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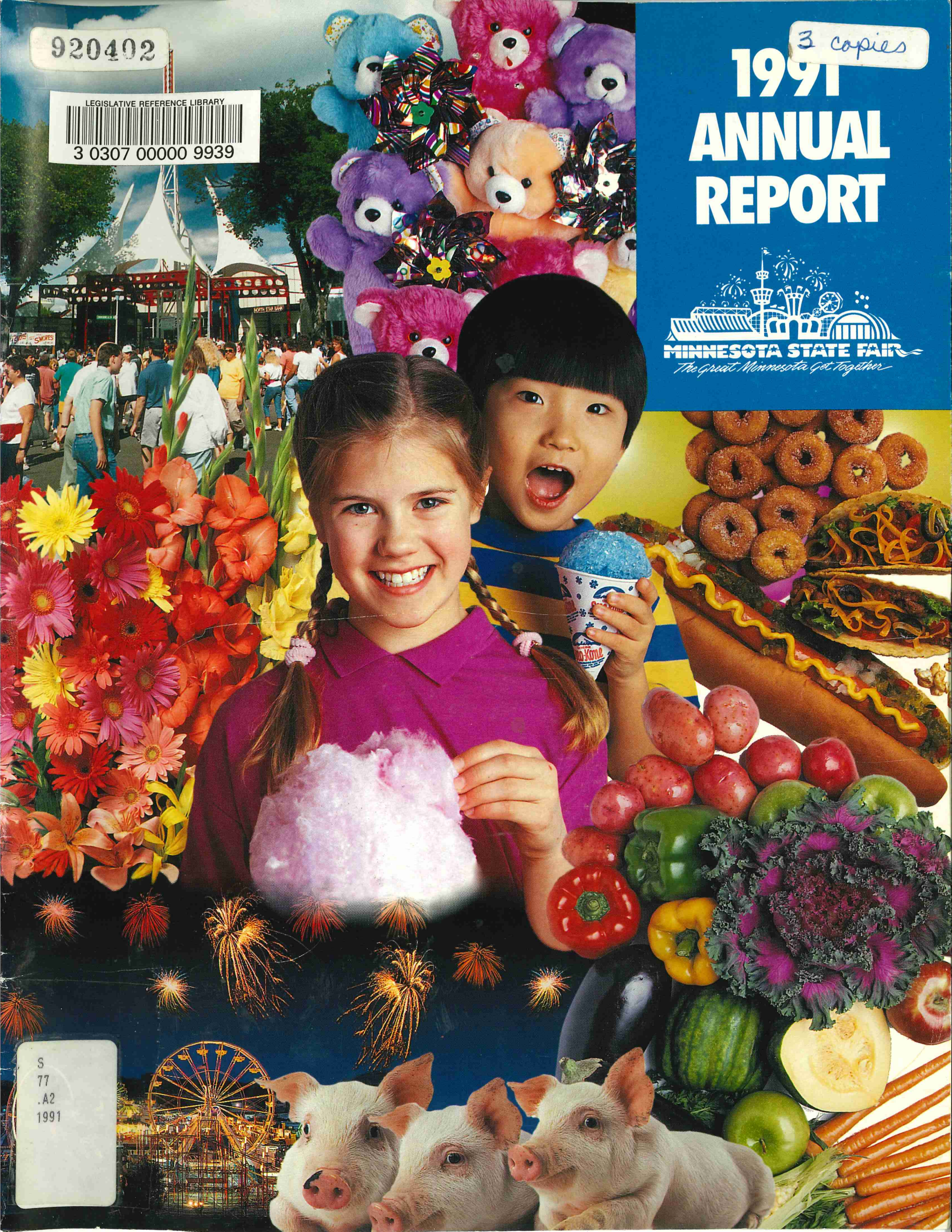
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# 1991 ANNUAL REPORT



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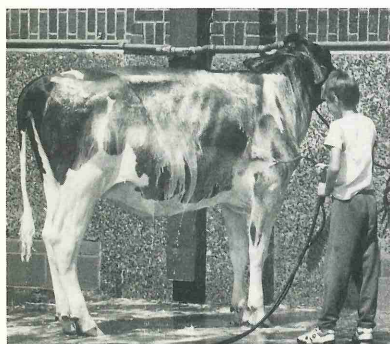
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## 1991 SUMMARY



↑ A 100-FOOT MAST WITH GEODESIC SAILS SOARS OVER THE BRAND-NEW VISITORS PLAZA. THE PLAZA IS HEADQUARTERS FOR A NUMBER OF GUEST AND EXHIBITOR SERVICES.

**N**umerous new programs, attractions and physical improvements to the fairgrounds along with a stunning array of entertainment combined to make the 1991 edition of the Minnesota State Fair one of the most ambitious in the 128-year history of the exposition.

Finding the fair's most visible new addition for '91 was as easy as sighting a tall ship setting sail in the middle of the fairgrounds. The Visitors Plaza, with its 100-foot mast and white sails towering high above the fairgrounds, included an information station, official State Fair gift shop, full banking services provided by North Star Bank, a branch office of the U. S. Postal Service and a distribution center for free samples.

Popular new exhibits included American Heritage Exhibits, Pro Earth Exhibits and the Pet Center. American Heritage Exhibits featured an amazingly-detailed 60-foot miniature replica of the White House along with a Smithsonian Institution display of family folklore. Pro Earth Exhibits used the theme Reduce, Reuse, Recycle and focused on

### 1991 MINNESOTA STATE FAIR DAILY ATTENDANCE

Date	Designation	Weather (temp., rainfall)	Attendance
Thursday, Aug. 22	Kids Day	81-57, .01"	71,242
Friday, Aug. 23	Natural Resources Day	78-64, .82"	96,665
Saturday, Aug. 24	FFA Day	87-66, trace	165,372
Sunday, Aug. 25	Milk Run Day	89-70, .16"	147,805
Monday, Aug. 26	Seniors Day and 50 Year Award Day	92-75, none	105,494
Tuesday, Aug. 27	Education Day and Volunteer Day	91-71, none	87,982
Wednesday, Aug. 28	Reduce, Reuse, Recycle Day	90-69, none	97,569
Thursday, Aug. 29	Seniors Recognition Day	90-71, .05"	112,279
Friday, Aug. 30	Fine Arts Day	92-66, none	128,513
Saturday, Aug. 31	Agriculture Day	76-56, none	196,658
Sunday, Sept. 1	4-H Day	76-54, none	175,689
Monday, Sept. 2	Miller Genuine Draft 300 Race Day	85-59, none	103,542
Total Attendance			1,488,810



waste management issues. The Pet Center provided a spacious new home for the Minnesota Purebred Dog Breeders exhibition, and included displays by a variety of commercial exhibitors, veterinary groups and the Hennepin County Humane Society.



↑ THIS MINIATURE REPLICA OF THE WHITE HOUSE WAS ONE OF THE MOST POPULAR ATTRACTIONS AT THE '91 FAIR. THE REPLICA WAS AUTHENTIC RIGHT DOWN TO THE MINIATURE LIGHTS AND TELEVISIONS THAT REALLY WORKED.

Also new for '91 was a three-part transportation initiative, designed to ease the flow of traffic near the fairgrounds (see page 9), and a major step-up in the fair's recycling efforts. This first-of-its-type endeavor asked fair visitors to deposit beverage cups in special bins throughout the fairgrounds. All beverage cups used by State Fair concessionaires in '91 were made of polystyrene and were picked up and recycled into building materials at the conclusion of the fair. (See page 5.)

**A**lthough the thermometer hovered near 90 degrees on seven of the fair's 12 days, the hot and humid weather had only a marginal effect on fair attendance. A total of 1,488,810 fair fans visited the exposition—the seventh-highest turnout in the fair's history.

Outside gate admission prices were \$4 for adults ages 13-64 (\$3.25 in advance), \$2.50 for children 5-12 and seniors 65 and over (\$2 in advance) and free for kids under 5.

Special promotions during the '91 State Fair included Kids Day, Aug. 22, when persons 12 and under were admitted to the fairgrounds free. Also on that day, the Grandstand hosted two performances by popular children's entertainers Sharon, Lois and Bram, and discounts were offered on many Midway and Kiddieland rides and attractions. Senior citizens 65 and over were given free admission on two Seniors Days, Aug. 26 and 29. During special Senior Day recognition

↓ THESE PUPS ENJOY THEIR NEW HOME IN THE PET CENTER.





ceremonies at the Bandshell on Aug. 29, Minerva Westman of Duluth and Hugo Blomgren of Roseville were named Minnesota's Outstanding Senior Citizens.

Every weekday of the fair, visitors could take advantage of a special discount coupon booklet featuring savings at 93 attractions and food merchandise concessions. "Happenings—Weekdays at the Fair" discount booklets were available for \$4.50 (\$4 in advance).

*"Constituted as man is, he has positive need of occasional recreation, and whatever can give him this, associated with virtue and advantage, and free from vice and disadvantage, is a positive good. Such recreation our fairs afford. But the chief use of agricultural fairs is to aid in improving the great calling of agriculture in all its departments and minute divisions; to make mutual exchange of agricultural discovery information, and knowledge; so that, at the end, all may know everything that may have been known to but one, or but few, at the beginning. And not only to bring together and to impart all which is accidentally discovered and invented upon ordinary motive, but by exciting emulation for premiums, and for the pride and honor of success—of triumph, in some sort—to stimulate that discovery and invention into extraordinary activity."*

—Abraham Lincoln, Sept. 30, 1859

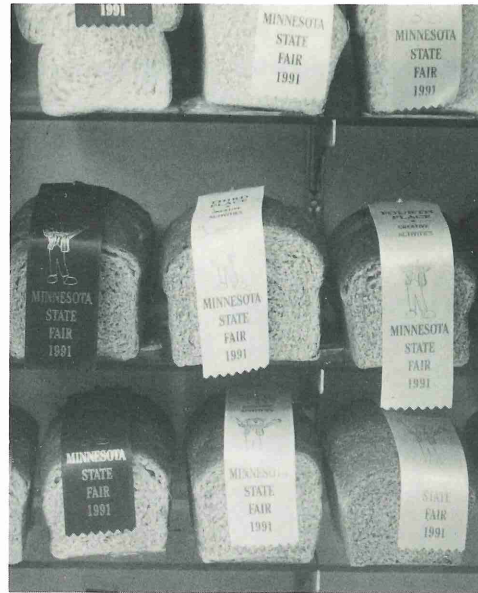
### FAIR WINS ACCESSIBILITY AWARD

The State Fair's continuing efforts to provide services for disabled visitors earned the exposition the Multiple Sclerosis Society's 1991 Program Sponsor Award. The prestigious award was presented during the Minnesota MS Society's annual meeting in November.

For the past three years, the MS Society has worked with the State Fair to provide accessible bus service to the fairgrounds. Access Minnesota, a division of the society, has also operated a special information booth to provide a variety of services for disabled fair visitors.

In the early '70s, the State Fair began a comprehensive program to make the exposition accessible to all people. Site access has been improved through the addition of hundreds of curb cuts and walkways, accessible restrooms, low-mount telephones and water fountains, parking spaces, wheelchair rental availability, accessible seating at Grandstand and Coliseum events and hearing interpretation at Grandstand concerts.

**W**inners in the fair's creative and agricultural contests took home thousands of ribbons and a share of over \$425,000 in prize money during the 1991 exposition. Over 14,000 exhibitors placed 35,000 entries in competitions including those



↑ ABOVE, PRIZE-WINNING LOAVES OF BREAD ARE ADORNED WITH RIBBONS.

→ ABOVE RIGHT, COWS ARE SPIFFED UP BEFORE ENTERING THE JUDGING ARENA.

for livestock, fine arts, fruit, crops, school projects, baked goods, vegetables, crafts, bee and honey products, flowers, butter and cheese.

Livestock contests included categories for

cattle, pigs, sheep, dairy goats, llamas, horses, turkeys, rabbits, pigeons and waterfowl. Animals were housed in the fair's vast

livestock complex that includes nine buildings with stabling for 8,000 animals.

Creative competitions included the fair's 80th annual fine arts contest as well as categories for home crafts such as canned, stitched, knitted and baked goods. Several special creative contests made their debut during the '91 fair. Included were contests for Spam recipes, cookie baking and wild rice recipes.

Other competitions included the 19th annual State Fair Amateur Talent Contest, the Minnesota State Fair High School Marching Band Competition and the seventh annual Milk Run. Winners in the talent contest were the singing Norvold Sisters from Minneapolis (open division), ballet





dancers Molly Mahoney and Terra Staber from Minnetonka (teen division) and pianist Haivy Nguyen from Eden Prairie (pre-teen division). Anoka High School in class AA and St. Peter in Class A scored

highest in the high school marching band competition. In the five-mile Milk Run, Wayne Jewett of St. Louis Park and Jill Anderson of Duluth captured top honors.

