent)
 Marketing - Toenges
 Operations - Grunhovd
 Admissions - Toenges (Dave Woodis, superintendent)
 Park & Ride - Johnson (Sarah Peterka, superintendent)
 Parking - Scapanski (Jim Benz, superintendent)
 Public Safety - Scapanski (Paul Paulos, superintendent)
 Sanitation - Toenges
 Sales - Oleheiser
 Attraction Ticket Takers - Leary (Chris Sycks, superintendent)

The appointments were approved on a motion by Mr. Toenges, seconded by Mr. Fox and carried (Aye-8; Nay-0).

President Merkins declared the meeting in recess for committee meetings.

OPERATIONS COMMITTEE MEETING

Chairman Grunhovd called the meeting to order.
 Mr. Hammer presented the following gate admission policy for the '18 State Fair for consideration:

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

The gate admission policy was adopted as presented on a motion by Ms. Johnson, seconded by Mr. Fox and carried (Aye-4; Nay-0).

The operations committee meeting was adjourned on a motion by Mr. Scapanski, seconded by Ms. Johnson and carried (Aye-4; Nay-0).

PUBLIC AFFAIRS COMMITTEE MEETING

Chairman Johnson called the meeting to order.
 Ms. Alexander presented advertising, marketing and publications budgets for 2018. After discussion, the budgets were approved on a motion by Mr. Scapanski, seconded by Mr. Leary and carried (Aye-4; Nay-0).

The meeting adjourned on a motion by Mr. Scapanski, seconded by Mr. Leary and carried (Aye-4; Nay-0).

RULES & PREMIUM LIST COMMITTEE MEETING

Chairman Wichmann called the meeting to order.
 Authority was granted to Mr. Hammer's delegate to make adjustments in rules, release dates and premium allocations for competitive departments in accordance with guidelines established by the Society's 2018 operating budget on a motion by Mr. Scapanski, seconded by Mr. Grunhovd and carried (Aye-5; Nay-0).

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

FINANCE COMMITTEE MEETING

Chairman Fox called the meeting to order.
 The 2018 operating budget, which was reviewed in detail by the board Jan. 12, and the 2018 improvements and maintenance budget, which was approved Jan. 13 by the board's planning committee, were approved on a motion by Mr. Leary, seconded by Mr. Wichmann and carried (Aye-4; Nay-0).

Mr. Hammer was granted authority to implement flexible pricing schedules and seating configurations for Grandstand events, taking into account the costs of production, potential revenue from other sources and weather insurance premiums on a motion by Mr. Toenges, seconded by Mr. Leary and carried (Aye-4; Nay-0).

The finance committee meeting adjourned on a motion by Mr. Leary, seconded by Mr. Toenges and carried (Aye-4; Nay-0).

President Merkins reconvened the meeting of the board.

Action taken earlier by the sales, planning, operations, public affairs, rules & premium list and finance committees was approved on a motion by Mr. Fox, seconded by Mr. Grunhovd and carried (Aye-8; Nay-0).

After discussion, the following admission fee schedule for the 2018 State Fair was approved on a motion by Ms. Johnson, seconded by Mr. Leary and carried (Aye-9; Nay-0):

Adults (13-64).....	\$14
Seniors (65 and over).....	\$12
Children (5-12).....	\$12
Kids under 5.....	Free
Seniors & Kids Days promotions.....	\$9
Thrifty Thursday Adults & Seniors.....	\$12
Thrifty Thursday Children.....	\$9
Military Appreciation Day*	\$9
Read & Ride Day adults**	\$12
Read & Ride Day kids**	\$9
Motorcycle parking.....	\$8
All-ages pre-fair discount	\$11

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

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

Mr. Hudalla reviewed the status of current agreements with building trades contractors providing architectural and engineering, carpentry, electric and plumbing and heating services, and sought renewal of three-year agreements with Toltz, King, Duvall & Anderson architects and engineers, Collins Electric, Inc. electricians, Maertens-Brenny Construction Co.; and Spriggs Plumbing & Heating, Inc.; the contractor agreements were approved on a motion by Mr. Grunhovd, seconded by Mr. Fox and carried (Aye-8; Nay-0).

Mr. Hammer was authorized to set staff salaries according to the

following job classifications and pay ranges on a motion by Ms. Johnson, seconded by Mr. Scapanski and carried (Aye-8; Nay-0):

Operating Classification

Title: Specialist
\$660 to \$1,200 weekly (\$34,320 to \$62,400 yearly)

Intermediate & Professional Classification
Title: Supervisor
\$820 to \$1,290 weekly (\$42,640 to \$67,080 yearly)

Middle Management Classification *
Title: Manager
\$1,150 to \$1,770 weekly (\$59,800 to \$92,040)

Executive Classification *
Titles: Director, Controller, Executive Administrator, Deputy GM
\$1,450 to \$2,650 weekly (\$75,400 to \$137,800 yearly)

* Exempt from overtime

The Society's legal representation by Fredrikson Byron P.A., and McGrann Shea Carnival Straughn & Lamb Chartered was approved on a motion by Mr. Fox, seconded by Mr. Leary and carried (Aye-8; Nay-0).

Ms. Alexander provided an outlook on entertainment bookings for the '18 State Fair. Information only; no action required.

President Merkins offered his gratitude to all State Fair staff for their efforts in presenting the outstanding exposition of 2017, and in producing the 2018 annual meeting.

The next meeting of the board was set for Tuesday, March 27, at the State Fairgrounds.

The meeting was adjourned at 11:42 a.m. on a motion by Mr. Scapanski, seconded by Ms. Johnson and carried (Aye-8; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES Jan. 11 through March 27, 2018

January

11-Feb. 9 - The U.S. Department of Homeland Security operated a Vehicle and Cargo Inspection System facility at the Midway lot in conjunction with the NFL Super Bowl.

13-14 - The Winter Antique Show was presented at the Warner Coliseum.

16 - Hammer met with Jackie Heugel of Malloy, Montague, Karnowski, Radosevich & Co., P.A., to discuss MMKR's audit of State Fair financial activities in fiscal 2017. Dullinger attended a social media seminar hosted by the St. Paul Area Chamber of Commerce.

17 - A Lunch & Learn session for full-time staff featuring staff reports on a variety of fairs and attractions around the country was held at the History & Heritage Center.

18 - A retirement celebration for Cheryl Huber, the State Fair's long-time executive administrator, was held at the History & Heritage Center. Hammer, Alexander, Hughes, Dullinger and Casey attended the opening of a 58-year-old time capsule at the former KTCA-TV building on Como Avenue.

19-21 - The Legacy Luau Gymnastics Tournament was held at the Warner Coliseum.

22-25 - Anderson attended the International Ticketing Association annual conference in Baltimore, Md.

23-29 - Production of the NFL Super Bowl half-time show utilized the Warner Coliseum.

24 - Sinclair, Larson, Simon and Hines met with representatives of Fun Biz Concessions, Cuningham Group and Shelter Architecture to review and discuss plans for the new Hangar concession at the north end of the fairgrounds.

26 - Sinclair, Simon, Larson and Hines met with representatives of the Minnesota Farmers Union to discuss their exhibit and concession operations.

26-Feb. 11 - The St. Paul Winter Carnival's State Snow Sculpting Competition was presented at the Kidway lot.

29 - Alexander, Hughes and Duda met with 2018 commemorative artist Kristi Abbott's studio to review artwork progress.

30 - Sinclair and Simon met with representatives of Crossroads Chapel to discuss their operations at the fair.

30-Feb. 1 - Scibak conducted a series of CPR training sessions for full-time staff at the Libby Conference Center.

31 - Hammer and Hudalla attended a meeting to close on the Society's purchase of the former TV station property at 1640 Como Ave.

February

1 - Hammer, Sinclair, Alexander and Hudalla met with Mayor Peter Lindstrom and City Administrator Sack Thongvanh of Falcon Heights to discuss mutual issues.

2 - Sinclair, Larson and Hines met with representatives of the Minnesota Craft Brewers Guild to discuss their exhibit and concession activities at the '18 fair.

4 - Staff and volunteer check-in for the NFL Super Bowl was held at the Warner Coliseum.

6-7 - Supervisor training sessions were conducted for full-time staff at the Libby Conference Center.

6-10 - Sinclair, Simon, Larson, Ward and Hines attended the National Independent Concessionaires Association & Fare Foods Trade Show, International Independent Showmen's Association Trade Show, Outdoor Amusement Business Association annual meeting, IAFFE specialty seminar and the Florida State Fair in Tampa, Fla.

7 - Hudalla attended the annual Minnesota legislative session preview breakfast, presented by Fredrikson & Byron, P.A. law firm. Noonan gave a presentation on the State Fair to the Bloomington Lions Club.

13 - Hammer gave a presentation to the Twin Cities Communications Council at the History & Heritage Center. Anderson, Schadeck and Ostapowycz met with Cub Foods representatives to discuss advance ticket sales for the '18 fair.

15 - A full-time staff meeting and lunch was held at Flaherty's Arden Bowl in Arden Hills. Noonan gave presentations to two marketing classes at Mounds View High School.

16 - Alexander and Noonan met with representatives of Strong Suit Media to discuss advertising for the upcoming fair.

17-18 - The 2018 Gina Morri Memorial Invitational Gymnastics Meet was held at the Warner Coliseum.

20 - Noonan gave a presentation on the State Fair to two marketing classes at White Bear Lake High School.

21 - Sinclair, Larson, Simon and Hines met with representatives of the Minnesota Farmers Union to discuss their exhibit facility and food concession operation.

21-23 - Sinclair, Casey, Franzmeier and Hines met with Tracy Shedd of SkyTrans Manufacturing to begin initial Ye Old Mill construction work.

22 - Schoen and Woodis attended an employee recruitment event at Hamline University.

24 - The Winter Beer Dabbler was conducted at the Midway lot and Warner Coliseum.

25 - Hammer gave a State Fair history presentation for neighborhood residents at Lyngblomsten, sponsored by the Como Park District 10 community council.

26 - Hammer, Sinclair, Hudalla, Joe Bagnoli and Leah Janus met

with Xcel Energy's community relations coordinator Jake Sedlacek to discuss the State Fairgrounds relationship to neighboring communities. Alexander attended the annual meeting of the International Entertainment Buyers Association in Nashville, Tenn., where she was elected vice president of the organization. Harper, Schoen, Woodis and Schadeck participated in the University of Minnesota job fair at the Minneapolis Convention Center.

27 - A Lunch & Learn session for full-time staff was conducted at the History & Heritage Center, featuring staff presentations on several North American fairs and attractions. Harper, Schoen and Ostapowycz participated in the Minnesota Private Colleges Job Fair at the Minneapolis Convention Center.

March

1 - Noonan gave a presentation on State Fair planning and employment to two classes at Sibley High School.

2 - Sinclair and Simon met with representatives of Anderson Corporation and Renewal by Anderson to discuss their State Fair exhibit structure.

2-3 - The Twin Cities Regional Science Fair was held at the Warner Coliseum.

7 - A Lunch & Learn session for full-time staff featured the U of M's Dr. Logan Spector, who gave a presentation on the U's Driven To Discover initiative at the fair.

8 - LeVesseur and Brady met with BMO Harris Bank representatives regarding financial services.

9 - Noonan attended a MyVSP meeting hosted by Visit St. Paul.

9-11 - The Outdoor News Deer & Turkey Classic was held at the Warner Coliseum.

10-11 - The Minnesota Saddlebred Horse Association Horsemanship Clinic was held at the AgStar Arena.