## CUP RECYCLING SUCCEEDS



Over 600 tons of trash are generated during the course of the 12-day State Fair. With over 1.5 million fair visitors consuming hundreds of thousands of meals and millions of beverage servings, the vast majority of the State Fair's waste stream is related to food service. In 1991, the exposition launched a program to substantially cut this volume of trash by providing a recycling demonstration that involved nearly every one of the fair's visitors. Beverage cups—the number one component in the fair's waste stream—were targeted for recycling.

Prior to 1991, State Fair beverage concessionaires were required to sell their products in waxed paper cups. Paper cups are not recyclable, though, so for '91, all State Fair beverage concessionaires were required to sell their products in recyclable plastic

cups.

By asking 1.5 millions guests to deposit their plastic cups in special recycling barrels, the State Fair provided the largest hands-on recycling demonstration ever attempted. The results were very favorable.

Over half of all beverage cups used by visitors were recycled through the program. Of the 5.3 million cups used, 2.7 million cups were collected, processed and remanufactured into building insulation. Due in part to the cup recycling program, the State Fair's trash volume was reduced from 704 tons in 1990 to 608 tons in 1991.

After being collected in special recycling barrels, the cups were hauled to the fairgrounds' cup recycling center where the polystyrene was processed into flakes.

The flakes were collected by Amoco Foam Products and used to manufacture industrial building insulation board.

Fair visitors earned blue ribbons for their efforts to make the program work. People were meticulous about depositing only cups in the recycling barrels, and the recovery rate of over 50 percent is double that of the typical rate at restaurants and festivals.

Various forms of recycling have been taking place at the State Fair for quite some time. Livestock manure and other barn waste have been recycled during the fair and at off-season events for 15 years. Food concessionaires have been recycling cooking oil, cardboard and cans for a number of years, and the majority of newspapers sold on the fairgrounds have been recycled since 1989.

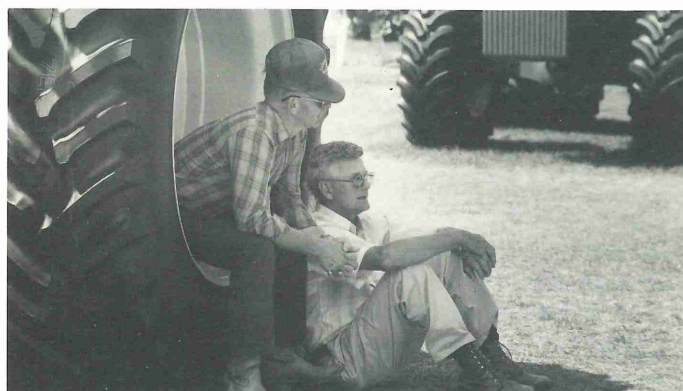


## Commercial Exhibits

**T**he best of Minnesota's goods and services along with food and products from around the world combined to make the 1991 State Fair a shopper's mecca.

Over 1,300 commercial exhibitors filled 4.3 million square feet of indoor and outdoor exhibit space with their wares. Manufacturers, retailers, educational institutions, artisans, politicians, news media and a variety of government agencies provided fair visitors with an overwhelming abundance of diverse foods, goods, services and amusements.

Each year, the State Fair presents the Midwest's largest assembly of food vendors, with over 350 culinary concessionaires. Everything from



exotic ethnic foods to traditional favorites can be found. Several new foods debuted at the '91 fair, including batter-fried walleye, frozen sheep-milk yogurt, pickle dogs and a selection of traditional Nigerian dishes.

Special display areas included the international Bazaar, the early-American-themed Heritage Square and 80-acre Machinery Hill, featuring the world's largest display of farm and yard equipment. Royal American Shows provided Midway and Kiddieland rides, games and attractions. Other amusements included the Space Tower, Sky Ride, Ye Old Mill, Giant Slide, Haunted Mansion, River Ride and the Antique & Classic Car Show.

Food and beverage concessionaires paid 10 percent of their gross sales as space rental. Other vendors were charged rental fees based on the size of their exhibits.



### STATE FAIR HAD \$73.4 MILLION IMPACT IN 1991

In 1991, the State Fair had an economic impact of \$73.4 million in the Twin Cities area. According to a study conducted by the Markin Consulting Group of Minneapolis, the year-around operations of the State Fair resulted in \$34.1 million in direct expenditures and another \$39.3 million in indirect spending.

Of the \$73.4 million total, \$25.6 million is paid to local households in the form of earnings. These earnings represent about 4,130 full-time and part-time jobs.

In addition, the operations of the State Fair and related economic activities resulted in collection of state sales taxes totaling \$2.3 million.

The State Fair spent \$9.6 million in the Twin Cities area in '91. This total included \$4.5 million for the purchase of local goods and services, \$2.9 million in salaries and wages, \$2 million for capital improvements and \$100,000 in awards to the State Fair's Twin Cities-area competitors.

State Fair visitors spent \$11.3 million last year at concessions owned by Twin Cities firms and individuals, and another \$609,000 on rides and shows owned by local groups. (Sixty-nine percent of State Fair concession

license holders are located in the Twin Cities.) Non-local license holders purchased area goods and services totaling \$1.4 million.

Fair visitors from outside the Twin Cities spent \$6.1 million during their visits to the area. These expenses included food, lodging, and retail purchases away from the fairgrounds.

Royal American Shows, the State Fair's carnival operator, incurred local expenses of \$775,000 through the hiring of local labor, the local purchase of goods and services and expenses for food and lodging.

The State Fair's busy schedule of year-around special events resulted in \$3.9 million in direct expenditures. Out-of-town visitors to special events spent \$2.8 million on food, lodging and retail purchases off grounds, and another \$558,000 with local concession operators at the fairgrounds. Promoters of the special events spent \$500,000 on local goods and services.

Total direct expenditures resulted in respending of another \$39.3 million in the Twin Cities. This figure is based on a series of multipliers that recognize the continued flow of money through a local economy, creating an economic impact greater than the original direct expenditures.



## Grandstand

“If the 1991 concert season were a seat, it would be empty.” That’s how the year in concerts was characterized by Rolling Stone magazine in its 1991 year-end issue. During a year in which concert promoters across the country complained about declining concert attendance and the lack of big-name entertainers willing to tour, the



↑ HUEY LEWIS AND THE NEWS PERFORMED TUESDAY, AUG. 27.

Minnesota State Fair experienced great success with its Grandstand concert lineup. A total of 162,593 people attended 13 performances—an average of 12,507 concert fans per show.

This success was achieved with ticket prices that were the lowest in the indus-

try. The top ticket price for a '91 Grandstand concert was \$12.50—in many cases, less than half the going rate for the same concerts at other venues.

Hot country entertainer Garth Brooks was the biggest single draw, selling out every seat in the 21,051-capacity Grandstand. Venerable pop icons the Beach Boys along with opening act Firefall were the top overall attraction, drawing 23,972 people for two shows Sept. 1.

On Labor Day, 15,417 race fans watched Dick Trickle, the most successful auto race driver in State Fair



↑ STOCK CAR LEGEND DICK TRICKLE ALONG WITH HIS TWO GRANDCHILDREN AND PIT CREW CELEBRATE TRICKLE'S AUTO RACE VICTORY ON LABOR DAY.

history, roar to victory in the Miller Genuine Draft 300. Trickle beat a field of 32 drivers—including Scott Hansen, Bob Sennecker and Mike Eddy—in the American Speed Association-sanctioned event. It was Trickle's fifth first-place finish in the fair's annual Labor Day auto race classic.

### 1991 GRANDSTAND ATTENDANCE

Date	Attraction	Ticket price	Attendance
Aug. 22	Sharon, Lois and Bram (two shows)	\$9 & \$5	6,856
Aug. 23	Willie Nelson and Johnny Cash	\$12 & \$7	11,852
Aug. 24	Don Henley with Susanna Hoffs	\$12.50 & \$7.50	18,014
Aug. 25	Alabama with Ray Kennedy	\$12 & \$7	18,985
Aug. 26	Chicago	\$12 & \$7	13,580
Aug. 27	Huey Lewis & The News with Joe Louis Walker & the BossTalkers	\$12 & \$7	13,221
Aug. 28	Garth Brooks with Lorrie Morgan	\$11 & \$6	21,051
Aug. 29	The Statler Brothers with Williams & Ree	\$11 & \$6	10,555
Aug. 30	Vanilla Ice	\$11 & \$6	6,060
Aug. 31	Randy Travis with Alan Jackson	\$12 & \$7	18,447
Sept. 1	The Beach Boys with Firefall (afternoon)	\$12.50 & \$7.50	9,301
Sept. 1	The Beach Boys with Firefall (evening)	\$12.50 & \$7.50	14,671
Sept. 2	Miller Genuine Draft 300	\$10 & \$7	15,417



## 1991 FREE STAGE LINEUP

### Miller High Life Bandshell

- Aug. 22-27 Wild Rose  
Bobby Vee  
Jo-El Sonnier  
Aug. 28-Sept. 2 Suzy Bogguss  
Gary Puckett  
Kevin Welch  
Aug. 22-Sept. 1 Ray Komischke's State Fair Orchestra

### Budweiser Stage in Baldwin Park

- Aug. 22-25 Wolverines  
Barbary Coast Dixieland Jazz Band  
George Maurer  
Aug. 26-29 Stoney Lonesome  
Neal & Leandra  
Farm Accident  
Aug. 30-Sept. 2 M.C.C. Gospel Choir  
Spirit  
Dan & Sandy Adler  
Aug. 22-Sept. 1 Trial By Jury

### Leinenkugel's Leinie's Lodge in the Bazaar

- Aug. 22-27 The Memories  
The Jack D'Johns  
Aug. 28-Sept. 2 Stephens & Budin  
5th Avenue  
Aug. 22-Sept. 1 The Comedy Hour

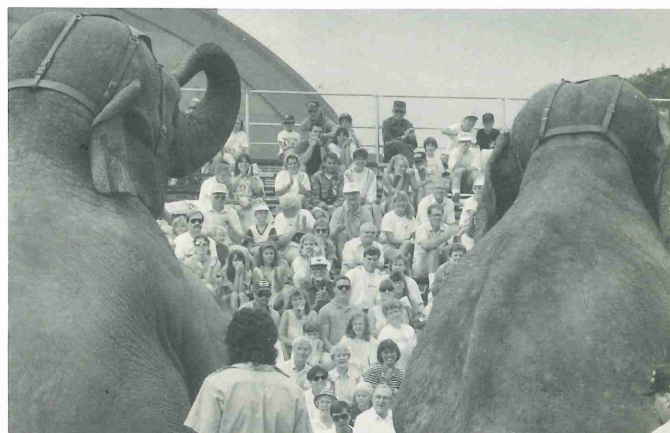
### Heritage Square Stage

- Aug. 22-27 Deb Nienow & Wheels  
Midnight Rider  
Chmielewski Band  
Aug. 28-Sept. 2 Leroy Van Dyke & the Auctioneers  
The Bulla Family  
The Medicine Show Music Company  
Aug. 22-Sept. 2 Storytellers

### Children's Theater

- Aug. 22-27 The Gizmo Guys  
Sean Emery as Pulcinella  
Kit Grove  
Aug. 28-Sept. 2 David Cohan  
Teddy Bear Band  
Ian Varella  
Aug. 22-Sept. 2 Willy Wonka

**T**he fair's spectacular free entertainment schedule featured over 700 performances in 1991. Nationally-known recording artists were featured at the Bandshell, Minnesota-based acts performed at the stage in Baldwin Park and a variety of music along with a nightly lineup of stand-up comedians from around the region were featured at



↑ **GIGANTIC ASIAN ELEPHANTS PERFORMED FOR ENTHUSIASTIC AUDIENCES FOUR TIMES DAILY. THE ELEPHANTS WERE PART OF THE ROYAL HANNEFORD CIRCUS.**

the Bazaar. Other shows took place at stages in Heritage Square, Children's Theater, the 4-H Building, Natural Resources Park and the Ramberg Senior Center.

Highlighting the free entertainment lineup was Pepsi's Royal Hanneford Circus. The biggest attraction at the circus—literally—were five of the world's largest performing Asian elephants. Other circus acts included trapeze artists, clowns, acrobats and Captain U.S.A.—a human cannonball. The circus performed four free shows daily at the Amphitheater.

Further free entertainment was provided during the fair's evening mall parade. Floats, animals, clowns, marching bands and special attractions wound their way through the fairgrounds beginning at 6 p.m. nightly except Labor Day.



## TRAFFIC WAS REDUCED THROUGH FAIR'S TRANSPORTATION INITIATIVE

The reduction of traffic around the fairgrounds was the focus of a three-part initiative launched by the State Fair for the '91 exposition. The program rewarded carpoolers of four or more with free parking at the fairgrounds, offered free parking and free express bus service from the fair's network of Park & Ride lots and provided a \$2 discount on fair admission for persons who rode regular route buses to the State Fair.

Traffic was measurably reduced. The 16-lot Park & Ride network was used by 154,000 people, representing an increase from the previous year of over 100 percent. Principal Park & Ride lots were located at Rosedale and Har Mar Mall shopping centers and at nearby businesses including several along Energy Park Drive, just south of the fairgrounds.

Over 49,000 people took advantage of the \$2 gate admission discount by riding regular route MTC, Roseville Circulator and Metro Mobility buses to the fair. Fair-going passengers were each furnished with a coupon, redeemable for the \$2 discount at any of the fair's outside gates.

The State Fair's traffic reduction efforts were recognized with a Ride Choice Award, presented by the Metropolitan Transit Commission and Minnesota Rideshare. The State Fair, cited for "leadership in supporting innovative commuter transportation programs," was one of eight Twin Cities-area organizations presented with the award.

**W**hen the State Fair is not in progress, the fairgrounds are host to a variety of events including retail sales, antique and collectors shows, horse and livestock shows, auto exhibitions and athletic events. In addition, winter storage for hundreds of boats, automobiles and recreational vehicles is provided in many of the State Fair's exhibit and livestock buildings.

From late October through early March, the Coliseum becomes an ice arena, serving as the home rink for two Twin Cities-area college hockey teams and as the site of regular season and playoff high school hockey games. The Coliseum is also open for public skating and jogging at various times during the winter.

## TOP 10 OFF-SEASON EVENTS

Date	Event	Attendance
Oct. 16-27	Berman's Great Big Leather Sale	80,000
June 21-23	Minnesota Street Rod Back to the '50s Weekend	30,000
May 17-19	Country Folk Art Show	25,000
Sept. 20-22	Country Folk Art Show	25,000
March 8-10	Minnesota Deer Classic	23,000
April 25-30	Damark Liquidation Sale	20,000
April 27-28	Horse Expo	20,000
May 3-5	Midwest Pet Fair	20,000
Sept. 20-22	Western Saddle Clubs Horse Show	20,000
April 20-21	Antique Spectacular & Flea Market	17,000



## Board of Managers

**T**he State Fair is governed by the Minnesota State Agricultural Society, which is a financially self-sufficient agency of the state. The society is charged exclusively with the operation of the exposition and maintenance of the State Fairgrounds. Society members are delegates from Minnesota's county fairs and various agri-business groups. Each January, these delegates meet to conduct formal society business including the election of officers to fill alternating terms on the 10-member State Fair board of managers. The board is made up of a representative from each of the society's nine regional districts, plus a president who serves at-large. Board members set policy for the administration of the State Fair and serve on committees dealing with specifics of the fair's operation.

Members of the 1992 board of managers are:

---

*"... the Minnesota State Fair is our central cultural institution—the place where all the varied strands of immigration, agriculture, commerce, politics, aesthetic preference, and moral standards meet and mingle; the place where our collective past is preserved in the language of the premium lists and our collective future manifest in the project of the littlest 4-H'er."*

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*—Karal Ann Marling  
Blue Ribbon*

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**Willie Lilliquist**  
**President**

Lilliquist is a retired farm implement dealer from Kennedy. He represented the ninth district on the board from 1977 through 1990. In 1991 and '92, he was elected to one-year terms as the board's president.



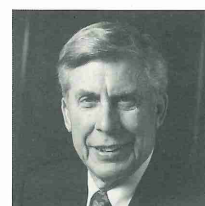
**Bert Lund**  
**Vice President**  
**4th District**

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



**Richard Keenan**  
**Vice President**  
**5th District**

Keenan is an attorney from Minneapolis and has represented the board's fifth district since 1986.



**Howard Recknor**  
**Manager**  
**1st District**

Recknor is a farmer from Hartland. He has represented the first district on the board since 1989.



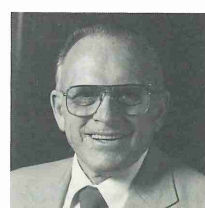
**Martin Annexstad**  
**Manager**  
**2nd District**

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



**Eileen Roehlke**  
**Manager**  
**3rd District**

Roehlke has represented the third district on the board since 1979. She lives in Rogers and is involved in her family's auction business.



**Howard Morris**  
**Manager**  
**6th District**

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



**Vern Prokosch**  
**Manager**  
**7th District**

Prokosch is a farmer from Bird Island. Since 1985, he has served on the State Fair board as seventh district manager.



**Donald Simons**  
**Manager**  
**8th District**

Simons raises beef cattle and draft horses on his farm near Grand Rapids. He has served as eighth district manager since 1987.



**Clarice Schmidt**  
**Manager**  
**9th District**

Schmidt is a potato farmer from Sabin. She was elected to the board as ninth district representative in 1991.



**P**olicy set by the board of managers is implemented by Executive Vice President Mike Heffron of St. Paul. Heffron, who is responsible for the State Fair's day-to-day operations, heads a full-time staff of nearly 50 people. By fair-time, the full-time core of personnel is joined by a seasonal staff of over 2,300. Functions necessary to the production of the annual exposition are divided into seven divisions: competitive entries, entertainment, finance, media & public relations, operations, planning & external affairs and rental services. Each division is headed by a full-time director. Related activities are further divided within each division into groups of specific responsibilities, and these functions are carried out by fair-time staff. They include parking, admissions, sanitation, police and activities of each of the State Fair's competitive departments.



↑ FAIRCHILD, ONE OF THE FAIR'S COSTUMED MASCOTS, GREET'S VISITORS. ↓ BELOW, THREE SANITATION WORKERS ARE PART OF THE 2,300 FAIR-TIME STAFF NEEDED TO KEEP THE FAIR RUNNING SMOOTHLY.



## FAIR-TIME SUPERINTENDENTS

Admissions	Lyle Anderson, St. Paul
Bee Culture	Winnie Johnson, Elk River
Care and Assistance	Wallace Wolff, Duluth
Cattle	Ray Arthaud, White Bear Lake
Christmas Trees	Greg Ustruck, Vadnais Heights
Creative Activities	Evelyn Hagen, Minneapolis
Dairy Products	Cliff Markuson, Hillman
Education	Jim Brown, Prior Lake
Farm Crops	Duane Smith, Minneapolis
FFA	Paul Day, Northfield
Fine Arts	Pat Kennedy Crump, Wayzata
Fire Marshall	Frank Junghans, St. Paul
Flowers	Martha Carnes, West St. Paul
Forage	Dan Elmer, Minneapolis
4-H	Juanita Reed-Boniface, St. Paul
Fruits	Louis Quast, Jr., St. Louis Park
Goats	Kevin LeVoor, Maple Lake
Grandstand Production	Neil Larson, Blue Earth
Heritage Exhibits	Gale Frost, St. Paul
Horses	Robert Peterson, St. Paul
Llamas	Verne Greenlee, Minneapolis
Meats	Ed Butler, Rochester
Midway Ticket Takers	Marty Rossini, Stillwater
Natural Resources	Roberta Smith, St. Paul
Parking	Ron Vannelli, St. Paul
Poultry	Harold Thomforde, Crookston
Public Safety	Art Blakey, St. Paul
Sanitation	Scot Ribar, Minneapolis
Senior Citizens	Marge Krueger, St. Paul
Sheep	Bill Schulke, Bemidji
Swine	Jerry Hawton, New Brighton
Ticket Audit	Dick Reinhardt, Owatonna
Vegetables	Curt Klint, Coon Rapids
Youth Camp	Faye Corson, Chaska



## Letter to the Governor

Honorable Arne Carlson  
Governor  
State of Minnesota  
130 Capitol  
St. Paul, MN 55155

December 30, 1991

Dear Governor Carlson:

I've never been too sure how mice lay their plans, or for that matter, whether they lay plans at all. However, I can attest to the quality of plans laid by the men and women of this organization in preparing for the 1991 Minnesota State Fair.

And quite clearly, the fair's presentation reflected the measure of its readiness; excellence was the standard throughout, and as a result, a high level of public response was forthcoming.

Despite its impact, weather is considered a given in the background of our script. It receives little notice, it is simply there. However, in post-fair analysis, it is appropriate to acknowledge that we experienced five consecutive days with temperatures in the nineties; two of those days were set aside for senior activities. In many respects, rain would be less abusive of the public temperament than the extreme heat we encountered in 1991.

Attendance at the fair was only slightly injured by this unusual weather. Paid admissions were off last year's mark by 12,000, which is less than a one percent loss. Free admissions were down 28,000, a decline noted principally on the two, free senior days.

A successful fair program is one that garners the greatest diversity of interest and the widest spectrum of participation. On that score, the 1991 State Fair was a gold medalist.

Grandstand entertainment, scheduled over 11 days and 13 performances, drew 162,000 concert fans to see the biggest of big names including Garth Brooks, the Beach Boys, Don Henley, Chicago and Alabama. Not to be outdone, the free stage lineup added color and excitement across the fairscape with large audiences competing for viewing and listening opportunities.

Among the new features spotlighted at the '91 fair were a Pet Center on the north end of the fairgrounds, and American Heritage Exhibits, including a miniature replica of the White House in the Sentinel Building. A variety of new and expanded guest services were made available in the Visitors Plaza, a brand new complex which included a full-service bank, post office, gift shop and sample distribution center.



Honorable Arne Carlson  
Governor  
Page 2

Our report last December proposed two important initiatives to be undertaken by the exposition in 1991. The first, having to do with an innovative but untried traffic and parking management system, was put into operation and declared successful . . . so successful in fact, that the exposition was recognized by the Metropolitan Transit Commission and Minnesota Rideshare for leadership in the area of public transit. The program, which utilized a combination of discounts and alternative transportation, was estimated to have removed as many as 85,000 vehicles from streets adjacent to the fairgrounds.

The second project was one which sought to combine consumer education with a practical, hands-on recycling program. This initiative was likewise deemed a success even though it had a much higher risk factor. State Fair guests met the challenge and helped recycle 2.7 million beverage cups into building and home insulation, and at the same time, helped remove 15 tons of trash from the State Fair waste stream. On the education side, a comprehensive display and demonstration of Pro Earth Exhibits were presented in the Crossroads Building with help from the Minnesota Office of Waste Management, the Recycling Association of Minnesota and Metropolitan Council. Titled "Reduce, Reuse, Recycle," the exhibit featured working models and walk-through displays on methods for reducing waste in the home and at work.

These original programs provide practical benefit to the fair and to its audience. But more, they offer the exposition an opportunity to educate, not in a typical classroom environment, but by using practical, down-to-earth examples. Our clientele learns about public transit by using the system to travel to the fair, trouble- and traffic-free. They experience recycling at a large public event where impact is immediate and of measurable consequence and where the benefits take on a real life character.

Again during 1991, the Minnesota State Fair grew and expanded its horizon. It reached for the stars, which is an awesome task, but one certainly worthy of best-laid plans.

Respectfully submitted,



Mike Heffron  
Executive Vice President





STATE OF MINNESOTA

**OFFICE OF THE LEGISLATIVE AUDITOR**

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

JAMES R. NOBLES, LEGISLATIVE AUDITOR

---

**Independent Auditor's Report**

Mr. Willis Lilliquist, President  
Board of Managers  
State Agricultural Society

Mr. Michael D. Heffron  
Executive Vice President  
State Agricultural Society

We have audited the accompanying balance sheets of the State Agricultural Society as of October 31, 1991 and 1990, and the related statements of income, retained earnings, and cash flows for the years then ended as presented on pages 15 to 19. These financial statements are the responsibility of the society's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State Agricultural Society as of October 31, 1991 and 1990, and the result of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Our examination was made for purposes of forming an opinion in the basic financial statements as a whole. The supplemental financial information included on pages 20 to 24, which is the responsibility of the Society's management, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

James R. Nobles  
Legislative Auditor

John Asmussen, CPA  
Deputy Legislative Auditor

January 9, 1992



## BALANCE SHEET

For the years ended October 31	1991	1990
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 3,110,995	\$ 1,813,030
Accounts receivable (note 2)	70,953	105,661
Accrued interest receivable	10,604	-0-
Prepaid insurance	37,941	62,250
Prepaid expenses	7,379	8,284
Total current assets	3,237,872	1,989,225
Property, structures and equipment (note 3)	13,727,940	12,693,962
Total assets	\$ 16,965,812	\$ 14,683,187
<b>LIABILITIES &amp; EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 590,615	\$ 439,114
Accrued salaries	72,754	56,812
Accrued interest payable	1,112	3,088
Compensated absences (note 4)	266,890	231,121
Deferred income (note 6)	194,483	208,023
Current portion of long-term liabilities (note 7)	213,793	126,236
Total current liabilities	1,339,647	1,064,394
Long-term liabilities:		
Note, contract and lease payable (less current portion) (note 7)	1,556,351	621,859
Equity:		
Designated for building fund (note 11)	1,085,878	516,870
Unreserved retained earnings	12,983,936	12,480,064
Total liabilities & equity	\$ 16,965,812	\$ 14,683,187