14 - Edman and Schoen attended a meeting of the St. Paul Human Resources Association.

15 - Noonan met with representatives of AllOver Media to discuss 2018 advertising.

16 - Edman and Schoen met with representatives from CommonSense consulting to discuss feedback from supervisor training.

17-18 - The Minnesota Weapons Collectors Association Spring Weapons Collectors Show & Sale was held at the Warner Coliseum.

18 - The Riders and Ribbons Horse Show was presented at the AgStar Arena.

19-21 - A delegation of State Fair full-time staff and several board members attended the IAFE Zone 4 Spring Conference in Grand Forks, N.D.

20 - Sinclair, Simon and Vavreck met with representatives of the Anderson Corporation to discuss potential projects involving State Fair facilities. Alexander and Noonan met with the MSF Marketing Coalition to discuss '18 social media and television ads. Dullinger attended a seminar on social media, presented by the St. Paul Area Chamber of Commerce.

21 - Noonan gave a presentation on careers in marketing to two AVID classes at Maplewood Middle School. Edman and Woodis attended a Minnesota Employees Recreation & Services Council event in Chanhausen.

22 - Hammer and LeVesseur met with Jim Eichten and Jackie Huegel of Malloy, Montague, Karnowski, Radosevich & Co., P.A. to review their audit of Society financial activities for fiscal 2017.

23-25 - The Donnie Smith Bike Show was held at the Warner Coliseum and AgStar Arena.

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

9 a.m. Tuesday, March 27, 2018

Libby Conference Center, State Fairgrounds

MEETING OF THE SALES COMMITTEE

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

Also present: Renee Alexander; Brian Hudalla; Mark Goodrich; Wally LeVesseur; Chris Leach; Debbie Edman; Michelle Butler; Marie LeFebvre; Jill Nathe; Danyl Vavreck; Jim Rougier; Steve Grans; Carol Doyle; Nikki Hines; Jennifer Bower; Nate Dungan; Chris Noonan; Lara Hughes; Brett Ward; Shannon Buchda; Danielle Dullinger; Keri Huber; Abby Harazin; Virginia Mold; Samantha Gilbertson; Josie Belde-Mell; Erik Klingner.

Chairman Oleheiser called the meeting to order at 9:01 a.m.

Ms. Hines provided an update on the new Hangar food and beverage concession at the former Pet Center building, and presented staff recommendation that Nate and Stephanie Janousek of Fun Biz Concessions be granted a license to sell beer as part of The Hangar's food and beverage operation. After discussion, the license was granted on a motion by Mr. Grunhovd, seconded by Mr. Toenges and carried (Aye-8; Nay-0).

Ms. Bower presented a staff recommendation to grant a license to Ryan Brown of Golden Badger LLC for the sale of beer and wine at Twin Cities Oktoberfest Oct. 5-6, 2018 at the Progress Center; the license was granted on a motion by Mr. Scapanski, seconded by Mr. Wichmann and carried (Aye-8; Nay-0).

Mr. Larson presented a staff recommendation to purchase the structure at 1315 Underwood St. from Robbinsdale Chapter 238 Order of the Eastern Star for the appraised value of \$59,000. The purchase was approved on a motion by Ms. Johnson, seconded by Mr. Fox and carried (Aye-8; Nay-0).

Mr. Larson presented a staff recommendation to sell the structure at 1315 Underwood St. to GLK, Inc. principal Gregg Karnis for \$59,000, for use as a Pronto Pup retail and commissary facility. The sale was approved on a motion by Mr. Hawkins, seconded by Mr. Grunhovd and carried (Aye-8; Nay-0).

Mr. Hammer presented a review of Society rules, chapter two, dealing with commercial space policy. Information only; no action taken.

The sales committee meeting was adjourned at 9:36 a.m. on a motion by Mr. Fox, seconded by Mr. Leary and carried (Aye-8; Nay-0).

MEETING OF THE GOVERNING BOARD

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

Also present: Jim Sinclair; Renee Alexander; Brian Hudalla; Mark Goodrich; Wally LeVesseur; Chris Leach; Debbie Edman; Dennis Larson; Pam Simon; Michelle Butler; Marie LeFebvre; Jill Nathe; Danyl Vavreck; Jim Rougier; Steve Grans; Carol Doyle; Nikki Hines; Jennifer Bower; Nate Dungan; Chris Noonan; Lara Hughes; Brett Ward; Shannon Buchda; Danielle Dullinger; Patrick Schoen; Grace Woodis; Kim Scibak; Keri Huber; Abby Harazin; Virginia Mold; Samantha Gilbertson; Josie Belde-Mell; Erik Klingner; Cynthia Cashman; Leah Janus; Joe Bagnoli.

President Merkins called the meeting to order at 9:47 a.m.

Minutes of the Society's board meetings, committee meetings, caucuses and general business session conducted Jan. 11-14, 2018, were approved on a motion by Mr. Fox, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period Jan. 12 through March 26, 2018, were reviewed and approved on a motion by Mr. Scapanski, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

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

The Society's financial statement for February 2018, was presented as follows by Mr. LeVesseur:

**MINNESOTA STATE FAIR
CASH TRANSACTION SUMMARY
Month Ending February 28, 2018**

OPERATING ACCOUNT ACTIVITY:

Balance – January 31, 2018		\$7,265,031
Add: Cash Deposits	\$ 1,661,485	
Less: Payroll Ending February 9	(235,360)	
Payroll Ending February 23	(235,912)	
Cash Disbursements	(2,191,027)	
		(1,000,814)
Balance - February 28, 2018		\$6,264,217

BUILDING FUND ACTIVITY:

Balance – January 31, 2018	\$	451
Add: Interest Earned Securities Purchased		
Less: Securities Redeemed		
Balance - February 28, 2018	\$	451

CONSTRUCTION ACCOUNT:

Balance – January 31, 2018	\$	-
Add: Note Proceeds Interest		
Less: Disbursements		
Balance - February 28, 2018	\$	-

CASH BALANCES FOR MONTH ENDING:

	<u>2017</u>	<u>2018</u>
Operating Account	\$6,548,524	\$6,264,217
Petty Cash	6,100	6,100
Building Fund	450	451
Total Cash Balances	<u>\$ 6,555,074</u>	<u>\$ 6,270,767</u>

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

State Fair legal counsel Leah Janus reviewed Minnesota's open meeting law. Information only; no action taken.

Mr. Bagnoli reviewed the current session of the Minnesota legislature, and issues that may have an effect on the State Fair. Information only; no action taken.

Mr. Hudalla provided an update on improvements and maintenance projects throughout the fairgrounds. Information only; no action taken.

Ms. Alexander reported on marketing initiatives and the status of entertainment bookings. Information only; no action taken.

Ms. Nathe and Ms. LeFebvre reviewed various agricultural and creative competitions. Information only; no action taken.

Ms. Cashman reported on State Fair Foundation goals and objectives for 2018. Information only; no action taken.

An update on the State Fair's busy schedule of 150 non-fair events was provided by Mr. Ward. Information only; no action taken.

The meeting was moved into executive session at 11:16 a.m. on a motion by Mr. Fox, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

The meeting was reopened at 12:12 p.m. on a motion by Mr. Fox, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

The next general business meeting of the board was set for 9 a.m. Friday, June 8, at the State Fairgrounds.

The meeting adjourned at 12:15 p.m. on a motion by Mr. Scapanski, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

**MINNESOTA STATE AGRICULTURAL SOCIETY
MEETINGS OF THE SALES COMMITTEE &
GOVERNING BOARD**

9 a.m. Friday June 8, 2018

Libby Conference Center, State Fairgrounds

MEETING OF THE SALES COMMITTEE

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

Also present: Renee Alexander; Mark Goodrich; Brian Hudalla; Wally LeVesseur; Chris Leach; Debbie Edman; Steve Grans; Dani Vavreck; Heather Brady; Gail Anderson; Jill Nathe; Nate Dungan; Jennifer Bower; Patrick Schoen; Lara Hughes; Chris Noonan; Danielle Dullinger; Shannon Buchda; Carol Doyle; Nikki Hines; Emily Diedrick; Erik Klingner; Hannah Miller; Virginia Mold; Josie Belde-Mell; Keri Huber; Abby Harazin; Cynthia Cashman; Shana Zaiser; Leah Janus.

Chairman Oleheiser called the meeting to order at 9:02 a.m.

Ms. Simon and Mr. Larson reported on the status of new and existing commercial exhibits for the '18 State Fair. Information only; no action taken.

Mr. Sinclair presented a request from Skyscraper Two, Ltd. to discontinue their two-riders-for-\$55 discount. The request was approved on a motion by Mr. Hawkins, seconded by Mr. Leary and carried (Aye-7; Nay-0).

Mr. Sinclair presented a request from Hot Shot Thrill Rides, Inc. to discontinue their two-riders-for-\$55 discount. The request was approved on a motion by Mr. Grunhovd, seconded by Mr. Fox and carried (Aye-7; Nay-0).

Mr. Sinclair presented a request from Skyride owner DMC, Inc. to increase one-way tickets from \$4.50 to \$5, and round-trip tickets from \$6 to \$8. On a motion by Mr. Leary, seconded by Mr. Scapanski and carried, the one-way ticket increase request was denied and a round-trip ticket increase to \$7 was approved (Aye-7; Nay-0).

Mr. Sinclair presented an additional request from DMC, Inc. for a reduction in percentage fee payment to the fair from 30 percent to 25 percent or 27.5 percent. The request was denied on a motion by Joe Scapanski, seconded by Mr. Wichmann and carried (Aye-7; Nay-0).

Mr. Sinclair presented a request from SkyGlider owner Skyfair, Inc. to increase one-way tickets from \$4.50 to \$5, and round-trip tickets from \$6 to \$8. On a motion by Mr. Fox, seconded by Mr. Toenges and carried, the one-way ticket increase request was denied and a round-trip ticket increase to \$7 was approved (Aye-7; Nay-0).

Mr. Hammer and Mr. Sinclair presented a late request from Space Tower operator Ventnor Place, Inc. to increase admission ticket prices from \$3 to \$4. An increase of up to \$1 was approved, contingent upon staff review of Ventnor Place's financial information and subsequent approval of the Society board's executive committee, on a motion by Mr. Wichmann, seconded by Mr. Scapanski and carried (Aye-6; Nay-1 (Fox); with one abstention (Leary).

The sales committee meeting was adjourned at 9:50 a.m. on a motion by Mr. Leary, seconded by Mr. Toenges and carried (Aye-8; Nay-0).

MEETING OF THE GOVERNING BOARD

Members present: Paul Merkins, president; Joe Fox, vice president; D.J. Leary, vice president; Dan Grunhovd; Jeff Hawkins; Gail Johnson; Joe Scapanski; Gordy Toenges; Wally Wichmann; Jerry Hammer, secretary.

Also present: Jim Sinclair; Renee Alexander; Mark Goodrich; Brian Hudalla; Wally LeVesseur; Chris Leach; Debbie Edman; Dennis Larson; Pam Simon; Steve Grans; Dani Vavreck; Heather Brady; Gail Anderson; Jill Nathe; Nate Dungan; Jennifer Bower; Patrick Schoen; Lara Hughes; Chris Noonan; Danielle Dullinger; Shannon Buchda; Carol Doyle; Nikki Hines; Emily Diedrick; Erik Klingner; Hannah Miller; Virginia Mold; Josie Belde-Mell; Keri Huber; Abby Harazin; Cynthia Cashman; Shana Zaiser; Leah Janus.