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



## INCOME AND EXPENSES

For the years ended October 31	1991	1990
Income:		
Ticket sales	\$ 7,364,938	\$ 6,716,981
Departmental	3,938,931	2,989,790
Other	1,522,792	1,452,349
Total income	12,826,661	11,159,120
Expenses:		
Administrative	1,227,171	1,095,478
Departmental	6,419,783	5,569,051
Premiums	426,495	442,941
Other	1,163,234	1,097,980
Maintenance	1,693,791	1,859,142
Depreciation	823,309	770,846
Total expenses	11,753,783	10,835,438
Net income	\$ 1,072,878	\$ 323,682

## RETAINED EARNINGS

For the years ended October 31	1991	1990
Retained earnings at beginning of year	\$ 12,996,936	\$ 12,673,254
Add:		
Net income	1,072,878	323,682
Retained earnings at end of year	\$ 14,069,814	\$ 12,996,936
Retained for working capital and improvements	\$ 1,026,140	\$ 534,199
Designated for building fund	1,085,878	516,870
Book value of fixed assets		
net of debt obligations	11,957,796	11,945,867
	\$ 14,069,814	\$ 12,996,936

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



## STATEMENT OF CASH FLOWS

For the years ended October 31	1991	1990
Cash flow from operating activities:		
Net income for the year	\$ 1,072,878	\$ 323,682
Add: Depreciation expense	823,309	770,846
Changes in working capital:		
Current assets—(increase) decrease:		
Accounts receivable	34,708	145,986
Interest receivable	(10,603)	-0-
Prepays	25,214	(3,843)
Current liabilities—increase (decrease):		
Accounts payable	151,500	179,627
Salaries payable	15,942	13,130
Compensated absences	35,769	25,712
Interest payable	(1,976)	(1,844)
Deferred income	(13,540)	48,475
Net cash provided by operations	2,133,201	1,501,900
Cash flow from investing activities:		
Additions to fixed assets:		
Electrical system	(367,372)	(32,979)
Fence and guard rail	(17,282)	(59,679)
Land improvements	(230,215)	(59,710)
Personal property	(119,405)	(217,229)
Sewer system	(1,243)	-0-
Structures	(1,114,624)	(830,820)
Water distribution system	(7,144)	(21,704)
Net cash used in investing activities	(1,857,285)	(1,218,121)
Cash flow from financing activities:		
Increase (decrease)		
Note payable	1,028,593	(73,378)
Contract for deed	(35,917)	(33,532)
Lease payable.	29,373	(25,538)
Net cash used for financing	1,022,049	(132,448)
Increase (decrease) in cash	1,297,965	151,331
Cash and cash equivalents beginning of year	1,813,030	1,661,699
Cash and cash equivalents end of year	\$ 3,110,995	\$ 1,813,030

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



## FOOTNOTES

### NOTE 1: SUMMARY OF ACCOUNTING POLICIES

The Minnesota State Agricultural Society is charged with the conduct of the annual State Fair and management of the State Fairgrounds, as outlined by Chapter 37 of Minnesota Statutes. Financial information is formulated and presented according to non-profit accounting principles. Assets and liabilities and income and expenses are recognized on the accrual basis of accounting. Fixed assets are stated at cost less accumulated depreciation. Donated materials and services are valued at their estimated fair value at the date they are donated. Expenditures for maintenance and repairs are charged to expense as incurred. Costs of newly acquired items, including renewals and replacements which add to the original value or materially extend the useful lives of the related assets, are capitalized and written off as depreciation charges over their estimated useful lives. Costs of assets and the related accumulated depreciation are eliminated from the accounts in the year of sale or retirement. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. The provision for depreciation is calculated based on the following lives:

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

### Note 2: ACCOUNTS RECEIVABLE

	1991	1990
Gross accounts receivable	\$ 75,437	\$ 109,395
Less allowance for doubtful accounts	4,484	3,734
Net Accounts Receivable	\$ 70,953	\$ 105,661

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

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

	1991	1990
Land	\$ 2,228,778	\$ 2,013,778
Land improvements	1,162,262	1,147,047
Structures and improvements	20,681,807	19,567,342
Electrical plant	2,220,800	1,853,428
Fence and guard rails	346,541	329,259
Gas distribution system	88,845	88,845
Sewer system	439,171	437,768
Water distribution system	503,083	495,939
Personal property	763,776	706,969
Total	\$28,435,063	\$26,640,375
Less accumulated depreciation	14,707,123	13,946,413
Net book value	\$13,727,940	\$12,693,962

### NOTE 4: COMPENSATED ABSENCES

	1991	1990
Accrued vacation	\$ 129,992	\$ 107,642
Vested sick leave	136,898	123,479
Total Compensated Absences	\$ 266,890	\$ 231,121

### NOTE 5: MINNESOTA STATE RETIREMENT SYSTEM

All Society full-time employees must participate in the State Employees Retirement Fund which is administered by the Minnesota State Retirement System (MSRS). Contributions are made to the fund by employees and the Society based on a percentage of gross salary. The Society matches employee contributions and also pays an additional amount to retire prior years unfunded liabilities. Full funding is required by the year 2009. Current rates are 4.15 percent for employees and 4.29 percent for the Society for a total of 8.44 percent. Total Society contributions were \$65,053 for 1990 and \$72,337 in 1991.

### NOTE 6: DEFERRED INCOME

	1991	1990
Unearned winter storage income	\$ 134,076	\$ 147,860
Advance Coliseum ice rental	60,407	39,663
Total Deferred Income	\$ 194,483	\$ 208,023

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

	1991		1990	
	Current	Long-term	Current	Long-term
Contract for deed (note 8)	\$ 20,224	\$ -0-	\$ 35,917	\$ 20,224
Note payable (note 9)	174,857	1,514,135	73,378	587,021
Lease payable (note 10)	18,712	42,216	16,941	14,614
	\$ 213,793	\$ 1,556,351	\$ 126,236	\$ 621,859
Net increase (decrease)	\$ 87,557	\$ 934,492		

**NOTE 8: CONTRACT FOR DEED PAYABLE**

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

**NOTE 9: NOTES PAYABLE**

Notes payable consist entirely of promissary notes. The obligations bear interest rates related to the current prime rate in effect from time to time, ranging from .73 percent of the prime rate to 1 percent over the prime rate, and are due through 2006.

**NOTE 10: LEASE PAYABLE**

Leases meet the criteria of a capital lease as defined by **Statement of Financial Accounting Standards #13, "Accounting For Leases,"** which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The leases payable represent three leases for financing two copiers and a phone system. The equipment was capitalized and the lease payable obligations were computed using the present values of the total lease payments.

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

	Asset Balances at October 31	
	1991	1990
Class of property:		
Office Equipment	\$ 98,974	\$ 74,748
Less: Accumulated amortization	48,399	44,838
	\$ 50,575	\$ 29,910

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of October 31, 1991:

Year ending October 31:

1992	23,411
1993	17,687
1994	12,482
1995	12,482
1996	5,201
Total minimum lease payments	71,263
Less: Amount representing interest (1)	10,335
Present value of net minimum lease payments	\$ 60,928

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

**NOTE 11: DESIGNATED FUNDS**

This represents designated funds as set forth by Minnesota Statutes, Section 297A.25.



## SUPPORTING SCHEDULE - INCOME AND EXPENSES

For the years ended October 31	1991	1990
<b>INCOME</b>		
Ticket sales:		
Coliseum	\$ 83,821	\$ 64,875
Grandstand	1,739,417	1,510,878
Outside gate	4,943,804	5,031,381
Parking	484,838	-0-
Raft ride	82,856	80,015
Trackless train	30,202	29,832
Total ticket sales	7,364,938	6,716,981
Departmental:		
Agriculture-Horticulture	450	1,235
Box office	129,331	135,373
Carnival	943,851	900,256
Cattle	20,039	10,820
Entertainment	15,018	38,081
Forage	14,061	16,683
FFA	3,104	2,752
Gift Shop	89,914	-0-
Goats	1,158	1,024
Horses	80,251	81,068
Llamas	918	840
Poultry	2,051	2,312
Public safety	6,463	11,883
Sheep	3,375	2,942
Space rental	2,628,223	1,783,755
Swine	724	766
Total departmental	3,938,931	2,989,790
Other:		
Campground	60,313	49,590
Interest	63,117	78,126
Miscellaneous	42,557	55,485
Off-season activity	1,124,666	1,037,166
Sale of bulk milk	10,860	14,021
Sale of market animals	52,223	74,205
Sale of materials	3,339	3,341
Sponsorship	127,932	140,415
Telephone	37,785	-0-
Total other	1,522,792	1,452,349
Total income	\$ 12,826,661	\$ 11,159,120

## EXPENSES

For the years ended October 31

1991

1990

### Administrative:

Annual meeting	\$ 2,977	\$ 3,522
Bad debt	3,881	676
Board honorarium	10,400	10,400
Bonds and insurance	128,115	149,815
Computers	21,862	30,833
Dues and subscriptions	11,326	13,916
Legal services	15,330	8,080
Legislative audit	22,308	20,570
Mailing service	14,644	14,886
Medical insurance	138,088	115,075
Postage	95,266	76,958
Printing and supplies	52,324	51,841
Records and archives	255	-0-
Retirement fund	72,337	65,053
Salaries	264,593	266,809
Social security	241,355	131,343
Staff training	3,227	8,353
Telephone	35,394	33,881
Travel expense	53,374	44,855
Unemployment compensation	7,615	6,145
Workers compensation	32,500	42,467
Total administrative	1,227,171	1,095,478

### Departmental:

Admissions	122,571	115,517
Advertising	533,490	530,230
Bee culture	6,529	6,447
Box office	177,835	161,971
Campground	28,402	20,894
Care and assistance	2,415	2,044
Carnival	14,385	16,541
Cattle	43,158	35,599
Christmas trees	3,045	2,510
Competitive exhibits	98,678	79,918
Creative activities	44,386	40,978
Dairy products	921	1,229
Education	18,962	20,797
Farm crops	10,123	9,158
Finance	213,234	155,974
Fine arts	21,770	21,457
Flower and agriculture shows	29,550	28,304
Flowers	6,650	5,788
Forage	12,548	34,282
4-H Club	125,362	119,201
Free entertainment	589,189	653,437
Fruit	6,514	6,188
FFA	29,535	29,447
Gate tickets	130,058	103,695



## EXPENSES (CONTINUED)

For the years ended October 31	1991	1990
Gift shop	72,119	-0-
Goats	4,057	3,995
Grandstand	1,610,025	1,453,929
Greenhouse	125,933	128,147
Guest and staff services	174,220	124,521
Heritage exhibits	7,384	-0-
Horses and rodeo	124,410	125,321
Llamas	2,349	2,487
Meats	4,615	4,442
Media and public relations	287,297	244,544
Park and ride	147,859	44,188
Parking	115,551	97,944
Poultry	11,837	10,015
Public safety	319,544	309,928
Sanitation	575,147	420,236
Senior citizens	23,234	27,280
Sheep	6,888	7,068
Space rental	499,981	325,491
Swine	9,385	8,416
Ticket audit	4,753	5,043
Vegetables	4,907	4,413
Youth Camp	18,978	20,036
Total departmental	6,419,783	5,569,051
Premiums:		
Bee culture	2,590	2,792
Cattle	82,863	72,615
Christmas trees	1,765	1,771
Creative activities	9,595	9,540
Dairy products	605	605
Education	8,627	9,614
Farm crops	13,229	13,211
Fine arts	7,000	6,200
Flowers	2,488	2,234
4-H Club	61,344	64,656
Fruit	1,429	1,380
FFA	34,891	33,554
Goats	7,551	7,458
Horses	65,697	66,728
Llamas	3,210	2,465
Poultry	10,578	10,422
Sale of bulk milk	10,859	13,975
Sale of market animals	51,781	74,186
Sheep	23,015	20,378
Swine	18,944	20,480
Talent contest	5,935	6,035
Vegetables	2,499	2,642
Total premiums	426,495	442,941

## EXPENSES (CONTINUED)

For the years ended October 31	1991	1990
Other:		
Architectural and engineering	52,502	18,700
Fire and police service	85,992	93,847
Fuel, oil and gasoline	29,938	27,347
Institutional tickets	62,675	57,932
Interest	55,731	61,446
Miscellaneous	21,191	23,491
Off-season activity	519,272	514,987
Property and casualty loss	315	2,463
Property tax	4,379	5,213
Signs	23,209	17,563
Utilities	151,260	154,271
Veterinarian service	30,195	28,675
Water and sewer	126,575	92,045
Total other	1,163,234	1,097,980
Maintenance:		
Electric plant	57,996	80,039
Fence and fixtures	11,579	33,730
Gas system	2,132	208
General	488,609	449,343
Grading, sod, trees	25,188	39,810
Personal property	156,594	134,460
Set-up and take-down	504,165	470,504
Sewer system	8,871	19,055
Storm damage	250	1,617
Streets and sidewalks	27,866	97,523
Structures	196,090	301,072
Supplies	35,465	41,564
Vehicles	96,075	91,335
Watchmen	66,120	61,155
Water system	16,791	16,699
Total maintenance	1,693,791	1,859,142
Depreciation:		
Electric plant	62,461	50,563
Fence and fixtures	13,759	14,791
Gas system	686	686
Land improvement	34,288	33,832
Personal property	121,857	112,771
Sewer system	8,160	8,149
Structures	571,022	539,313
Water system	11,076	10,741
Total depreciation	823,309	770,846
Total Expense	\$ 11,753,783	\$ 10,835,438
Net Income	\$ 1,072,878	\$ 323,769



## **SUPPORTING SCHEDULE — CASH & CASH EQUIVALENTS**

Herewith find the report of cash and cash equivalents of the Minnesota State Agricultural Society for the year ending October 31, 1991:

**Beginning balance November 1, 1990**

Imprest fund—cash on hand	\$ 2,050
Checking accounts	75,406
Cash equivalents	1,732,312
Trust fund	3,262

Total	\$ 1,813,030
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Increase (Decrease) in Cash for 1991	1,297,965
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Ending Cash Balance October 31, 1991	\$ 3,110,995
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**Detail of Year-End Cash Balance:**

Imprest fund—cash on hand	\$ 500
Checking accounts	599,885
Cash equivalents	2,507,348
Trust fund	3,262

Total	\$ 3,110,995
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Respectfully submitted,  
Mike Heffron,  
Executive Vice President

St. Paul, Minnesota

October 31, 1991



STATE OF MINNESOTA

**OFFICE OF THE LEGISLATIVE AUDITOR**

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

JAMES R. NOBLES, LEGISLATIVE AUDITOR

Representative Ann Rest, Chair  
Legislative Audit Commission

**Members of the Legislative Audit Commission**

Mr. Willis Lilliquist, President  
Board of Managers  
State Agricultural Society

Mr. Michael D. Heffron, Executive Vice President  
State Agricultural Society

**Members of the State Agricultural Society**

**Audit Scope**

We have audited the financial statements of the State Agricultural Society as of and for the year ended October 31, 1991, and issued our report thereon dated January 9, 1992. We have also made a study and evaluation of the internal control structure of the Society in effect at October 1991.

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial activities attributable to the transactions of the society are free of material misstatements.

As part of our examination of the financial statements and our study and evaluation of the internal control structure, we performed tests of the society's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

**Management Responsibilities**

The management of the society is responsible for establishing and maintaining an internal control structure. The responsibility includes compliance with applicable laws, regulations, contracts, and grants. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that:



Representative Ann Rest, Chair  
Members of the Legislative Audit Commission  
Mr. Willis Lilliquist, President  
Mr. Michael D. Heffron, Executive Vice President  
Members of the State Agricultural Society  
Page 2

- assets are safeguarded against loss from unauthorized use or disposition; and
- transactions are executed in accordance with applicable legal and regulatory provisions, management's authorization, and recorded properly.

Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

### **Internal Control Structure**

For purposes of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- ticket sales,
- space rental receipts,
- cash and investments,
- fixed asset inventories and depreciation,
- cash disbursements, and
- payroll.

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

### **Conclusions**

In our opinion, the internal control structure of the State Agricultural Society in effect at October 1991, taken as a whole, was sufficient to meet the objectives stated above insofar as those objectives pertain to the prevention or detection of errors or irregularities in amounts that would be material in relation to the financial activities attributable to transactions of the society.

However, we noted certain matters involving the internal control structure and its operation that we reported

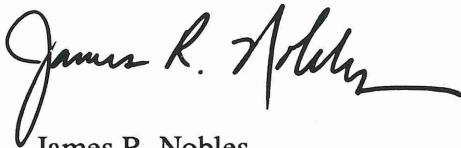
Representative Ann Rest, Chair  
Members of the Legislative Audit Commission  
Mr. Willis Lilliquist, President  
Mr. Michael D. Heffron, Executive Vice President  
Members of the State Agricultural Society  
Page 3

to the management of the society in a meeting held on January 28, 1992.

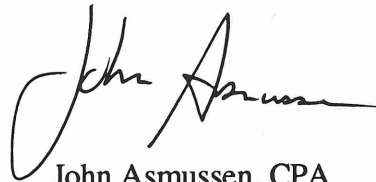
The results of our tests indicate that, except for the issue discussed in finding 1, with respect to the items tested, the society complied, in all material respects, with the provisions referred to in the audit scope paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the society had not complied, in all material respects, with those provisions.

This report is intended for the information of the Legislative Audit Commission and management of the society. This restriction is not intended to limit the distribution of this report, which was released as a public document on February 27, 1992.

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



James R. Nobles  
Legislative Auditor



John Asmussen, CPA  
Deputy Legislative Auditor

End of Fieldwork: January 9, 1992

Report Signed On: February 24, 1992



**Audit Participation**

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

John Asmussen, CPA	Deputy Legislative Auditor
Jeanine Leifeld, CPA	Audit Manager
Mary G. L. Jacobson, CPA	Auditor-in-Charge
Sonya Hill	Auditor
Karen Klein	Auditor

**Exit Conference**

The findings and recommendations presented in this report were discussed with the following staff of the State Agricultural Society at an exit conference held on January 28, 1992:

Mike Heffron	Executive Vice President—General Manager
Rick Frenette	Director of Finance
Marshall Jacobson	General Accounts
Mike Kirch	Payroll and Disbursements
Steve Pooch	Director of Competition
Karen Leach	Director of Entertainment
Jerry Hammer	Media and Public Relations Director
Jim Sinclair	Rental Services Director
Ken Wenzel	Director of Operations
Jim Frost	External Affairs Director

**Introduction**

The State Agricultural Society was legally organized as a public corporation in 1860. The society operates under Minn. Stat. Chapter 37. However, it is a self-governing body and is exempt from the finance-related rules and regulations applicable to most state agencies.

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

The State Agricultural Society is financially self-sufficient. For the year ended October 31, 1991, the society reported income of approximately \$12,826,661 and expenses of \$11,753,783, resulting in net income of \$1,072,878. The primary sources of revenue are derived from ticket sales and space rentals.

Significant expense classifications include administrative, departmental, premiums, maintenance, and depreciation charges.

## **Current Finding and Recommendation**

### **1. The State Agricultural Society did not maintain sufficient collateral for the checking account balance.**

The society's checking accounts did not have collateral during the audit period, as required by statute. Minn. Stat. Section 37.07 requires the society's depository bank to maintain collateral as required by Minn. Stat. Section 118.01. Minn. Stat. Section 118.01, Subd.(2) states,

*...the total in amount of the collateral computed at its market value shall be at least ten percent more than the amount on deposit at the close of the business day, in excess of any insured portion...*

In April 1990, the society transferred its accounts to a new bank. The society's checking account balance typically was in excess of the \$100,000 limit for FDIC insurance. Until recently, however, it did not require the bank to pledge collateral on the uninsured balance. During August through October 1991, the society frequently maintained checking account balances over \$1 million, without collateral. The balance was as high as \$5 million during the State Fair.

On November 25, 1991, the society obtained a \$1 million U.S. Treasury Note from the bank as collateral on its checking account. However, the current collateral amount may still not be sufficient during certain times of the year. The society must develop a process for monitoring and investing cash balances to ensure they have sufficient collateral as required by Minn. Stat. Section 118.01.

## **Recommendation**

- *The society should secure sufficient collateral as required by Minn. Stat. 118.01, for any amounts deposited into their checking accounts.*



Executive Vice President's Response

February 13, 1992

Ms. Jeanine Leifeld, CPA  
Audit Manager  
Minnesota Legislative Auditor  
Centennial Building  
St. Paul, MN 55155

Dear Ms. Leifeld:

Provided herewith is a response to the recommendation having to do with the collateralization of society checking accounts contained in your preliminary audit report for the year ending Oct. 31, 1991.

We concur with and have undertaken to implement this recommendation.

The process we have put in place requires that the fair's finance director verify cash balances, by phone, at least once each week throughout the year. Moreover, he is to monitor cash balances on a daily basis during the period Aug. 15 through Sept. 15. A record of this weekly or daily verification will be maintained for your inspection.

North Star Bank has agreed to pledge collateral of \$1 million on a yearly basis, and to pledge an additional \$2 million during the 30 day period ending Sept. 15. Investment adjustments will be made consistent with this base line so as to maintain adequate collateral as required by Minn. Stat. 37.07 and 118.01.

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

Sincerely,



Mike Heffron  
Executive Vice President

MH/ch

cc: SES

# Meeting Minutes

## SPACE RENTAL COMMITTEE MEETING

St. Paul Radisson Hotel, Congress Room  
Saturday, January 19, 1991 - 9:00 a.m.

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

Also present: Annexstad; Lillquist; Recknor; Frenette; Hammer and Enzler.

The meeting was called to order at 9:00 a.m. by Chairman Keenan.

A list of participation and percentage attraction agreements, along with corresponding contract terms and ticket prices proposed for the 1991 fair, was presented to the committee and approved on a motion by Mr. Simons, seconded by Mr. Lund and carried (Aye-5; Nay-0):

### 1991 MINNESOTA STATE FAIR PARTICIPATION/PERCENTAGE ATTRACTIONS

CONCESSIONAIRE	ATTRACTION	TICKET PRICE(S)	PERCENTAGE(S)
Antique Auto. Club of America - MN Region	Antique Auto Museum	\$1.00	30%
Arrow Enterprises, Inc.	Skyride	\$1.25 = Child-One Way \$1.75 = Child-Round Trip \$1.75 = Adult-One Way \$2.50 = Adult-Round Trip	25%
*Desplenter Novelties	Novelty Concessions	Non-ticketed activity	Gtee. of \$12,400.00 and 30% of gross sales over \$49,600.00
Fairway Golf Range	Miniature Gold	Non-ticketed activity	33-1/3%
Grandstand Entertainer Merchandise Sales	Entertainer Merchandise	Non-ticketed activity	15%
Grandstand Food/Beverage Concessionaire	Food & Beverages (Grandstand Seating Area)	Non-ticketed activity	30% of the first \$20,000.00 in gross sales and 32% of gross sales Over \$20,000.00, plus appropriate 3.2 beer corkage fees for such sales
K & M Recreation	Haunted House	\$2.00	27% of gross sales through \$100,000.00 and 30% of gross sales over \$100,000.00
Misc. and Bandshell	Entertainer Merchandise Sales	Non-ticketed activity	15%
Miscellaneous Merchandise Sales	Misc. Merchandise Sales	Non-ticketed activity	10%
Royal American Shows, Inc.	Carnival (Rides & Shows)	Single Coupon = \$ .45 Coupon Sheets: Fair-time = 25 coupons for \$10.00 Advance = 25 coupons for \$8.00	33% of tickets sales up to and including: \$250,000.00; 35% of ticket sales from \$250,000.00 - \$500,000.00; 38% of ticket sales from \$500,000.00 - \$750,000.00; 40% of ticket sales from \$750,000.00 - \$1,000,000.00; 43% of ticket sales from \$1,000,000.00 - \$1,250,000.00; 45% of ticket sales from \$1,250,000.00 - \$1,500,000.00; 48% of ticket sales from \$1,500,000.00 - \$1,750,000.00 and 50% of ticket sales over \$1,750,000.00
Ventor Place, Inc.	Space Tower	Children = \$ .75 Adults = \$1.50	25%
Ye Old Mill Amusements, Inc.	Old Mill Canal Boat Ride	Children = \$1.00* Adults = \$1.25*	33-1/3%

\* denotes concession in the process of divestiture

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

The committee was presented with a list of 3.2 malt beverage concession agreements for the 1991 fair, following which the subject agreements were approved on a motion by Ms. Roehlke, seconded by Mr. Prokosch and carried (Aye-5; Nay-0):

### 1991 MINNESOTA STATE FAIR 3.2 BEER CONCESSIONS

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

James W. Crocker - Blk. 31, Lots 16, 17 & 18, Spaghetti Village

John A. Giere - Blk. 42, Bldg. 421, Arcade Bldg., Spaces 24 - 32

H.M.H. of St. Paul, Inc. - Blk. 47, Bldg. 471, Bazaar, Space A

Hildebrand Concessions, Inc. - Blk. 28, Bldg. 281, Grandstand Seating Area  
Seats & Infield

Kirschner's Beer Stube - Blk. 45, Bldg. 451, Ag. Hort. Bldg., Space H

Midway Men's Club - Blk. 30, Lot S

Richard C. Werner - Blk. 42, Bldg. 421, Arcade Bldg., Spaces 16 - 21

The preceding represent concessions at the State Fair previously contracted to sell 3.2 beer.