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

Minutes of the State Fair board meeting conducted March 27, 2018, were approved on a motion by Mr. Grunhovd, seconded by Mr. Fox and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period from March 27 through June 7 were reviewed and approved on a motion by Mr. Leary, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

Action taken earlier in the day by the board's sales committee was approved on a motion by Mr. Oleheiser, seconded by Mr. Hawkins and carried (Aye-9; Nay-0).

Jim Eichten of Malloy, Montague, Karnowski, Radosevich & Co., P.A., and Mr. LeVesseur reviewed MMKR's audit of Society financial activities for fiscal 2017. The audit report was accepted on a motion by Mr. Oleheiser, seconded by Mr. Leary and carried (Aye-9; Nay-0).

Mr. LeVesseur presented the May 2018 financial statement as follows:

**MINNESOTA STATE FAIR
CASH TRANSACTION SUMMARY
Month Ending May 31, 2018**

OPERATING ACCOUNT ACTIVITY:

Balance – April 30, 2018		\$5,294,356
Add: Cash Deposits	\$2,525,643	
Less: Payroll Ending May 4	(275,403)	
Payroll Ending May 18	(299,626)	
Cash Disbursements	<u>(1,668,968)</u>	
		281,646
Balance – May 31, 2018		\$5,576,002

BUILDING FUND ACTIVITY:

Balance – April 30, 2018	\$	451
Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance – May 31, 2018	\$	451

CONSTRUCTION ACCOUNT:

Balance – April 30, 2018	\$	-
Add: Note Proceeds		
Interest		
Less: Disbursements		
Balance – May 31, 2018	\$	-

CASH BALANCES FOR MONTH ENDING:

	<u>2017</u>	<u>2018</u>
Operating Account	\$7,393,028	\$5,576,002
Petty Cash	6,100	6,100
Building Fund	450	451
Total Cash Balances	<u>\$7,399,578</u>	<u>\$5,582,553</u>

After discussion, the cash statement was accepted as presented on a motion by Mr. Fox, seconded by Mr. Toenges and carried (Aye-9; Nay-0).

Mr. Hammer and Mr. LeVesseur presented a resolution authorizing the amendment of the State Fair 2009 Subordinated Indebtedness Note to extend its maturity, and authorizing certain other actions. The complete resolution is on file at the Society offices on the State Fairgrounds. The resolution was approved on a motion by Mr. Wichmann, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

The sale of .53 acres of land adjacent to the International Institute for the appraised value of \$310,392 was approved on a motion by Mr. Fox, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

Mr. Fox moved, Mr. Hawkins seconded and motion carried to accept the Minnesota Department of Transportation's offer of \$15,500 for a State Highway Right of Way Easement on Snelling Avenue near the East Dan Patch gate (Aye-9; Nay-0).

The following list of State Fair entertainment contracts was presented by Ms. Alexander.

CONTRACTOR	DATES	TERMS	VENUES
RES Specialty Fireworks	8/23-9/3	\$32,500 flat Production	Grandstand
P.E.S.O., Inc. (Concert Ushers)	8/23-9/3	Payable upon receipt of invoice \$21.50/hour per person	Grandstand Production
A.S.I.A., Inc. (Concert Security)	8/23-9/3	Payable upon receipt of invoice \$23.50/hour per person	Grandstand Production
Eat Your Heart Catering	8/23-9/3	\$20,000 flat plus final payment upon receipt of invoice	Grandstand Production
Perk Global Productions, Inc.	8/23-9/3	\$22,000 flat	Grandstand Production
Brian Bourn (Grandstand Follow Spots)	8/23-9/3	\$3,500 flat	Grandstand Production
No Harm LLC fso Niall Horan	8/23	\$300,000 plus 85% over \$455,000	Grandstand Artist
Second Star LLC fso Sugarland	8/24	\$485,000 plus 80% over \$600,000	Grandstand Artist
Frankie Ballard Enterprises fso Frankie Ballard	8/24	\$10,000 flat	Grandstand Artist
Ell Entertainment, LLC fso fso Lindsay Ell	8/24	\$5,000 flat	Grandstand Artist
Trampled By Turtles LLC	8/25	\$100,000 plus 80% over \$285,000	Grandstand Artist
Linian Touring Inc. fso Lord Huron	8/25	\$85,000 flat	Grandstand Artist
Lionboy Touring Inc. fso Lissie	8/25	\$5,000 flat	Grandstand Artist
All Ways Touring, Inc. fso Earth, Wind & Fire	8/26	\$215,000 plus 80% over \$365,000	Grandstand Artist
All Ways Touring, Inc. fso Earth, Wind & Fire	8/26	\$20,000 flat Production Expenses	Grandstand Artist
Another Bad Production fso Sinbad	8/26	\$30,000 flat	Grandstand Artist

Another Bad Production fso Sinbad	8/26	\$2,500 flat Travel Expense	Grandstand Artist	Tonic Sol-fa, LLC fso Tonic Sol-fa	8/25-26	\$8,500 flat	Bandshell Stage
Meleco, LLC fso The Beach Boys	8/27	\$100,000 plus 80% over \$250,000	Grandstand Artist	RHEI LLC fso Redhead Express	8/25-26	\$10,000 flat	Bandshell Stage
Meleco, LLC fso The Beach Boys	8/27	\$2,500 Production Expenses	Grandstand Artist	34th Infantry Division "Red Bull" Band	8/27-8/28	No payment needed	Bandshell Stage
WT Medley LLC fso The Righteous Brothers	8/27	\$50,000 flat	Grandstand Artist	Aadyn's Dad Touring Inc. fso Jimmie Allen	8/29-30	\$12,500 flat	Bandshell Stage
Mraz Discount Janitorial Supplies, LTD fso Jason Mraz	8/28	\$275,000 plus 80% over \$375,000	Grandstand Artist	Parlay Music Group fso Kazual	8/31-9/1	\$7,000 flat	Bandshell Stage
One Redwood Inc. fso Brett Dennen	8/28	\$10,000 flat	Grandstand Artist	C. Willi Myles Ent. Inc. fso C. Willi Myles	9/2-3	\$3,000 flat	Bandshell Stage
Two Up Two Down, LLC fso Old Dominion	8/29	\$150,000 plus 90% over \$295,000	Grandstand Artist	Secret Touring Inc. fso The Secret Sisters	9/2-3	\$10,000 flat	Bandshell Stage
Two Up Two Down, LLC fso Old Dominion	8/29	\$15,000 flat Production Expenses	Grandstand Artist	Daniel A. Newton fso Café Accordion Orchestra	8/23-24	\$3,500 flat	Bazaar Stage
Neal McCoy Enterprises fso Neal McCoy	8/29	\$25,000 flat	Grandstand Artist	Rafael Ramirez Cortes fso Mariachi Jalisco de Minnesota	8/23-24	\$2,000 flat	Bazaar Stage
One Wave Inc. fso Morgan Evans	8/29	\$5,000 flat	Grandstand Artist	Native Pride Productions Inc. fso Native Pride Dancers	8/25-26	\$4,000 flat	Bazaar Stage
The Tenderloins, LLC	8/30	\$350,000 plus 80% over \$450,000	Grandstand Artist	Siama Matuzungidi fso Siama's Congo Roots	8/25-26	\$1,500 flat	Bazaar Stage
Hairball Productions LLC	9/1	\$25,000 plus following bonus structure: Over 2500 sold -\$2,500/Over 5000 sold - \$5,000/Over 7500 sold - \$7,500/Over 10,000 sold -\$10,000	Grandstand Artist	Scott D. Miller fso Scottie Miller Band	8/27-28	\$2,000 flat	Bazaar Stage
Kat Perkins Music Inc.	9/1	\$5,000 flat	Grandstand Artist	Raymond H. Sands fso Ray Sands and The Polka Dots	8/27-28	\$2,000 flat	Bazaar Stage
Normaltown, Inc. fso The B52's	9/3	\$65,000 plus 28% over \$350,000	Grandstand Artist	Pavel Jany fso Natania & Ticket To Brasil	8/29-30	\$3,000 flat	Bazaar Stage
Tower of Power	8/23-24	\$51,500 flat	Bandshell Tonight	Annie Mack Band LLC fso Annie Mack Band	8/29-30	\$3,000 flat	Bazaar Stage
Tower of Power	8/23-24	\$1,500 flat Production Expenses	Bandshell Tonight	Breck School fso BATO! BATO! Breck Marimba Ensemble	9/2-3	\$1,000 flat	Bazaar Stage
BoDeans Inc. fso BoDeans	8/25-26	\$50,000 flat	Bandshell Tonight	Walter Chancellor Jr. fso Walter Chancellor Jr. Band featuring Thomasina	9/2-3	\$2,150 flat	Bazaar Stage
EC Enterprises Inc. fso Clay Walker	8/29-30	\$60,000 flat	Bandshell Tonight	Matthew Velline fso I Am, He Said: A Celebration of the Music of Neil Diamond	8/29-30	\$8,000 flat	Bazaar After Dark
Hi Hat Inc. fso Journey Former Lead Vocalist Steve Augeri	8/31-9/1	\$40,000 flat	Bandshell Tonight	Pedro Fonseca fso Tropical Zone Orchestra	8/31-9/1	\$2,400 flat	Bazaar After Dark
Sean Tillman fso Har Mar Superstar	9/2-3	\$35,000 flat	Bandshell Tonight	Greg Walter Frisbee	8/23-24	\$2,800 flat	Family Fair at Baldwin Park
Paul W. Martin fso The Martin Family Circus	8/23-24	\$8,000 flat	Bandshell Stage	Concrete Dream, Inc. fso Steve Trash	8/23-28	\$9,600 flat	Family Fair at Baldwin Park
Carter Girl Music LLC fso Carlene Carter	8/23-24	\$17,500 flat	Bandshell Stage	Charles Lowell Burnes III fso The Chipper Experience	8/23-30	\$4,500 flat	Family Fair at Baldwin Park
The Malpass Brothers	8/27-28	\$12,000 flat	Bandshell Stage	Sean Emery	8/23-9/3	\$15,600 flat	Family Fair at Baldwin Park
Douglas Raymond Leahy fso Next Generation Leahy	8/29-30	\$10,000 flat	Bandshell Stage	Jerry Frasier fso Jerry Frasier, Comic Magician	8/25-26	\$1,800 flat	Family Fair at Baldwin Park
Florian Chmielewski fso Chmielewski Funtime Band	8/29-30	\$2,750 flat	Bandshell Stage	Noah Riemer Productions LLC fso Duke Otherwise	8/27-28	\$2,500 flat	Family Fair at Baldwin Park
				Sherlock Studios LLC fso Jared Sherlock	8/29-9/3	\$5,400 flat	Family Fair at Baldwin Park
				Robert Lok fso Allez-OOPS!	8/31-9/1	\$3,800 flat	Family Fair at Baldwin Park
				Appeal Entertainment LLC fso Six Appeal	9/2-3	\$4,000 flat	Family Fair at Baldwin Park
				Total Entertainment fso Kidsdance	9/2-3	\$2,300 flat	Family Fair at Baldwin Park
				Dan Sparkman	8/26	\$70 flat	Milk Run