On a motion by Mr. Simons, seconded by Mr. Lund and carried, the following list of multiple concession and exhibit contracts for the 1991 fair was approved (Aye-5; Nay-0):

### 1991 MINNESOTA STATE FAIR MISCELLANEOUS CONCESSIONS/EXHIBITS

CONCESSION/EXHIBIT NAME	DESCRIPTION	# LOCATIONS
Larry Abdo/Gopher State Ice Co.	Pocket Pies/Ice	2
American Amusements Arcades	Coin Operated Arcade Games	2
American Dairy Assn.	Ice Cream, Milk, Dairy Foods and A.D.A. Merchandise	2
Mark Andrew	French Fries/S'Mores	2
Arrow Enterprises, Inc.	Skyride/Food & Beverages	2
Barberio Sales	Jewelry	2
Ben Benson	Bratwurst	2
Bodines, Inc.	Pianos and Organs	2
Cenaiko Enterprises, Inc.	Corn on the Cob/Chamios	2
Chrysler Corp.	Dodge Cars & Trucks	2
Gary Crutchfield Concessions	Cheese on a Stick	2 *
Wm. F. Danielson	Onion Rings/Pizza	2
Darlinda, Inc.	Dining Hall/Pie	2
Ekluh Products	Eye/Glass Cleaner	2
Fisherman's Wharf Seafood	Fish	2
George Funk	Leather Crafts/Coffee	2
Garibaldi's/French 1/4 Del.	Pralines/Jewelry	2
Kirch Enterprises	Bratwurst/Food & Beverage	2
Giant Ride, Inc.	Giant Slide/Cheese on a Stick	2 *
John A. Giere	Food, Beverages & 3.2 Beer/Games	2 *
Connie Hanian	Lemonade/Tacos	2 *
Holly's Hobby	Hand Crafts	2
Shirley Hudspeth	Personalized & Victorian Merchandise/Rock & Roll Merchandise	2 *
Tina Isaac	Snacks/Food & Beverages	2
Jamar Products	Rhinestone Setters/Embroidery Needles	2 *
Gregory B. Kusick	Cotton Candy	2
Gary Larson	Popcorn, Caramel Corn and Caramel Apples	2
Kurt Larson	Strawberry Pie, Shortcake & Drink/Tiny Tim Donuts	2
M. & D. Enterprises	Fudge	2 *
Major League Sports Shops	Professional Sports Team Merchandise	2
Matt Milner Sales	Novelties	2
Mini-Kabob Foods	Kabobs	2
Minn. Honey Producers	Honey, Honey Ice Cream and Candy	2
Lee Moss Amusements	Digger Skill Games	2 *



Muskar, Inc.	Fried Cheese Curds	2	World Book-Childcraft Int'l.	Encyclopaedias	3 **
National Icee Corp.	Icee Frozen Beverages	2	Kathy Yahr	Cotton Candy	3
National Service Co.	Jewelry Cleaner	2 *	Coliseum Concessions	Food, Beverages and 3.2 Beer	4
Nomar, Inc.	Hokey Sweepers, Dusters & Brooms	2	Todd A. Erickson (State Fair Penny Arcade)	Coin Operated Arcade Games/ Games of Skill	4 **
Northern Hydraulics	Tools/Tractors	2	Hannasch, Inc.	Sno Cones	4 **
Northland Emblem	Patches & Emblems for Hats	2 *	James Hartley	Cotton Candy	4 *
Louise H. O'Neil	Hot Dogs on a Stick	2	Hixon Glass Blowers	Blown & Spun Glass	4 *
Orange Treat	Orange Treat Drink/Pineapple on a Stick	2	Hohenwald Enterprises, Inc.	Food and Beverages	4
Patterson Products	Resin Products/Hors D'oeuvre Makers	2 *	Eugene R. LaVaque	Sno Cones	4 **
Jack Robinson	Smorgasbord/Food & Beverages	2	Minnetonka Moccasin Co.	Moccasin Footwear	4
St. Paul Pioneer Press	Newspapers	2	Philip M. Sampson	Games of Skill	4
Schmitt Music Centers	Pianos and Organs	2	Schroder Concessions	Popcorn, Caramel Corn, Caramel Apples, Cheese Curds, Lemonade and Bratwurst	4
Robert L. Shutes	Food & Beverages	2	Syndicate Sales Corp.	Vegetable Cutters, Dusters Rosette Irons, Bowmakers, Woks and Rug Braiders	4 **
W.F. Spiess & Sons	Carved Wood Signs	2	Jane G. Volin	Cigarettes and Cigars	4
David K. Sunderland	Popcorn, Caramel Corn, Caramel Apples and Root Beer	2	Paul S. Ward	Corn on the Cob, Hamburgers Ft. Longs and Chicken	4 *
Tom Thumb Donut Corp.	Tom Thumb Donuts	2	Compurate Leasing	Heart Rate Monitor Machines	6
Art Tysk Concessions	Popcorn, Caramel Corn, Caramel Apples, Candy, Gum & Beverages	2	Burton F. Johnson	Gum Ball & Charm Machine	10
Jodeen L. Warden	Popcorn Caramel Corn, Caramel Apples and Rosettes	2	USA Today	Newspaper Racks	12
Watkins, Inc.	Watkins Products	2	Star Tribune	Newspaper Racks	16
Jerry Woldorsky	Buffalo Burgers/Baked Potatoes	2	St. Paul Pioneer Press	Newspaper Racks	16
Wozniak Concessions	French Fries	2	Desplenter Novelties	Novelties	19 */**
Robert W. Crocker	Root Beer	3	U.S. Bench Corp.	Advertising Park Benches	40
Lynn Davis	Ice Cream, Sno Cones, Caramel Apples and Beverages	3 **			
Maxine W. Davis	Ice Cream, Sno Cones, Caramel Apples and Beverages	3 **			
Delrick Enterprises	Popcorn, Caramel Corn, Caramel Apples and Beverages	3			
Encyclopaedia Britannica	Encyclopaedias	3 *			
Fresh Fruit	Fruit	3			
James Johnson	Ft. Long Hot Dogs	3			
Chester H. Nairne Co.	Osterizer Blenders/Supra Silverstone Cookware	3 *			
Edward & Sally Nuebel	Fish & Chips/Nut Products	3 *			
Offerman and Company	Investment Information	3			
Fred C. O'Neil, Jr.	Hot Dogs on a Stick	3			
Leah H. O'Neil	Hot Dogs on a Stick	3			
Theodore G. O'Neil	Hot Dogs on a Stick	3			
James & Ethel Peters	Hot Dogs/Polish Sausage	3 *			
Schultz's Concessions	Hamburgers & Hot Dogs	3			
Byron & Gloria Shutes	Food & Beverages	3			
Televac Computer Company	Personality Computers	3 */**			
Gregory J. Tetrault	Ice Cream, Sno Cones, Caramel Apples and Beverages	3 **			
Melvyn Townsend	Ft. Long Hot Dogs	3 **			
John Tysseling	Fried Mushrooms/Turkey Drum- sticks/Popcorn	3			
Universal International, Inc.	Jewelry, Puppets, Toys and Gift Merchandise	3			

\* Denotes Non-Minnesota Concessionaires/Exhibitors

\*\* Denotes Concessionaires in the process of divestiture

Reports reflecting comparisons of multiple concession and exhibit contracts for 1975 through 1990 were presented to the committee by staff. No action necessary:

# MINNESOTA STATE FAIR EXHIBIT/CONCESSION CONTRACT COMPARISON 1985 - 1987 - 1989 - 1990

Number of Individual Locations	Held by the Following Number of Persons			
	1985	1987	1989	1990
1	865	874	959	995
2	55	53	55	51
3	24	25	17	20
4	10	7	7	15
5	4	8	10	4
6	0	0	3	1
7	3	3	0	0
9	1	1	0	0
*10	0	0	0	1
**12	0	0	0	1
***21	0	0	0	1
23	0	0	1	
26	1	0		
27	0	1		
33	1			
Total Number of Locations Available	1,196	1,180	1,239	1,293
Number of Persons Holding Locations	964	972	1,052	1,089
Percentage of persons Holding 4 or Fewer Locations	99%	99%	99%	99%
Percentage of Locations Held in Units Smaller than 5	91%	92%	92%	94%

Number of Locations Held by Minnesota Residents	876	907	959	1,004
Percentage of Locations Held by Minnesota Residents	73%	77%	77%	78%

\*Gum Ball Machine  
 \*\*Newspaper Vending Machines  
 \*\*\*Novelty Stands

#### MINNESOTA STATE FAIR FOOD CONCESSION/CONTRACT COMPARISON 1975 - 1980 - 1985 - 1990

Number of Individual Food Locations	Held by Following Number of Persons			
	1975	1980	1985	1990
1	95	131	147	188
2	20	19	29	27
3	4	9	15	14
4	5	7	6	9
5	3	1	2	2
7	0	2	2	
8	0	2	0	
9	1	1	1	
12	1	1	0	
13	2	0	0	
14	2	0	0	
15	0	1	0	
17	1	0	0	
26	0	0	1	
27	0	1		
32	1			
Total Number of Locations Available	306	322	333	330
Number of Persons Holding Locations	135	175	203	240
Percentage of Persons Holding 4 or Fewer Locations	92%	95%	97%	99%
Percentage of Locations Held in Units Smaller than 5	55%	68%	82%	97%
Number of Locations Held by Minnesotan Residents	158	288	292	287
Percentage of Locations Held by Minnesotan Residents	52%	89%	88%	87%

Sinclair presented the committee with proposed adjustments to Merchandise and Commissary Permit fees for the 1991 fair as follows: Merchandise Permit - \$ 50.00 (without Commissary Permit), \$100.00 (with Commissary Permit); Commissary Permit - \$ 75.00 (if provided without a Merchandise Permit).

Commissary space is provided on an "as available basis" and is not guaranteed with acquisition of a Merchandise Permit. No parking fee is charged vehicles identified with either a Merchandise or Commissary Permit at the outside gate. On a motion by Mr. Prokosch, seconded by Mr. Morris, the preceding fees were approved (Aye-5; Nay-0).

Sinclair provided a brief update regarding response to implementation of percentage space rental fees on food and beverage concessions at the 1991 fair, as well as information on potential Food Building expansion.

On a motion by Mr. Lund, seconded by Mr. Prokosch and carried, the meeting was adjourned at 9:55 a.m. (Aye-5; Nay-0).

#### PLANNING COMMITTEE MEETING

St. Paul Radisson Hotel  
 Saturday, Jan. 19, 1991 - 12 noon

Members present: Lund, chair; Simons; Lilliquist; Roehlke; Prokosch; Keenan; Korff, ex officio; Heffron, ex officio; Wenzel, ex officio; Frenette, ex officio.

Also present: Pooch; Sinclair; Hammer.

A proposed 1991 improvement and maintenance budget totaling \$2.7 million was presented by Mr. Wenzel and reviewed by the committee. Also discussed was a deferred project list of approximately \$1.8 million.

Following a detailed review by committee and staff, it was moved by Mr. Prokosch, seconded by Mr. Simons and carried that the budget be accepted as presented and that a committee recommendation be made for full board approval. Included in the motion was staff authority to adjust specific line items as appropriate to changes which might occur during the course of the budget year (Aye-5; Nay-0).

It was moved by Mr. Simons, seconded by Mr. Lilliquist and carried that the secretary be authorized to release the sum of \$350,000 from the building fund for direct application to structure and land improvements (Aye-5; Nay-0).

Meeting adjourned.

#### LIFE MEMBER ADVISORY COMMITTEE MEETING

St. Paul Radisson Hotel  
 Sunday, Jan. 20 - 1:30 p.m.

Members present: Bill Korff, chairman; Sulo Ojakangas; Gale Frost; Deke Grussendorf; Harveydale Maruska. Also present: Harold Thomforde; Leonard Harkness; Willis Lilliquist; Karen Leach.

Following a brief discussion, it was moved by Mr. Ojakangas, seconded by Mr. Maruska and carried that long-time employee Cliff Olson be recommended for life membership (Aye-4; Nay-0).

It was moved by Mr. Maruska, seconded by Mr. Grussendorf and carried that the board and staff be commended for their work on the 1990 State Fair and extended their best wishes for continued success in 1991 (Aye-4; Nay-0).

Meeting adjourned.

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

St. Paul Radisson Hotel  
 Monday, Jan. 21, 1991 - 8:30 a.m.

Members present: Willis Lilliquist, president; Bert Lund and Rich Keenan, vice presidents; Martin Annexstad; Howard Morris; Vern Prokosch; Howard Recknor; Eileen Roehlke; Clarice Schmidt; Don Simons; Mike Heffron, secretary.

Also present: Jerry Hammer; Jim Sinclair; Rick Frenette; Steve Pooch; Karen Leach; Joe Fischer; Sherry Enzler; Jim Frost; Jim Donnelly; Ken Wenzel.

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

It was moved by Mr. Simons, seconded by Mr. Lund and carried that Mike Heffron be reappointed secretary of the society for a period of one year with his annual salary fixed at \$81,620. In addition thereto, it was specified that Mr. Heffron's working title be that of executive vice president and that he be required to live on the State Fairgrounds for the convenience and to the benefit of the society with gratis rent, utilities and telephone (Aye-9; Nay-0). Oath of office administered to Mr. Heffron.