Rick Recker	8/26	\$350 flat	Milk Run	Mike Olander	9/1-3	\$4,500 flat	Parade
Premier Global Production Company, Inc.	8/23-9/3	\$12,000 flat	Misc. Attractions	dba Jack Brass Band			
Laser Encore Inc. fso Laser Encore's Laser Hitz Show	8/23-9/3	\$19,000 flat	Misc. Attractions	River City Rhythm, Inc.	9/2-3	\$600 flat	Parade
Sylvain Pienault	8/28	\$100 flat	Misc. Attractions	Regents of the University of Minnesota	9/2	\$2,750 flat	Parade
Allied Audio Services	8/23-9/3	\$254,033.32 flat plus final payment due upon receipt of invoices	Misc. Ent.	Gordon Lewis fso Pig's Eye Jass Band	9/3	\$560 flat	Parade
DL Weatherhead Timberworks Lumberjack Show LLC fso Timberworks Lumberjack Show	8/23-9/3	\$35,500 flat	North Woods	Hank Thunander	8/23-24	\$2,250 flat	Ramberg Music Café
Chris Perondi dba Extreme Canines Stunt Dog Show	8/23-9/3	\$15,000 flat	North Woods	Steven Gary Roehm fso The Neighborhood Trio	8/23-24	\$1,900 flat	Ramberg Music Café
Duane H. Rolstad	8/23-26	\$495 flat	Old Iron Show	Scott R. Fraser fso Scott Fraser Guitar Virtuoso	8/25-26	\$600 flat	Ramberg Music Café
Jon A. Getting	8/23-26	\$360 flat	Old Iron Show	David A. Fruehauf fso The Banjo Boys Variety Band	8/27-28	\$1,000 flat	Ramberg Music Café
William A. Griesbach	8/23-30	\$1,080 flat	Old Iron Show	James P. Berner fso Jim Berner's Music Legends	8/29-30	\$1,000 flat	Ramberg Music Café
Robert D. Wilson	8/23-9/3	\$1,080 flat	Old Iron Show	Douglas P Otto fso Doug Otto & The Getaways	8/29-30	\$1,250 flat	Ramberg Music Café
Steve L. McDonough	8/23-9/3	\$1,800 flat	Old Iron Show	Rodney S. Cerar fso Rod Cerar Orchestra	8/31-9/1	\$1,400 flat	Ramberg Music Café
James Birk	8/23-9/3	\$1,200 flat	Old Iron Show	Fat Six LLC fso Becky Kapell & The Fat 6	9/2-3	\$1,500 flat	Ramberg Music Café
Jack's PC Consulting LLC	8/23-9/3	\$1,080 flat	Old Iron Show	William F. Koncar dba Bill Koncar	9/2-3	\$1,200 flat	Ramberg Music Café
James M. Quirk	8/23-9/3	\$1,080 flat	Old Iron Show	Lori Evert fso 612IVE	9/2	\$50 flat	Talent Contest
Lee Jason Sackett	8/23-9/3	\$1,200 flat	Old Iron Show	Aurora Wang	9/2	\$50 flat	Talent Contest
Glen William Westphal	8/23-9/3	\$1,080 flat	Old Iron Show	Russ Parrish	9/2	\$500 flat	Talent Contest
David M. Lewerer	8/23-9/3	\$1,080 flat	Old Iron Show	Lisa Wenger Larson fso Lisa Wenger Band	8/23-24	\$3,500 flat	West End Market
Jake Suchy	8/23-9/3	\$1,080 flat	Old Iron Show	Myra Burnette fso Miss Myra & The Moonshiners	8/23-24	\$1,750 flat	West End Market
Shannon M. Sackett	8/23-9/3	\$1,200 flat	Old Iron Show	MNHS presents History-on-a-Schtick	8/23-9/3	No payment required	West End Market
Joseph Schimml	8/23-9/3	\$1,620 flat	Old Iron Show	Minnesota State Fiddlers Association fso Minnesota State Fiddle Contest	8/25-26	\$5,000 flat	West End Market
Cecil L. Bechel	8/23-9/3	\$2,160 flat	Old Iron Show	Kristoffer Olson fso Kristoffer Olson, Funny Magician	8/25-26	\$1,700 flat	West End Market
Rickie D. Grufman	8/23-9/3	\$1,440 flat	Old Iron Show	The High 48s LLC fso The High 48s	8/25-26	\$3,000 flat	West End Market
Joseph Stevermer	8/23-9/3	\$1,200 flat	Old Iron Show	The Memories LLC	8/27-28	\$2,500 flat	West End Market
Ken Anderson	8/23-9/3	\$1,200 flat	Old Iron Show	Barbary Coast Productions, Inc. fso The Barbary Coast Dixieland Showband	8/27-28	\$4,000 flat	West End Market
Patrick McDonough	8/23-9/3	\$1,800 flat	Old Iron Show	Randal L. Sabien fso Randy Sabien & The Fiddlehead Band	8/29-30	\$3,000 flat	West End Market
Christopher J. Chadwick	8/23-9/3	\$1,080 flat	Old Iron Show	Raymond Berg's Music Works, Inc. fso Sisters Of Swing	8/29-30	\$3,500 flat	West End Market
Robert A. McDonough	8/23-9/3	\$1,800 flat	Old Iron Show	Okee Dokee Music LLC fso The Okee Dokee Brothers	8/31-9/1	\$5,000 flat	West End Market
Devon Lark	8/31-9/3	\$200 flat	Old Iron Show	Minnesota Bluegrass & Old-Time Music Association fso MN Americana-Roots Music Contests	8/31-9/1	\$5,000 flat	West End Market
Paul Thomas Bainbridge	8/31-9/3	\$400 flat	Old Iron Show	Knock Wood LLC fso James Wedgwood Ventriloquist	9/2-3	\$1,750 flat	West End Market
Lane Powell	8/23-9/2	\$2,640 flat	Parade	Scott E. Sparlin dba Bockfest Boys	9/2-3	\$3,000 flat	West End Market
Lane Powell fso Tri-State Judging Association	8/23-9/2	\$2,400 flat	Parade				
Jason Stock fso Jason Stock Trolley Service	8/23-9/3	\$1,800 flat	Parade				
Joseph Stevermer	8/23-9/3	\$600 flat	Parade				
Lee Jason Sackett	8/23-9/3	\$600 flat	Parade				
Jason Stock fso Jason Stock Trolley Service	8/23-9/3	\$3,300 flat	Parade				
Jolly Giants Entertainment, fso Wacky Wheeler	8/23-9/3	\$6,600 flat	Parade				
Thomas W. Logan fso Tom's Carousel Music	8/30 & 9/2	\$400 flat	Parade				
Paul Husby fso St. Anthony Park Community Band	8/24	\$100 flat	Parade				
Twin Cities Unicycle Club	8/24	\$450 flat	Parade				
St. Paul Police Band	8/25	\$250 flat	Parade				
Minnesota Pipes and Drums fso Minnesota Police Pipe Band	8/26	\$1,250 flat	Parade				

The Last Revel LLC	8/23-24	\$7,000 flat	West End At Sunset
Chastity Anne Brown fso Chastity Brown	8/31-9/1	\$6,000 flat	West End At Sunset
Jay Kalk fso Church Of Cash	9/2-3	\$3,500 flat	West End At Sunset
Action Sports of Minnesota dba 3rd Lair Skatepark	8/23-9/3	\$45,475 flat	X-Zone

Following discussion, the contracts were approved on a motion by Mr. Oleheiser, seconded by Mr. Leary and carried (Aye-9; Nay-0).

Mr. Goodrich offered a report on agricultural and creative contests for the upcoming fair. Information only; no action taken.

Ms. Zaiser, Mr. Hammer and Mr. Hawkins provided an update on activities of the State Fair Foundation. Information only; no action taken.

Mr. Hammer presented the following list of board-hosted functions for the '18 State Fair: Minnesota Federation of County Fairs lunch Friday Aug. 24; State Fair Hall of Fame and Life Member lunch Sunday Aug. 26; and Minnesota Livestock Breeders Association breakfast Thursday Aug. 30. The functions were approved on a motion by Mr. Oleheiser, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

President Merkins declared the meeting in executive session at 11:02 a.m.

President Merkins re-opened the meeting at 12:08 p.m.

Board member travel to the 2018 Indiana State Fair in Indianapolis was approved on a motion by Mr. Wichmann, seconded by Mr. Scapanski and carried (Aye-9; Nay-0).

A motion supporting the current direction of planning and development for a major new exhibit facility on the north end of the fairgrounds was offered by Mr. Hawkins, seconded by Mr. Fox and carried (Aye-9; Nay-0).

The meeting adjourned at 12:21 p.m. on a motion by Mr. Oleheiser, seconded by Mr. Toenges and carried (Aye-9; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES March 27 through June 8, 2018

March

28 - The first of four training sessions on hiring procedures for department superintendents was held at the Libby Conference Center.

29 - Sinclair and Hines met with Don McClure of DMC, Inc. to discuss Skyride operations at the upcoming State Fair.

30 - Sinclair and Hines met with owners of the River Raft Ride to discuss this year's State Fair.

31 - North Star Roller Derby held a bout at the Warner Coliseum.

April

3 - Staff attended a ceremony during a meeting of the Ramsey County Board of Commissioners honoring retired State Fair Chief of Police Art Blakey at the Ramsey County Courthouse. Hammer gave a presentation to a meeting of the St. Paul Rotary Club.

5-8 - The Osman Temple Shrine Circus was presented at the Warner Coliseum.

7-10 - The State Fair hosted 140 fair industry professionals from throughout North America, the United Kingdom and Australia at the IAFE's Spring Management Conference.

14-15 - The Gopher State Timing Association's Rod & Custom Spectacular was held at the Warner Coliseum.

16 - Hammer met with Cashman and Foundation board member Dave Sorenson to discuss a fundraising campaign for the north end project.

16-17 - LeVesseur and Rougier visited Etix headquarters in Raleigh, N.C., to discuss cashless ticketing systems.

17 - Edman and Schoen attended a labor law seminar presented by Fredrickson & Byron P.A. law firm.

18 - Hudalla, Leach and Grans met with staff of the Minnesota Vikings to discuss and offer assistance with parking and traffic issues at their new practice facility in Eagan. Alexander and Dullinger met with staff from AirVuz to discuss drone photography of the upcoming fair. Full-time staff attended a Lunch & Learn presentation by Mark Goodrich and Cody Koenen, who discussed our livestock show operation.

19 - Hammer participated in a meeting of the State Fair Foundation's development committee. A public affairs lunch meeting of the Saint Paul Area Chamber of Commerce was hosted by the State Fair at the History & Heritage Center.

21 - The Minnesota Half Arabian Horse Association Spring Horse Show was presented at the Horse Barn and AgStar Arena. Shuttle parking at the south Como lots with service to Como Park began for the spring and summer.

21-22 - The Antique Spectacular Show & Flea Market, presented by Prime Promotions, was held at the Grandstand and infield. The Minneapolis-St. Paul Military Relic & Collector Show was held at the Progress Center. The Minnesota Weapons Collectors Association Show & Sale was held at the Education Building.

23 - Noonan gave a presentation on State Fair marketing to a business skills class at St. Paul College. Minnesota FFA livestock, horse and dairy cattle judging was held at the Warner Coliseum.

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

25 - Noonan participated in a meeting of the Roseville Visitors Association board. Alexander and Hughes met with the 2019 Official State Fair commemorative artist.

25-28 - Hammer attended the annual meeting of the Mid-West Fairs Association in Tucson, Ariz., and visited the Pima County Fair.

27-29 - The Minnesota Horse Expo was presented at the livestock complex and adjacent areas. Munchkin Markets Children's Spring Consignment Sale was held at the Education Building.

28 - The Horsing Around Spring Festival was held at the Merchandise Mart.

30 - Sinclair, Larson and Hines met with Clint Roberts to discuss the Minnesota Craft Brewers Guild's participation at the upcoming fair.

May

1 - Tuesday Night Worlds bicycle races were held on Machinery Hill. Metro Transit Bus Rodeo practice was held at the south Como lots.

2 - Vice President Fox, Hammer, Sinclair, Larson and Hines met with members of the Walter Melynychuk family to review State Fair policy regarding commercial space allocation. Senior staff met with the Cuningham team to continue discussions on the north end project. Metro Transit Bus Rodeo was held at the south Como lot.

3 - Noonan gave presentations on the State Fair and marketing careers to two classes at Marcy Open School.

4 - Schoen and Woodis met with representatives of Ujamaa Place to discuss employment opportunities at the State Fair.

4-6 - The Sahara Sands Spring Classic horse show was held at the Warner Coliseum and livestock complex.

5 - The Street Heat car show was presented at the West End Market, Grandstand and adjacent parking lots. The Guenther-Taylor wedding was held at the Natural Resources Building.

6 - The Northland Antique Toy, Doll & Advertising Show was held at the Progress Center. The Spring Extravaganza Car Show & Swap Meet was held on Machinery Hill.

7 - Alexander participated in a board meeting of the International Entertainment Buyers Association in Los Angeles, Calif.

7-11 - A Drivers training program for various police agencies was held at the south Como parking lots.

8 - LeVesseur, Rougier and Coleman met with Matrix Communications representatives to review State Fair data systems. Edman and Schoen met with the McDowell Agency to discuss employee background check protocols. Tuesday Night Worlds bicycle races were held on Machinery Hill.

8-9 - Urban Ag Day events were held at the CHS Miracle of Birth Center, Dairy Building, Sheep & Poultry Barn and DNR Building. Minnesota Homeland Security and Emergency Management presented disaster recovery workshops at the Libby Conference Center.

9 - Edman and Schoen attended a meeting of the St. Paul Human Resources Association. Alexander and Noonan met with the State Fair marketing coalition regarding the '18 State Fair advertising buy.

10-12 - The YMCA Garage Sale was held at the Merchandise Mart.

10-13 - The Friends of the American Saddle Horse Spring Horse Show was held at the Warner Coliseum and livestock complex.

11 - Sinclair met with representatives of MyTalk107.1 Radio to review ideas for modification of their broadcast facility. Noonan attended a MyVSP meeting of Visit Saint Paul. A pre-event planning meeting for the Soundset music festival at Libby Conference Center was attended by staff from several fair departments.

11-12 - The Minnesota Barbecue Society presented their Minnesota in May BBQ Contest at Machinery Hill and the Campgrounds.

11-13 - The Friends School Plant Sale was conducted at the Grandstand and Grandstand Plaza.

12 - The Spring Model Railroad & Hobby Sale was held at the Education Building.

14 - Leach and Paulos met with representatives of the U.S. Department of Homeland Security to update the department's site assistance report for the fairgrounds. Alexander, Dungan, Noonan and Simon met with representatives of KSTP-TV to discuss their '18 State Fair exhibit and program.

14-18 - Police agencies from throughout the region conducted drivers training programs at the south Como parking lots.

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

16 - Hammer, Alexander, Hudalla, Sinclair, Goodrich and LeVesseur met with the team from Markin Consulting to discuss a study of the State Fair's regional economic impact. The State Fair Employee Safety Committee met at the Libby Conference Center. The State Fair hosted a meeting of the Midway Chamber of Commerce at the History & Heritage Center.

17 - Hammer, Hawkins and Clarice Schmidt participated in a meeting of the State Fair Foundation board.

18 - Butler and Schuldt met with the Ag Literacy Networking group at the Oliver Kelley Farm.

19 - Private parties were held at Giggles' Campfire Grill and O'Gara's.

19-20 - Midwest Comic Book Association presented MSP Comicon at the Grandstand.

20-22 - Hammer, Simon and Butler attended the Alltech Ideas Conference in Lexington, Ky.

20 - The Riders & Ribbons Horse Show was held at the AgStar Arena. A graduation party was held at Giggles' Campfire Grill.

21-22 - Scibak and Woodis attended the Upper Midwest Employment Law Conference at the Saint Paul RiverCentre.

21-24 - Goodrich, LeFebvre, Nathe and Koenen attended the North American Livestock Show & Rodeo Managers Association annual meeting in San Angelo, Texas.

22 - Edman, LeVesseur and Brady met with representatives of 121 Benefits to discuss employee benefit programs. Edman and Schoen attended a seminar on administering retirement benefits in St. Paul. Tuesday Night World bicycle races were held on Machinery Hill.

23 - Leach and Paulos met with representatives of neighboring law enforcement agencies to discuss operations at the Soundset music festival.

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

27 - The Soundset music festival was held at the Midway lot and livestock area.

30 - The Ramsey County Sheriff's Department conducted training exercises on Machinery Hill.

31 - A meeting of State Fair full-time staff was held at the Libby Conference Center.

June

1 - Graduation parties were held at O'Gara's, Giggles' Campfire Grill and the History & Heritage Center.

1-2 - Northstar Watermedia Society presented the Artists Market at the Fine Arts Center.

1-3 - The International Gem & Jewelry Show was held at the Progress Center. The North Central Reining Extravaganza horse show was conducted at the Warner Coliseum and livestock complex.

2 - The McGuire wedding was held at the Dept. of Natural Resources Building. A graduation party was held at Giggles' Campfire Grill.

2-3 - The St. Paul/Minneapolis Mini Maker Faire was held at the Grandstand.

3 - The General Motors Car Clubs Association Car Show & Swap Meet was presented on Machinery Hill. A graduation party was held at Giggles' Campfire Grill.

5 - The Machinery Hill Criterium bicycle races were held on Machinery Hill. Sinclair, Larson and Hines met with representatives of the Minnesota Craft Brewers Guild to discuss their exhibit in the Agriculture Horticulture Building.

6 - The State Fair Foundation and the Ramsey County Historical Society presented a walking tour of the historic State Fairgrounds. Sinclair and Ward met with Markin Consulting to review data collection for an economic impact study of the State Fair's annual operations. Alexander and Noonan met with the State Fair marketing coalition regarding the '18 State Fair advertising buy.

7 - The 2018 State Fair's commemorative art was introduced by St. Paul artist Kristi Abbott during a public unveiling ceremony at Giggles' Campfire Grill.

MINNESOTA STATE AGRICULTURAL SOCIETY MEETING OF THE GOVERNING BOARD

10 a.m. Friday, Aug. 24, 2018

Officers Quarters, State Fairgrounds

Members present: Paul Merkins, president; Joe Fox, vice president; Danny Grunhøvd; Jeff Hawkins; Gail Johnson; Ron Oleheiser; Joe Scapanski; Gordy Toenges; Wally Wichmann; Jerry Hammer, secretary.

Also present: Wally LeVesseur; Heather Brady; Leah Janus; Joe Bagnoli; Peter Cooper; Heather Casperson; Chuck Upcraft.

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

Minutes from the board meeting of June 8, 2018, were reviewed and approved on a motion by Mr. Fox, seconded by Mr. Oleheiser and carried (Aye-8; Nay-0).

Minutes of interim activities covering the period from June 8 through

Aug. 22 were reviewed and accepted on a motion by Ms. Johnson, seconded by Mr. Grunhvd and carried (Aye-8; Nay-0).

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

**MINNESOTA STATE FAIR
CASH TRANSACTION SUMMARY
Month Ending July 31, 2018**

OPERATING ACCOUNT ACTIVITY:

Balance – June 30, 2018		\$4,876,795
Add: Cash Deposits	\$3,440,642	
Less: Payroll Ending July 13	(375,160)	
Payroll Ending July 27	(345,447)	
Cash Disbursements	(2,221,708)	
		498,327
Balance – July 31, 2018		\$5,375,122

BUILDING FUND ACTIVITY:

Balance – June 30, 2018		\$ 451
Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance – July 31, 2018		451

CONSTRUCTION ACCOUNT:

Balance – June 30, 2018		\$ -
Add: Note Proceeds		
Interest		
Less: Disbursements		
Balance – July 31, 2018		\$ -

CASH BALANCES FOR MONTH ENDING:

	<u>2017</u>	<u>2018</u>
Operating Account	\$7,298,559	\$5,375,122
Petty Cash	24,748	23,523
Building Fund	450	451
Total Cash Balances	<u>\$ 7,323,757</u>	<u>\$5,399,096</u>

After review, the summary was approved on a motion by Mr. Scapanski, seconded by Mr. Fox and carried (Aye-8; Nay-0).

Mr. Cooper, Ms. Casperson and Mr. Upcraft reviewed details of State Agricultural Society Resolution relating to State Fair revenue notes for the North End project, authorizing the issuance of State Fair revenue notes, approving the Society's Fifth Supplemental Revenue Bond Resolution, the establishment of a pricing committee and authorizing certain other actions. Information only; no action taken.

The following list of entertainment contracts were presented for review:

CONTRACTOR	DATES	TERMS	VENUES
Freestyle Productions, Inc.	8/23-9/3	\$90,719.52 flat	Grandstand Production
Premier Global Production Company, Inc.	8/23-9/3	\$39,380 flat	Grandstand Production
Clair Brothers Audio, Inc.	8/23-9/3	\$74,000 flat	Grandstand Production
Premier Global Production Company, Inc.	8/23-9/3	\$127,738 flat	Grandstand Production
RES Specialty Fireworks - Revised	8/23-9/3	\$33,200 flat	Grandstand Production
MMM Touring fso Maren Morris	8/23	\$50,000 flat	Grandstand Artist
Two Up Two Down, LLC fso Old Dominion	8/29	\$15,000 flat	Grandstand Artist
		Production Expenses	

311 Touring Inc.	8/31	\$200,000 plus 40% over \$470,000	Grandstand Artist
Offspring, Inc.	8/31	\$150,000 plus 40% over \$470,000	Grandstand Artist
GCH Touring fso Gym Class Heroes	8/31	\$20,000 flat	Grandstand Artist
Trampled By Turtles LLC - Revised	8/25	\$100,000 plus 80% over \$290,000	Grandstand Artist
Mraz Discount Janitorial Supplies, LTD fso Jason Mraz	8/28	\$275,000 plus 80% over \$385,000	Grandstand Artist
You Give Me Life, Inc. fso Culture Club	9/3	\$160,000 plus 52% over \$350,000	Grandstand Artist
TB Touring LTD fso Thompson Twins' Tom Bailey	9/3	\$25,000 flat	Grandstand Artist
En Vogue Enterprises, LLC	8/27-8/28	\$75,000 flat	Bandshell Tonight
Lauren Burgreen fso Charlie Faye & The Fayettees	8/23-8/24	\$10,000 flat	Bandshell Stage
Just A Pup Inc. fso Bryan White	8/25-8/26	\$10,000 flat	Bandshell Stage
Ben Haggard Music LLC fso Ben Haggard	8/27-8/28	\$20,000 flat	Bandshell Stage
Mouthing Off Live, LLC fso Cowboy Mouth	8/31-9/1	\$15,000 flat	Bandshell Stage
Sunpie Music Inc. fso Sunpie and the Louisiana Sunspots	8/31-9/1	\$8,000 flat	Bandshell Stage
Terrance Simien Incorporated	9/2-9/3	\$14,285 flat	Bandshell Stage
Antoine Zamundu dba The Reminders Music	9/2-9/3	\$6,500 flat	Bandshell Stage
James L. Dorsey fso The Men of New Hope	8/31-9/1	\$4,000 flat	Bazaar Stage
David Tullis fso Black Market Brass	8/31-9/1	\$3,600 flat	Bazaar Stage
Wayne Anthony McFarlane fso Ipso Facto	8/25-8/26	\$4,000 flat	Bazaar After Dark
Pop Rocks Entertainment, LLC	8/27-8/28	\$6,000 flat	Bazaar After Dark
Musicians 4 Musicians fso '90s R&B Revival	9/2-9/3	\$4,500 flat	Bazaar After Dark
Greg Walter Frisbee	8/23-8/24	\$2,800 flat	Family Fair At Baldwin Park
Steve Wilson DBA Tuey Wilson	8/23-8/24	\$2,500 flat	Family Fair At Baldwin Park
Virtual Outdoors fso Dick Hansen	8/23-9/3	\$3,000 flat	Misc. Ent.
The Mellow Fellows	8/27	\$150 flat	Misc. Ent.
Sam Waldoch	8/23-8/26	\$360 flat	Old Iron Show
Jonathan Baller	8/23-8/26	\$180 flat	Old Iron Show
Steven G. Bauer	8/23-9/3	\$3,000 flat	Old Iron Show
Roger Geist	8/23-9/3	\$1,200 flat	Old Iron Show
Rodney Mondor	8/23-9/3	\$1,080 flat	Old Iron Show
Andy Schmidt	8/23-9/2	\$2,300 flat	Parade
Susan M. Hirschmugl fso Upstanding Stilts	8/23-9/3	\$3,900 flat	Parade
Women's Drum Center fso Drumheart	8/25-8/26 9/1-9/2	\$1,200 flat	Parade