Minutes of the Nov. 5 board and space rental committee meetings, previously mailed to the members, were approved on a motion by Mr. Lund, seconded by Mr. Annexstad and carried (Aye-9; Nay-0).

A motion to approve minutes in vacation for the period Nov. 6, 1990 through Jan. 11, 1991, and the administrative action noted therein, was offered by Mr. Prokosch, seconded by Mr. Morris and carried (Aye-9; Nay-0).

Secretary presented the financial statement of Dec. 31, 1990, as follows:

#### GENERAL FUND ACTIVITY:

Cash Balance-Nov. 30, 1990		\$	(121,662)
Add: Dec. Cash Deposits		\$	563,741
Less: Payroll Ending Dec. 5			(73,504)
Payroll Ending Dec. 19			(67,151)
Dec. Cash Disbursements			(279,408)
			143,678

Cash Balance-Dec. 31, 1990 \$ 22,016

#### MARKETABLE SECURITIES ACTIVITY:

Balance-Nov. 30, 1990		\$	1,022,326
Add: Interest Earned		\$	4,597
Less: Service Charges			(236)
Securities Cashed			(500,000)
			(495,639)

Balance-Dec. 31, 1990 \$ 526,687

#### BUILDING FUND ACTIVITY:

Balance-Nov. 30, 1990		\$	520,098
Add: Interest Earned		\$	3,333
Less: Service Charges			(106)
			3,227

Balance-Dec. 31, 1990 \$ 523,325

#### CASH BALANCES FOR MONTH ENDING DECEMBER 31:

	1989	1990
General Fund	\$ 48,181	\$ 22,016
Petty Cash	500	2,050
Marketable Securities	1,074,409	526,687
Building Fund	190,317	523,325
Total Cash Balances	\$ 1,313,407	\$ 1,074,078

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



A resume of financial information, covering 1977 through 1990, was circulated:

MINNESOTA STATE FAIR FINANCIAL RESUME					
	INCOME	EXPENSE	OPERATING GAIN (LOSS)	RETAINED EARNINGS	DEBT
1977	4,406,000	4,593,000	(187,000)	648,000	
1978	5,000,000	4,866,000	134,000	940,000	
1979	5,482,000	5,242,000	240,000	532,000	301,000
1980	6,044,000	6,051,000	(8,000)	392,000	281,000
1981	6,201,000	6,111,000	90,000	682,000	261,000
1982	6,677,000	6,475,000	202,000	991,000	261,000
1983	6,969,000	6,959,000	10,000	933,000	1,218,000
1984	7,841,000	7,469,000	372,000	1,227,000	1,163,842
1985	8,088,000	7,443,000	645,000	1,747,000	1,179,000
1986	8,977,000	8,336,000	641,000	1,869,000	1,125,000
1987	9,320,000	9,026,000	294,000	1,602,000	1,016,000
1988	10,222,000	9,759,000	463,000	1,602,000	974,000
1989	11,171,000	10,267,000	904,000	1,307,000	881,000
1990	11,159,000	10,835,000	324,000	1,051,000	748,000
	NEW PLANT INVESTMENT	PLANT MAINTENANCE	PRIZE MONEY PAID OUT	SALES TAX TO BUILDING FUND*	
1977	306,000	391,000	309,000		111,000
1978	211,000	336,000	344,000		125,000
1979	1,019,000	339,000	369,000		138,000
1980	747,000	351,000	391,000		150,000
1981	241,000	312,000	396,000		191,000
1982	275,000	416,000	361,000		215,000
1983	1,493,000	447,000	397,000		263,000
1984	530,000	436,000	317,000		300,000
1985	663,000	476,000	379,000		298,000
1986	1,017,000	563,000	400,000		319,000
1987	1,024,000	637,000	429,000		356,000
1988	1,062,000	634,000	438,000		379,000
1989	1,804,000	757,000	463,000		*353,000
1990	1,222,000	837,000	443,000		*375,000

It was moved by Mr. Simons, seconded by Ms. Roehlke and carried that the North Star State Bank of Roseville be designated as depository for the society's general fund, premium fund, regular payroll fund and fair-period payroll fund accounts (Aye-9; Nay-0).

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

- General Fund** - Richard Frenette, Karen Leach, Kenneth Wenzel or Michael Heffron (any combination of two signatures). When used for ticket or entry refund checks in amounts of less than \$100, "Frenette/Heffron" signature plate is authorized. When used for checks given in exchange for cash from second parties (bank drafts), "Frenette/Heffron" signature plate is authorized.
- Regular and fair-period payroll** - Michael Heffron, Kenneth Wenzel or Richard Frenette (one signature). "Heffron" signature plate authorized for fair-period payroll.
- Premiums** - Michael Heffron, Kenneth Wenzel or Richard Frenette (one signature). "Heffron" signature plate authorized for premium fund.

Note: When signature plates are used, signature must be applied by a person in the finance group not involved in check preparation.

Upon a motion by Mr. Simons, seconded by Mr. Annexstad and carried, the following standing committee assignments were made for 1991 (Aye-9; Nay-0):

**FINANCE COMMITTEE** -- Morris, chair; Roehlke; Lund; Annexstad; Prokosch; Keenan; Lilliquist, ex officio; Heffron, ex officio; Frenette, ex officio; Frost, ex officio; Pooch, ex officio.

**GOVERNMENTAL AFFAIRS COMMITTEE** -- Annexstad, chair; Roehlke; Morris; Lund; Keenan; Simons; Lilliquist, ex officio; Heffron, ex officio; Frost, ex officio; Hammer, ex officio; Sinclair, ex officio.

**LIFE MEMBER ADVISORY COMMITTEE** -- Korff, chair; Ojakangas, vice chair; Sprengeler; Muckle; Keskinen; Grussendorf; Lammers; Wilkins; Johnston; Maruska; Carnes; Franke; Gale Frost; Lilliquist, ex officio; Heffron, ex officio; Leach, ex officio; Hammer, ex officio.

**OPERATIONS COMMITTEE** -- Roehlke, chair; Morris; Annexstad; Prokosch; Recknor; Schmidt; Lilliquist, ex officio; Heffron, ex officio; Pooch, ex officio; Sinclair, ex officio; Wenzel, ex officio.

**PLANNING/UTILIZATION COMMITTEE** -- Lund, chair; Roehlke; Morris; Prokosch; Keenan; Recknor; Lilliquist, ex officio; Heffron, ex officio; Frenette, ex officio; Frost, ex officio; Wenzel, ex officio.

**PUBLIC AFFAIRS COMMITTEE** -- Simons, chair; Morris; Lund; Annexstad; Recknor; Schmidt; Lilliquist, ex officio; Heffron, ex officio; Leach, ex officio; Hammer, ex officio.

**RULES/PREMIUM LIST COMMITTEE** -- Prokosch, chair; Roehlke; Annexstad; Simons; Recknor; Schmidt; Lilliquist, ex officio; Heffron, ex officio; Leach, ex officio; Pooch, ex officio.

**SPACE RENTAL COMMITTEE** -- Keenan, chair; Roehlke; Morris; Lund; Prokosch; Simons; Lilliquist, ex officio; Heffron, ex officio; Frenette, ex officio; Sinclair, ex officio; Wenzel, ex officio.

It was moved by Mr. Morris, seconded by Mr. Recknor and carried that the following be appointed department coordinators and superintendents for 1991 (Aye-9; Nay-0):

**COMPETITIVE EXHIBITS DIVISION** (Prokosch)-----Steve Pooch (director)

**Bee Culture** (Recknor) - Winnie Johnson  
**Cattle** (Schmidt) - Ray Arthaud  
**Christmas Trees** (Recknor) - Greg Ustruck  
**Creative Activities** (Prokosch) - Evelyn Hagen  
**Crops** (Recknor) - Duane Smith  
**Dairy** (Recknor) - Cliff Markuson  
**Education** (Simons) - Jim Brown  
**Fine Arts** (Roehlke) - Pat Kennedy Crump  
**Flowers** (Recknor) - Martha Carnes  
**4-H** (Schmidt) - Juanita Reed-Boniface  
**Fruits** (Recknor) - Louis Quast  
**FFA** (Lund) - Paul Day  
**Goats** (Annexstad) - Kevin LeVoir  
**Horses** (Morris) - Bob Peterson  
**Llamas** (Prokosch) - Verne Greenlee  
**Meats** (Keenan) - Ed Butler  
**Poultry** (Morris) - Harold Thomforde  
**Sheep** (Prokosch) - Bill Schulke  
**Swine** (Annexstad) - Jerry Hawton  
**Vegetables** (Recknor) - Curt Klint

**ENTERTAINMENT DIVISION** (Annexstad)-----Karen Leach (director)

**Free Entertainment** - Renee Alexander  
**Grandstand Production** - Neil Larson

**FINANCE DIVISION** (Morris) -----Rick Frenette (director)

**Payables/Payroll** - Mike Kirch  
**Accounting** - Marshall Jacobson  
**Receipts** - Mary Pittelko  
**Box Office** - Sue Lynskey  
**Ticket Audit** (Lund) - Dick Reinhardt

**Business Management Group** --- Bob Armstrong (supervisor)

**MEDIA, PUBLIC RELATIONS DIVISION** (Simons)-----Jerry Hammer (director)

**Assistant** - Sue Ritt  
**Heritage Exhibits** (Schmidt) - Gale Frost  
**Legislative-Editorial** (Annexstad) -  
**Special Promotions** - Ken Giannini

**OPERATIONS DIVISION** (Roehlke)-----Ken Wenzel (director)

**Administrative Services Group** --- Mary Goiffon (supervisor)  
**Guest Services** -- Joan Casey  
**Care & Assistance** - Wally Wolff  
**Senior Citizen** (Recknor) - Marge Krueger  
**Staff Services** -- Jane Young  
**Assistant** - Cheryl Huber

**Plant Management Group** --- Joe Fischler (supervisor)  
**Greenhouse** -- Bill Hermes  
**Plant Services** -- Dave Juettner

**Special Services Group** ---  
**Admissions** (Roehlke) - Lyle Anderson  
**Forage** (Recknor) - Dan Elmer  
**Parking** (Keenan) - Ron Vannelli  
**Public Safety** (Lund) - Art Blakey  
**Fire Marshal** - Frank Junghans  
**Sanitation** (Morris) - Scot Ribar  
**Youth Camp** (Lund) - Darrell Vanyo

**PLANNING & EXTERNAL AFFAIRS DIVISION** (Lund)-----Jim Frost (director)

**RENTAL SERVICES DIVISION** (Keenan)-----Jim Sinclair (director)

**Space Rental** -- Rochelle Rustad  
**Assistant** - Gloria Kensler  
**Off-Season Events** -- Judi Ohlhauser  
**Coliseum and Livestock Facilities** - Mark Goodrich  
**Midway Ticket Takers** -- Marty Rossini

Mr. Lilliquist recessed the board meeting to accommodate standing committee meetings as follows:

## OPERATIONS COMMITTEE MEETING

Members present: Roehlke, chair; Morris; Annexstad; Prokosch; Recknor; Schmidt; Lilliquist, ex officio; Heffron, ex officio; Pooch, ex officio; Sinclair, ex officio; Wenzel, ex officio.

It was moved by Mr. Prokosch, seconded by Annexstad and carried that the following outside gate "all pay policy" be reaffirmed and extended through 1991: "Entry into the Minnesota State Fair shall be solely contingent upon the presentation and surrender of a valid ticket of admission." (Aye-5; Nay-0).

It was moved by Mr. Prokosch, seconded by Morris and carried to approve the following outside gate fee schedule for 1991: Child admission (5 through 12) - \$2.50; adult admission (13 through 64) - \$4; senior admission (65 and over) - \$2.50; vehicle parking (three or fewer passengers) - \$3; vehicle parking (four or more passengers) - free; adult discount admission (available in advance only) - \$3.25; child or senior discount admission (available in advance only) - \$2 (Aye-5; Nay-0).

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

Committee meeting adjourned.

## PUBLIC AFFAIRS COMMITTEE MEETING

Members present: Simons, chair; Morris; Lund; Annexstad; Recknor; Schmidt; Lilliquist, ex officio; Heffron, ex officio; Leach, ex officio; Hammer, ex officio.