Minneapolis First SDA Church	8/26 & 9/2	\$800 flat	Parade
Crow River Drumline Association fso Phoenix Drumline	8/26	\$750 flat	Parade
Minnesota "Over-60" Band	8/29	\$400 flat	Parade
Mike Olander dba Jack Brass Band	9/1-9/3	\$4,500 flat	Parade
Steven Gary Roehm fso The Neighborhood Trio (revised)	8/23-8/24	\$950 flat	Ramberg Music Café
Hank Thunander (revised)	8/23-8/24	\$3,200 flat	Ramberg Music Café
Jim Walsh dba The Mad Ripple Hootenanny	8/25-8/26	\$2,000 flat	Ramberg Music Café
Jeff Arundel dba Lucky Club Music	8/27-8/28	\$1,600 flat	Ramberg Music Café
Martin Thomas Devaney	8/31-9/1	\$1,500 flat	Ramberg Music Café
In Capable Hands	8/23-8/24	\$2,000 flat	West End Market
Joel Dennis Kezer dba The WoodPicks	8/27-8/28	\$3,000 flat	West End Market
Timothy Harmston	8/29-8/30	\$1,750 flat	West End Market
Rick Ausland fso Buckets and Tap Shoes	8/31-9/1	\$2,500 flat	West End Market
Siri Undlin fso Humbird	9/2-9/3	\$1,500 flat	West End Market
Mayda Miller	8/25-8/26	\$3,000 flat	West End at Sunset
Zachary Lupetin dba The Dustbowl Revival LLC	8/27-8/28	\$10,000 flat	West End at Sunset
Deke Dickerson fso The Dave & Deke Combo	8/29-8/30	\$10,000 flat	West End at Sunset

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

Mr. Hammer was authorized to make miscellaneous ticket refunds and payment of minor claims as he deems appropriate on a motion by Mr. Fox, seconded by Mr. Scapanski and carried (Aye-9; Nay-0). Mr. Hammer presented the following list of State Fair Scholarship winners:

John L. Altendorf, Red Wing; Meghan M. Beckendorf, Renville; Hannah L. Berg, Pipestone; Lincoln J. Bryan, Red Wing; Sydney L. Chicos, Alden; Jason T. Donkers, Faribault; Maggie A. Heezey, Hadley; Tess C. Hokanson, Cannon Falls; Isabelle R. Lindahl, Lindstrom; Brett R. Neel, Alden; Hannah Neil, Northfield; Emma C. Nelson, Hancock; Gabrielle E. Nemitz, Canby; Madeline F. Patterson, Kenyon; Alicia M. Sandberg, Taylors Falls; Abbey F. Schiefelbein, Kimball; Grace M. Schlueter, Janesville; Haley K. Schwecke, Gibbon; Emily A. Sheehan, Bird Island; and Austin C. Weckwerth, Arlington. The scholarships were approved on a motion by Mr. Fox, seconded by Mr. Oleheiser and carried (Aye-8; Nay-0).

A proclamation honoring the Moses Family with the State Fair Family Legacy Award was approved on a motion by Mr. Oleheiser, seconded by Mr. Toenges and carried (Aye-8; Nay-0). The proclamation celebrates 100 years of participation as livestock exhibitors at the State Fair and is issued jointly by the State Agricultural Society and the State Fair Foundation.

Amidst thunderclaps and a downpour, Mr. Hammer provided updates on the first day of the fair. Information only; no action taken.

The meeting adjourned at 10:54 a.m. on a motion by Mr. Fox, seconded by Mr. Grunhovd and carried (Aye-8; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

June 8 through Aug. 22, 2018

June

8-10 - A series of private events was held at Giggles' Campfire Grill.

8-9 - The Stamp & Scrapbook Expo was held at the Education Building. South Como parking lots were used as shuttle parking for Minnesota State High School League track and field championships at Hamline University.

9 - The St. Paul Summer Beer Fest was held at the International Bazaar. A city-wide community clean-up event was held at the north parking lots.

9-10 - The Minnesota Antique Dealers Association presented the Antique and Decorative Arts Show.

12 - Sinclair and Simon met with representatives of Andersen Window Corp. to discuss their exhibit at the State Fair.

12-15 - The Minnesota 4-H Youth Exploring Leadership and Learning Outloud (YELLOW) was held at the 4-H Building.

12-17 - The Region 10 Arabian and Half-Arabian Championships Horse Show was held at the Warner Coliseum and livestock complex.

13 - Senior staff met with the team from Cuningham Group to continue discussions on development plans for the north end of the fairgrounds. Edman, Schoen, Belde-Mell, Woodis and Scibak attended a St. Paul Human Resources function.

14 - Hammer and attorney Janus attended a meeting of the Minnesota State Executive Council where Hammer and the Society were granted authority to sell .53 acres of State Fairgrounds property to the International Institute of Minnesota.

15-16 - The Viking Chapter of the Antique Motorcycle Club of America held their National Meet at the Campground and Progress Center.

15-19 - Edman and Schoen attended the Society for Human Resource Management annual conference and exposition in Chicago.

16 - A private event was held at Giggles' Campfire Grill.

18 - Hudalla, Leach, Larson and Foundation board member Ken Sandvik participated in a 4-H fundraising event.

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

22-23 - The Twin Cities Classic Car Auction was held at the Cattle Barn.

22-24 - The Minnesota Street Rod Association's Back To The '50s Weekend was held across the fairgrounds.

25 - Hammer and LeVesseur met with Chuck Upcraft and Heather Casperson of PFM financial management on financing for fairgrounds capital projects.

26 - Giggles' Campfire Grill hosted an anniversary party.

27-30 - The Tanbark Cavalcade of Roses Horse Show was held at the Warner Coliseum and livestock complex.

28 - Hammer addressed the Twin Cities North Chamber of Commerce. The Midsummer Mile foot race was held on various fairgrounds streets. Sinclair and Hines met with a representative of United Rentals to discuss power generator needs for the State Fair.

29-30 - The Twin Cities Antiquarian & Rare Book Fair was presented at the Progress Center.

29-July 1 - ZedTown Twin Cities was held at the Lower Grandstand and neighboring parks.

30 - Giggles' Campfire Grill hosted a class reunion.

30-July 1 - Shuttle parking for the Hmong Festival at Como Park was provided at the south Como lots.

July

2-7 - American Simmental Association Junior National Show was held at the Warner Coliseum and livestock complex.

7 - Giggles' Campfire Grill hosted a wedding.

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

9 - Hammer met with Joe Bagnoli and Doug Carnival of McGrann Shea Carnival Straughn & Lamb law firm to discuss governmental issues and their potential impact on the State Fair.

10 - Simon, Dullinger, Hughes, Noonan and Harazin met with staff of WCCO-TV to discuss programming at the fair.

11 - Miller attended a training seminar on employment pay practices, hosted by the State of Minnesota. Simon, Dullinger, Hughes, Noonan and Harazin met with staff of KARE-TV to discuss programming at the fair.

12 - Staff met with representatives of Cuningham & Associates and McGough Construction to continue planning for the north end project. Simon, Dullinger, Hughes, Noonan and Harazin met with KSTP-TV staff to discuss the upcoming fair.

12-15 - The Minnesota Amateur Quarter Horse Association Corporate Challenge was held at the Warner Coliseum and livestock complex.

14 - A class reunion was held at Giggles' Campfire Grill.

15 - Hammer visited the Ramsey County Fair.

16 - LeVesseur and Brady met with Bremer Bank officials regarding new banking regulations.

17 - State Fair Employment Services conducted the fair's third annual job fair at the Progress Center.

20-22 - The Street Machine Nationals car show was presented throughout the fairgrounds.

21-22 - The Capitol Classic Horse Show was held at AgStar Arena and livestock complex.

23-26 - Various regional police departments conducted drivers training at the south Como lot.

23-29 - Auditions for the State Fair's 46th Annual Amateur Talent Contest were held at the Bandshell.

25 - Alexander, Brady, Hudalla and LeVesseur attended Public Financial Management's annual forum on public investment and debt management, hosted at the State Fair's History & Heritage Center. Sinclair and Hines met with David Garrett of Haas & Wilkerson Insurance to discuss attractions at the 2018 State Fair. Simon, Dullinger, Hughes, Noonan and Harazin met with staff of KMSP-TV to discuss fair coverage.

30 - Alexander attended a meeting of the International Entertainment Buyers Association in Nashville, Tenn. Training sessions for Miracle of Birth Center staff were conducted at the History & Heritage Center.

August

1 - Hammer and LeVesseur met with bond counsel Peter Cooper the McGrann Shea firm and financial advisors Heather Casperson and Chuck Upcraft of PFM to continue discussions on financing options for the North End exhibit facility.

2 - Senior staff met with Cuningham & Associates staff to continue discussions on the north end project. Hammer and Hawkins participated in a meeting of the State Fair Foundation's endowment committee. Hammer gave a presentation to area residents at Lyngblomsten.

2-5 - The North Central Reining Futurity & Derby horse show was held at the Warner Coliseum and livestock complex.

3 - Hammer met with Foundation Chair Patty Smith and Cashman.

4 - The State Fair's Hall of Fame long-time Chief of Police and Great Minnesota Get-Together Legend Art Blakey died peacefully at his home in St. Paul. A class reunion was held at Giggles' Campfire Grill.

5-7 - A delegation of State Fair staff and board members attended the Indiana State Fair in Indianapolis.

8 - Hammer addressed a meeting of the Saint Paul Area Chamber of Commerce at the University of Minnesota St. Paul campus. Hammer and Hawkins participated in a meeting of the State Fair Foundation's executive committee.

9 - Sinclair, LeVesseur, Rougier, Anderson, Ward, Hines and Steffenhagen attended the Iowa State Fair in Des Moines. Alexander and Noonan met with members of the Marketing Coalition to discuss 2019 advertising.

10 - Thousands of family and friends attended a celebration of life at the West End Market for Art Blakey, the State Fair's legendary Hall of Fame Chief of Police.

12 - Setup of Mighty Midway and Kidway began.

16 - More than 1,000 fair friends attended the State Fair Foundation's Taste of the Fair fundraising event at the International Bazaar.

18 - The State Fair staff's Around The Fair committee hosted a pancake breakfast for staff at the 4-H Building.

21 - The State Fair Foundation's First Glance event and the State Fair Fine Arts Preview were held at the Fine Arts Center.

22 - Princess Kay of the Milky Way 2018 was crowned by the Midwest Dairy Association during ceremonies at the Bandshell.

23 - The 2018 Great Minnesota Get-Together opened at 6 a.m.

MINNESOTA STATE AGRICULTURAL SOCIETY MEETING OF THE GOVERNING BOARD

10 a.m. Sunday, Sept. 2, 2018

Officers Quarters, State Fairgrounds

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

Also present: Wally LeVesseur; Debbie Edman; Heather Casperson.

President Merkins called the meeting to order at 10:04 a.m.

Minutes of the board meeting conducted Aug. 24, 2018, were reviewed and approved on a motion by Mr. Oleheiser, seconded by Mr. Leary and carried (Aye-9; Nay-0).

Mr. Hammer offered a report on action taken at the Aug. 26 meeting of the Honorary Life Member committee. The recommendation to nominate long-time State Fair veterinarian Dr. Tom Hagerty for honorary life membership in the Society was accepted on a motion by Mr. Scapanski, seconded by Mr. Leary and carried (Aye-9; Nay-0); Dr. Hagerty's name will be placed in nomination at the Society's annual meeting in January 2019. The committee's recommendation to induct State Fair Foundation founding executive director Kay Cady into the State Fair Hall of Fame was approved on a motion by Mr. Leary, seconded by Mr. Grunhovd and carried (Aye-9; Nay-0).

Mr. Hammer provided an update on activities of the 2018 State Fair. Information only; no action taken.

The "Fifth Supplemental State Fair Revenue Bond Resolution, Relating to the State Fair Revenue Notes, North End Project Series 2018A, to be Issued in an Aggregate Principal Amount Not to Exceed \$10 Million," was approved on a motion by Mr. Fox, seconded by Mr. Leary and carried (Aye-9; Nay-0).

The "Resolution Relating to State Fair Revenue Notes, North End Project Series; Authorizing the Issuance of State Fair Revenue Notes, North End Project Series; Approving the Fifth Supplemental Revenue Bond Resolution; Establishment of Pricing Committee; and Authorizing Certain Other Actions" was approved on a motion by Mr. Scapanski, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

It was moved by Mr. Fox, seconded by Mr. Hawkins and carried that members of the board and certain staff members designated by Mr. Hammer be authorized to attend the International Association of Fairs & Expositions 2018 international convention in San Antonio, Tex. (Aye-9; Nay-0).

The dates of the 2019 Minnesota State Fair were set for Thursday Aug. 22 through Labor Day, Sept. 2, on a motion by Mr. Toenges, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

The next meeting of the Society's board of managers was set for Thursday, Nov. 8 on a motion by Mr. Fox, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

Monday, Dec. 24, 2018, was approved as a paid holiday for State Fair full-time staff on a motion by Mr. Scapanski, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

The board extended their gratitude to staff and congratulated them for their outstanding effort in producing the 2018 Great Minnesota Get-Together.

The meeting adjourned at 11:24 a.m. on a motion by Mr. Leary, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

**MINNESOTA STATE AGRICULTURAL SOCIETY
MEETING OF THE GOVERNING BOARD
AND SALES & PLANNING COMMITTEES
9 a.m. Thursday, Nov. 8, 2018
Libby Conference Center, State Fairgrounds**

MEETING OF THE SALES COMMITTEE

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

Also present: Renee Alexander; Brian Hudalla; Mark Goodrich; Wally LeVesseur; Debbie Edman; Heather Brady; Gail Anderson; Jill Nathe; Theresa Weinfurtner; Jim Rougier; Steve Grans; Sean Casey; Patrick Schoen; Chris Noonan; Lara Hughes; Danielle Dullinger; Abby Harazin; Tim Dybevik; Steve Roland; Nate Dungan; Shannon Buchda; Grace Woodis; Kim Scibak; Emily Diedrick; Brett Ward; Nikki Hines; Erik Klingner; Carol Doyle; Josie Belde; Virginia Mold; Samantha Gilbertson; Beth Schuldt; Michelle Barris; Dani Vavreck; Leah Janus.

Chairman Oleheiser called the meeting to order at 9:02 a.m.

Mr. Sinclair, Ms. Hines, Mr. Ward; Ms. Diedrick and Mr. Klingner reviewed the 2018 State Fair's sales division income of \$15.9 million from food and beverage concessions, commercial exhibits, Midway, Kidway, ticketed attractions, sponsorships and touring promotional exhibits. The report will be reviewed by committee members and considered for approval at the January 2019, meeting of the sales committee.

The sales committee adjourned at 9:28 a.m. on a motion by Mr. Leary, seconded by Ms. Johnson and carried (Aye-7; Nay-0).

MEETING OF THE PLANNING COMMITTEE

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

Also present: Jim Sinclair; Renee Alexander; Wally LeVesseur; Debbie Edman; Heather Brady; Gail Anderson; Jill Nathe; Theresa Weinfurtner; Jim Rougier; Steve Grans; Patrick Schoen; Chris Noonan; Lara Hughes; Danielle Dullinger; Abby Harazin; Tim Dybevik; Steve Roland; Nate Dungan; Shannon Buchda; Grace Woodis; Kim Scibak; Emily Diedrick; Brett Ward; Jennifer Bower; Nikki Hines; Erik Klingner; Carol Doyle; Josie Belde-Mell; Virginia Mold; Samantha Gilbertson; Beth Schuldt; Michelle Barris; Dani Vavreck; Leah Janus.

Chairman Toenges called the meeting to order at 9:28 a.m.

Mr. Hudalla reviewed the status of State Fair facilities projects currently underway, followed by a proposed budget of standard maintenance projects for 2019 totaling \$1.545 million and capital items totaling \$205,000. After review and discussion, the projects were approved on a motion by Mr. Fox, seconded by Mr. Grunhovd and carried (Aye-7; Nay-0); the projects will be included in the comprehensive 2019 capital and maintenance budgets to be considered at the Society's January meetings.

The planning committee adjourned at 9:45 a.m. on a motion by Mr. Oleheiser, seconded by Mr. Wichmann and carried (Aye-7; Nay-0).

MEETING OF THE GOVERNING BOARD

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

Also present: Jim Sinclair; Renee Alexander; Brian Hudalla; Mark Goodrich; Wally LeVesseur; Debbie Edman; Heather Brady; Gail Anderson; Jill Nathe; Sean Casey; Theresa Weinfurtner; Jim Rougier; Steve Grans; Patrick Schoen; Chris Noonan; Lara Hughes; Danielle Dullinger; Abby Harazin; Tim Dybevik; Steve Roland; Nate Dungan; Shannon Buchda; Grace Woodis; Kim Scibak; Emily Diedrick; Jennifer Bower; Brett Ward; Nikki Hines; Erik Klingner; Carol Doyle; Josie Belde; Virginia Mold; Samantha Gilbertson; Beth Schuldt; Michelle Barris; Dani Vavreck; Leah Janus.

President Merkins called the meeting to order at 10:06 a.m.

Minutes of the board meeting conducted Sept. 2, 2018, were approved on a motion by Mr. Fox, seconded by Mr. Leary and carried (Aye-8; Nay-0).

Minutes of interim activities covering the period Aug. 23 through Nov. 7, 2018, were approved on a motion by Mr. Leary, seconded by Ms. Johnson and carried (Aye-8; Nay-0).

Action taken earlier by the Planning Committee was approved on a motion by Mr. Oleheiser, seconded by Mr. Toenges and carried (Aye-8; Nay-0).

Mr. LeVesseur presented the October financial statement as follows:

**MINNESOTA STATE FAIR
CASH TRANSACTION SUMMARY
Month Ending October 31, 2018**

OPERATING ACCOUNT ACTIVITY:

Balance – September 30, 2018		\$9,989,654
Add: Cash Deposits	\$ 6,777,967	
Less: Payroll Ending October 5	(290,316)	
Payroll Ending October 19	(292,643)	
Cash Disbursements	<u>(5,510,508)</u>	
		684,500
Balance – October 31, 2018		\$10,674,154

BUILDING FUND ACTIVITY:

Balance – September 30, 2018	\$	451
Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance – October 31, 2018	\$	451

CONSTRUCTION ACCOUNT:

Balance – September 30, 2018	\$	-
Add: Note Proceeds		
Interest		
Less: Disbursements		
Balance – October 31, 2018	\$	-

CASH BALANCES FOR MONTH ENDING:

	<u>2017</u>	<u>2018</u>
Operating Account	\$12,889,786	\$10,674,154
Petty Cash	6,100	6,100
Building Fund	<u>451</u>	<u>451</u>
Total Cash Balances	<u>\$12,896,337</u>	<u>\$10,680,705</u>

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

Mr. LeVesseur presented for review a report of fair-period payroll for 80 departments totaling \$2.6 million. After discussion, the report was approved on a motion by Mr. Scapanski, seconded by Mr. Wichmann and carried (Aye-8; Nay-0).

Mr. Hammer and Mr. LeVesseur reviewed details of a \$10 million note to finance North End exhibit building construction, followed by presentation of the Ratifying Resolution Relating To State Fair Revenue Note, North End Project Series 2018A for review. After discussion, the Ratifying Resolution was adopted as presented on a motion by Mr. Scapanski, seconded by Mr. Wichmann and carried (Aye-8; Nay-0).

Mr. Goodrich and Ms. Nathe reported on the 2018 State Fair's competitive events for agriculture, horticulture, education and creative arts, and public participation of more than 16,000 exhibitors who displayed nearly 36,000 animals, creative and fine artworks and education projects. Information only; no action taken.

Ms. Alexander reported on the 2018 State Fair's programs for Grandstand and free entertainment, marketing, promotions and guest services, plus educational presentations in agriculture, arts sciences and early learning. Information only; no action taken.

Mr. Ward, Mr. Klingner and Ms. Bower reported on the fairgrounds' busy schedule of 150 non-fair events during 2018. Information only; no action taken.

A license for the sale of beer during the Beer Dabbler event Feb. 23, 2019, was approved on a motion by Mr. Toenges, seconded by Mr. Wichmann and carried (Aye-8; Nay-0).

Mr. Hammer and Ms. Cashman reviewed State Fair Foundation activities. Information only; no action taken.

Mr. Hammer outlined the dozens of contracts, agreements and working relationships that the State Fair maintains with local, regional, state and federal governmental agencies.

Ms. Edman provided an update on the 2019 joint conventions of the Society, the Minnesota Federation of County Fairs and the Midwest Showmen's Association.

McGough Construction Company, Inc. of St. Paul was designated general contractor for the north end project on a motion by Mr. Scapanski, seconded by Mr. Fox and carried (Aye-8; Nay-0).

President Merkins extended the thanks of the board to the fair staff for their outstanding efforts in presenting the record-setting 2018 Minnesota State Fair.

President Merkins declared the meeting moved into executive session at 11:36 a.m. The meeting was reopened at 12:14 p.m.

The meeting was adjourned at 12:14 p.m. on a motion by Mr. Fox, seconded by Mr. Toenges and carried (Aye-9; Nay-0).

**MINNESOTA STATE AGRICULTURAL SOCIETY
MINUTES OF INTERIM ACTIVITIES**

Aug. 23 through Nov. 7, 2018

August

23 - The 2018 Great Minnesota Get-Together opened at 6 a.m. Later that morning, Society President Paul Merkins, with an assist from his siblings in the front row, presided over opening ceremonies at the Bandshell.

24 - The Society hosted the Minnesota Federation of County Fairs board to lunch at the Officers Quarters.

27 - State Fair 50 Year Awards, recognizing a half-century of participation in the Great Minnesota Get-Together, were presented to eight individuals during ceremonies at the Hugh & Margaret Schilling Amphitheater at West End Market. Sinclair was inducted into the Showmen's League of America Hall of Honor during an event at the Hangar. The State Fair hosted a meeting of the Roseville Rotary Club at Heffron Park.

28 - Military Appreciation Day featured discounted admission for active, retired and veteran military members along with a variety of special activities. Included was a special ceremony at the State Fair Veterans Garden commemorating the military service of American women; participants included active members of the 34th Infantry Division under the command of Lt. Col. Kristen Auge, Rosetown American Legion Post 542 and the Como Park Military Veterans Association. The ceremony was followed by programs at the Bandshell and Dan Patch Park, and additional activities throughout the fairgrounds. State Fair staff and board attended a reception at Heffron Park for participants in the Western Fairs Association's Feature Fair Tour.

30 - Judy Peterson of Grand Rapids (Itasca County) and Al Sannerud of Ham Lake (Anoka County) were named Minnesota's Outstanding Senior Citizens during Senior Day ceremonies at the Bandshell.

September

2 - At a special Grandstand ceremony, 20 State Fair staff members were recognized for outstanding performance, and five from that group received State Fair MVP Awards - Craig Bellanger, Operations; Kristen Kinnear-Ohlmann, Employment and Public Safety Substation; Kaleb Kromann, Miracle of Birth Center; Martin Levine, Operations; and Jack Pearl, Competition.

3 - The 2018 Minnesota State Fair closed with record attendance of 2,046,533. Five daily records were set (Thursday, Aug. 23 - 122,695; Saturday, Aug. 25 - 222,194; Wednesday, Aug. 29 - 144,940; Thursday, Aug. 30 - 156,764; and Saturday, Sept. 1 - 270,426). VIP visitors included a delegation from Western Fairs Association including the Alameda County Fair (Calif.), Butler Amusements, California Mid-State Fair, Central Washington State Fair, Davis Carnival, Desert Empire Fair (Calif.), Dixon May Fair (Calif.), Napa Valley Expo (Calif.), Pima County Fair (Ariz.), San Diego County Fair (Calif.), San Mateo County Fair (Calif.) and Yuma County Fair (Ariz.); Iowa State Fair CEO Gary Slater and 54 staff and board; Clay County Fair (Iowa) CEO Jeremy Parsons and 17 staff and board; a delegation from the Greater Gulf State Fair in Mobile, Ala.; Stephen Shimp from the Georgia National Fair in Perry; Sir Kim Darroch and staff, British Ambassador to the U.S.; six agriculture officials from the Kingdom of the Netherlands; Emma Parkyn of the Royal Cornwall Show, Wadebridge, U.K.; staff and board of the Bloomsburg Fair in Bloomsburg, Pa.; staff and board with the Florida State Fair, Tampa; staff of the Calgary Stampede, Alberta, Canada; representatives of the Royal Totnes & District Show, Devon, U.K.; representatives of the Wisconsin State Fair in West Allis; Rey O'Day of the National Independent Concessionaires Association; and journalists with the World Press Institute from nations including Brazil, Egypt, United Kingdom, Finland, Ghana, Romania, Russia, Australia, India and Indonesia.

7 - State Fair staff attended an appreciation lunch at Giggles' Campfire Grill. Sinclair, Larson and Hines met with representatives of Minnesota Farmers Union to discuss continued remodeling of their exhibit structure.

7-29 - Ramsey County operated a household hazardous waste collection site at the south Como parking lot.

8 - Hudalla attended the Clay County Fair in Spencer, Iowa. The Grandstand lot was used as shuttle parking for a University of Minnesota Gophers home football game.

12 - Edman, Schoen and Woodis attended a meeting of the St. Paul Human Resources Association.

13 - Edman and Schoen attended an employee benefits training session presented by the State Employees Group Insurance program. Alexander was a featured panelist in a Leadership St. Paul program on entertainment and arts. A Celebration of Sorts, presented by the Arc Greater Twin Cities, was held at the Dairy Building.

13-20 - Metro Transit drivers participated in the annual Bus Roadeo at the south Como parking lots.

14-17 - The Minnesota 4-H Horse Show was held at the Warner Coliseum and livestock complex.

15 - The TC Model Railroad Club held their annual model railroad and hobby sale at the Education Building. A class reunion was held at Giggles' Campfire Grill. The Grandstand lot was used as shuttle parking lot for a University of Minnesota Gophers home football game.

16 - The Antique Motorcycle Club swap meet was held at the north parking lot. The Como lot was used for shuttle parking for the Twin Cities Community Walk.

17 - Construction began on the North End exhibit building.

19 - Hammer, Cashman and Sorenson met with Minnesota AgriGrowth Council representatives to discuss the State Fair's North End project.

20 - Sinclair, Larson and Hines met with Brad Ribar to review plans for reconstruction of his Corn Roast concession structure.

20-24 - The Western Saddle Club Horse Show was held at the Warner Coliseum and livestock complex.

22 - Bus parking was provided at the south Como lot for the Roy Griak Invitational cross country meet at the University of Minnesota golf course. A wedding was held at the History & Heritage Center.

22-23 - The Twin Cities 20th Century Design Show was held at the Progress Center. The State 4-H Dog Show was held at the 4-H Building and surrounding areas. Munchkin Markets Fall Children's Consignment Sale was held at the Education Building.

25 - Noonan spoke to two marketing classes at Irondale High School.

26 - The Metro Area Children's Water Festival was held at the 4-H Building and Baldwin Park.

27-29 - The Camp Widjiwagan & du Nord Fall Garage Sale was held at the Merchandise Mart.

28 - Martin Weber, 40-year veteran and legend of the State Fair's full-time facilities staff, died unexpectedly at his home.

28-30 - The Fall Festival Arabian Horse Show was held at the Coliseum and livestock complex.

29-30 - The Fall Antique Spectacular Show & Flea Market was held at the Grandstand and infield. The Minnesota Weapons Collectors Show & Sale was held at the Education Building. Minneapolis-St. Paul Fall Military Relic & Collectors Show was held at the Progress Center.

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

30-Oct. 2 - Alexander and Dungan attended the International Entertainment Buyers Association annual conference in Nashville, Tenn., where the Minnesota State Fair was named IEBA's Fair of the Year.

October

1 - Hammer met with former Falcon Heights Mayor Sue Gehrz, Karen Gray and Nora Hall to discuss a garden on Larpenteur Avenue.

2 - Minnesota State Retirement System counselor reviewed retirement programs for State Fair staff. The University of Minnesota FFA's Fall Invitational Career Development Events were held at the CHS Miracle of Birth Center.

2-7 - The Minnesota Harvest Horse Show was held at the Warner Coliseum and livestock complex.

3 - Woodis and Scibak attended the Minnesota Hospitality Conference & Expo. Noonan attended Visit Saint Paul's annual meeting.

4 - Scores of current and former State Fair staff members attended funeral services for long-time facilities department mainstay Martin Weber at St. Bernard's Church in St. Paul. Merkins, Fox, Leary, Hammer and LeVesseur participated in a meeting of the State Fair board's pricing committee to review financing plans for the North End project. Hammer and Sinclair met with Soundset promoters Rand Levy and Jason Cook. Ramsey County Sheriff's Department conducted training exercises on Machinery Hill. Sinclair, Larson and Hines met Minnesota Craft Brewers Guild representatives to review their concession operations during the '18 State Fair.

5-6 - Twin Cities Oktoberfest was presented by Golden Badger Events at the Progress Center and Campground.

5-7 - Half Price Books Clearance Event was conducted at the Grandstand.

6 - Midwest Comic Book Association's Falcon was presented at the Education Building. The Grandstand lot was used as shuttle parking for a U of M Gophers home football game. A wedding was held at the History & Heritage Center.

9 - Hammer participated in a meeting of the State Fair Foundation's finance and investment committees. Edman attended a Minnesota Employee Recreation & Services Council event in Chanhausen. Noonan spoke to five marketing classes at Stillwater High School.

11 - Hammer attended the Ujamaa Place Celebrating Every Step Forward Breakfast at St. Thomas University.

13 - The Twin Cities Book Festival, presented by Rain Taxi, was held at the Fine Arts Center and Progress Center. The south Como lot was used as shuttle parking for the American Brain Tumor Association's BT5K Run & Walk at Como Lake. A wedding was held at the History & Heritage Center and West End Market stage.

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

14-16 - Schoen and Woodis attended the Minnesota Society for Human Resource Management conference in St. Cloud.

15 - Edman, Scibak and Belde-Mell attended a meeting at the DoubleTree in Bloomington to discuss arrangements for the Society's '19 annual meeting.

15 & 17 - Butler and Schuldt worked with U of M agriculture extension students to host "Ag In Action" field trips in the Dairy Building for fifth grade students from Highland Park and St. Anthony Park elementary schools.

16 - Alexander, Barris, Dullinger, Dybevik, Goldstein, Harazin, Hughes and Noonan met with Straight Line Theory staff and others to review the State Fair website.

18-22 - The State Fair presented the Minnesota Beef Expo at the Warner Coliseum and livestock complex.

20-28 - The south Como parking lots were used as shuttle parking for Como Zoo's Zoo Boo.

22 - Hammer, LeVesseur and Brady met with IRS agent Lori Stieber for a payroll tax audit entrance conference.

23 - Noonan spoke to two marketing classes at Mounds View High School.

24 - Senior staff met for the first of several planning sessions for the 2019 State Fair. Lyft ride share service gave a presentation at a Lunch & Learn session for full-time staff.

25 - Hawkins and Hammer participated in a meeting of the State Fair Foundation board.

26 - Sinclair, Simon, Diedrick, Casey and Steffenhagen met with

Minnesota Department of Natural Resources representatives to discuss their operations in '18 and plans for '19. The Grandstand lot was used as shuttle parking for a U of M Gophers home football game.

27-28 - The Minnesota Weapons Collectors Association Show was held at the Warner Coliseum.

28 - The Riders & Ribbons Horse Show & Minnesota Academy Equestrian Finals were presented at Compeer Arena.

29 - Sinclair, Alexander, Hudalla, Goodrich, Casey, Larson, Doyle, Hines, Hughes, LeFebvre and Butler met with representatives of the Minnesota Departments of Health and Agriculture to review the '18 State Fair and begin planning for '19.

31 - LeVesseur and Brady met with representatives of Bremer Bank regarding fund management strategies. Noonan attended a board meeting of the Roseville Visitors Association.

November

1 - Hudalla and Grans met with officials of St. Paul, Ramsey County and the University of Minnesota to discuss a bike trail on Como Avenue. Edman and Schoen attended an employment law seminar presented by the Fredrikson & Byron law firm.

2 - A reception honoring the State Fair's retiring long-time Food Czar Dennis Larson was held at the Libby Conference Center. Alexander and Butler visited the Sherlock Holmes exhibition at Liberty Science Center in Jersey City, N.J.

3 - The Jingle Bell 5K race was held on fairgrounds roadways.

5 - The State Fair's Timberworks Lumberjack Show producers offered a presentation at Lunch & Learn session for full-time staff.

5-7 - Simon and Butler attended the Royal Agricultural Society of the Commonwealth Conference in Edmonton, Alberta, Canada.

MINNESOTA STATE FAIR 

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