The following proposed advertising and communications budgets for 1991 were introduced:

### MEDIA & PUBLIC RELATIONS BUDGET

	'90 actual	'91 budget
Payroll (full-time, gophers, Farmtech)	114,328	122,200
Printing:		
Two newsletters	35,066	40,000
Daily schedules	6,719	7,500
Two plate pages	1,626	1,750
Ed-Leg materials	397	450
Posters	1,309	5,000
Maps	1,949	2,000
Grandstand flyer	9,842	11,000
MTC brochures (co-op)	0	6,000
Consignment posters	0	1,300
Invitations	950	2,000
Miscellaneous	1,982	3,000
Total printing	59,840	80,000
Ed-Leg supper caterer:	5,035	6,000
MNA & miscellaneous subscriptions:	1,646	2,000
Office supplies & rentals:	3,332	3,800
Photography:	7,002	7,000
Promotional tickets:	10,451	11,000
Survey:	0	7,500
Happenings transfers:	21,250	20,000
Other:		
Infield tent & furniture	1,990	2,500
Awards	3,861	4,000
Media reimbursement	871	1,500
Novelties	1,581	1,000
Vehicle rental	1,111	1,500
Sundries	7,803	8,000
Farmtech charges	0	2,000
Total Other:	17,217	20,500
Totals	240,101	280,000

### ADVERTISING BUDGET

Media:	
Print	\$185,500
Radio	75,000
Television	113,500
Outdoor	27,500
Transit	17,500
	\$ 419,000
Production:	
Print	25,000
Radio	5,500
Television	45,000
Outdoor	1,500
Transit	14,000
Miscellaneous	20,000
	111,000

\$ 530,000

Following discussion, budgeted advertising expenditures of \$530,000 and media/public relations expenditures of \$280,000 were approved for 1991 on a motion by Mr. Annexstad, seconded by Ms. Roehlke and carried (Aye-5; Nay-0).

Committee meeting adjourned.

## RULES & PREMIUM LIST COMMITTEE MEETING

Members present: Prokosch, chair; Roehlke; Annexstad; Simons; Recknor; Schmidt; Lilliquist, ex officio; Heffron, ex officio; Leach, ex officio; Pooch, ex officio.

Upon a motion by Mr. Annexstad, seconded by Mr. Simons and carried, authority was granted to the competitive exhibit director, in coordination with department superintendents, to make adjustments in rules, release dates or premium allocations for respective departments in accordance with guidelines established by the society's 1991 operating budget (Aye-5; Nay-0).

Committee meeting adjourned.

## FINANCE COMMITTEE MEETING

Members present: Morris, chair; Roehlke; Lund; Annexstad; Prokosch; Keenan; Lilliquist, ex officio; Heffron, ex officio; Frenette, ex officio; Frost, ex officio; Pooch, ex officio.

Secretary presented proposed operating, maintenance and improvement budgets for 1991, stating that the maintenance/improvement figures on the expense side of the general budget had been approved by the planning committee on Jan. 19, 1990.

After review and discussion, it was moved by Mr. Lund, seconded by Ms. Roehlke and carried that the 1991 operating, maintenance and improvement budgets be approved as presented (Aye-9; Nay-0):

### MINNESOTA STATE FAIR BUDGET SUMMARY 1-10-91

	1990 BUDGET	1990 ACTUAL	1991 BUDGET
TICKET SALES:			
Coliseum	85,000	64,875	65,000
Grandstand	1,300,000	1,510,878	1,350,000
Outside Gate	4,750,000	5,031,381	4,875,000
Parking			250,000
Raft Ride	60,000	80,015	75,000
Trackless Train	27,000	29,832	28,000
	6,222,000	6,716,981	6,643,000
DEPARTMENTAL:			
Agriculture-Horticulture	1,000	1,235	1,000
Box Office	110,000	119,752	110,000
Carnival		904,595	825,000
Cattle	10,000	10,820	10,000
Entertainment	10,000	16,683	13,000
Forage	35,000	38,081	35,000
FFA	3,000	2,752	3,000
Gift Shop		15,621	35,000
Goat	1,000	1,024	1,000
Horse	75,000	81,068	80,000
Llama	750	840	800
Poultry	2,000	2,312	2,000
Public Safety	7,500	11,883	7,500
Sheep	3,000	2,942	3,000
Space Rental	2,525,000	1,779,416	2,200,000
Swine	750	766	750
	2,784,000	2,989,790	3,327,050
OTHER:			
Campgrounds	45,000	49,590	47,500
Interest	72,000	78,126	75,000
Miscellaneous	35,000	28,953	43,000
Off-Season Activity	1,000,000	1,037,166	975,000
Sale of Bulk Milk	14,000	14,021	14,000
Sale of Market Animals	100,000	74,205	90,000
Sale of Materials	4,000	3,342	3,000
Sponsorship	150,000	140,415	125,000
Telephone			75,000
	1,420,000	1,452,349	1,447,500
TOTAL INCOME	10,426,000	11,159,120	11,417,550

### MINNESOTA STATE FAIR BUDGET SUMMARY -- EXPENSE --

	1990 BUDGET	1990 ACTUAL	1991 BUDGET
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ADMINISTRATIVE:



Annual Meeting	4,000	3,522	4,000	Talent	6,500	6,035	6,000
Bad Debt	1,500	676	1,500	Vegetables	3,500	2,642	3,200
Board Honorarium	10,500	10,400	10,400				
Bond & Insurance	160,000	149,815	110,000		486,300	442,941	477,950
Computer	30,000	30,833	25,000	OTHER:			
Dues & Subscriptions	9,000	13,916	14,000	Architectural & Engineering	25,000	18,700	36,000
Legal Services	15,000	8,080	10,000	Fire & Police Service	95,000	93,847	95,000
Legislative Audit	25,000	20,570	22,000	Fuel Oil Gasoline	30,000	27,347	35,000
Mailing Service	24,000	14,886	15,000	Institutional Tickets	55,000	57,932	60,000
Medical Insurance	115,000	115,075	135,000	Interest	75,000	61,446	140,000
Postage	80,000	76,958	92,000	Miscellaneous	32,000	23,491	35,000
Printing & Supplies	55,000	51,841	55,000	Off-Season Activity	475,000	514,987	490,000
Records & Archives	10,000		5,000	Property & Casualty Loss	2,500	2,463	2,500
Retirement Fund	60,000	65,053	70,000	Property Tax	6,000	5,213	6,000
Salaries	300,000	266,809	225,000	Signs	15,000	17,563	18,000
Social Security	125,000	131,343	140,000	Utilities	140,000	154,271	160,000
Staff Training	10,000	8,353	5,000	Veterinarian Service	30,000	28,675	31,000
Telephone	50,000	33,881	73,000	Water & Sewer	70,000	92,045	100,000
Travel Expenses	45,000	44,855	45,000				
Unemployment Compensation	4,500	6,145	7,000		1,050,500	1,097,980	1,208,500
Workers Compensation	35,000	42,467	35,000	MAINTENANCE:			
	1,168,500	1,095,478	1,098,900	Electric Plant	75,000	80,039	87,000
DEPARTMENTAL:				Fence & Fixtures	40,000	33,730	15,000
Admissions	117,000	115,517	120,000	Gas System	1,000	208	1,000
Advertising	530,000	530,230	530,000	General	425,000	449,343	425,000
Bee Culture	6,500	6,447	7,000	Grading Sod Trees	35,000	39,810	28,000
Box Office	135,000	144,517	135,000	Personal Property	160,000	134,460	162,000
Campgrounds	20,000	20,894	20,000	Set-Up & Take-Down	450,000	470,504	460,000
Care & Assistance	2,500	2,044	2,500	Sewer System	12,000	19,055	15,000
Carnival		16,540	18,000	Storm Damage	5,000	1,617	5,000
Cattle	38,000	35,599	38,000	Streets & Sidewalks	45,000	97,523	24,000
Christmas Tree	2,800	2,510	2,800	Structures	320,000	301,072	255,000
Competive Exhibits	90,000	79,918	100,000	Supplies	35,000	41,564	45,000
Creative Activities	42,000	40,978	44,000	Vehicles	87,000	91,335	108,000
Dairy Products	1,200	1,229	1,500	Watchmen	60,000	61,155	63,000
Education	23,000	20,797	23,000	Water System	30,000	16,699	20,000
Farm Crops	10,000	9,158	10,000		1,780,000	1,859,142	1,713,000
Finance	140,000	155,974	190,000	DEPRECIATION:			
Fine Arts	21,000	21,457	23,000	Electric Plant	50,000	50,563	50,000
Flower & Ag Shows	30,000	28,304	30,000	Fence & Fixture	12,000	14,791	15,000
Flowers	6,200	5,788	6,200	Gas System	1,000	686	1,000
Forage	35,000	34,282	35,000	Land Improvement	8,000	7,738	8,000
4-H Club	115,000	119,201	120,000	Personal Property	90,000	112,771	114,000
Free Entertainment	625,000	653,437	625,000	Sewer System	8,500	8,149	8,000
Fruit	6,500	6,188	6,500	Streets & Sidewalks	25,000	26,094	28,000
FFA	30,000	29,447	32,000	Structures	555,000	539,313	564,000
Gate Tickets	110,000	103,695	110,000	Water System	12,000	10,741	12,000
Gift Shop		17,454	25,000		761,500	770,846	800,000
Goat	4,000	3,995	4,300	TOTAL EXPENSE	10,621,500	10,835,438	11,084,850
Grandstand	1,300,000	1,453,929	1,350,000	NET INCOME (LOSS)	(195,500)	323,682	332,700
Greenhouse	113,000	128,147	118,000				
Guest & Staff Services	150,000	124,521	160,000	1990	1990	1991	
Heritage Exhibits		6,025	11,000	BUDGET	BUDGET	BUDGET	
Horse & Rodeo	120,000	125,321	125,000	CASH - Beginning of Year	1,661,699	1,661,699	1,813,030
Llama	3,000	2,487	3,000	ADD: Net Income	(195,500)	323,683	332,700
Meats	4,500	4,442	5,000	Working Capital Change		407,243	
Media & Public Relations	220,000	244,545	280,000	Depreciation	761,500	770,846	800,000
Park & Ride	42,000	44,188	115,000	CASH AVAILABLE	2,227,699	3,163,471	2,945,730
Parking	105,000	97,944	105,000	DEDUCT: Capital Expenditures			
Poultry	11,000	10,015	11,000	Electric Plant	35,000	32,979	567,000
Public Safety	290,000	309,928	300,000	Fence & Fixtures	67,000	59,679	22,000
Sanitation	390,000	420,236	455,000	Gas System	1,000		1,000
Senior Citizen	25,000	27,280	28,000	Grading, Sod & Trees	7,500	4,157	3,000
Sheep	7,000	7,068	7,500	Land Purchase			160,000
Space Rental	415,000	319,467	415,000	Personal Property	215,000	217,229	100,000
Swine	8,500	8,416	9,000	Sewer System	1,000		2,500
Ticket Audit	5,000	5,043	5,200	Streets & Sidewalks	50,000	55,553	12,000
Vegetable	5,000	4,413	5,000	Structures	802,000	826,692	1,175,000
Youth Camp	20,000	20,036	20,000	Water System	8,000	21,704	6,500
	5,374,700	5,569,051	5,786,500		1,186,500	1,217,993	2,049,000
PREMIUMS:				CHANGES: Debt Structure			
Bee Culture	3,000	2,792	3,000	Equipment Leases	(25,000)	(25,538)	33,000
Cattle	76,000	72,615	76,000	Bank Notes - North Star Bank			
Christmas Tree	1,800	1,771	1,800	Land	(73,000)	(73,378)	85,000
Creative Activities	9,000	9,540	10,000	Visitor Center			575,000
Dairy Products	600	605	700	Contract For Deed - U of M	(39,000)	(33,532)	(36,000)
Education	11,000	9,614	10,000	Telephone Cabling			475,000
Farm Crops	12,000	13,211	13,000		(137,000)	(132,448)	1,132,000
Fine Arts	6,500	6,200	7,000	CASH - END OF YEAR	904,199	1,813,030	2,028,730
Flowers	2,400	2,234	2,500				
4-H Club	67,000	64,656	67,000				
Fruit	1,500	1,380	1,750				
FFA	36,000	33,554	36,000				
Goat	9,000	7,458	8,000				
Horse	70,000	66,728	70,000				
Llama	3,500	2,465	3,000				
Poultry	11,000	10,422	11,000				
Sale of Bulk Milk	14,000	13,975	14,000				
Sale of Market Animals	100,000	74,186	90,000				
Sheep	22,000	20,378	23,000				
Swine	20,000	20,480	21,000				

Building Fund Balance	487,000	516,870	954,870
Cash Available - Operations	417,199	1,296,160	1,073,860
<b>CASH - END OF YEAR</b>	<b>904,199</b>	<b>1,813,030</b>	<b>2,028,730</b>

It was moved by Mr. Lund, seconded by Mr. Annexstad and carried that the secretary be authorized to release and transfer the sum of \$350,000 from the building fund for direct application to structure and land improvements (Aye-5; Nay-0).

Committee meeting adjourned.

After a short recess, the full board reconvened to conduct business.

Reports offered and action taken by the space rental, planning, life member advisory, operations, public affairs, rules and premium list and finance committees were accepted and approved upon a motion by Mr. Simons, seconded by Mr. Prokosch and carried (Aye-9; Nay-0).

It was moved by Mr. Prokosch, seconded by Mr. Morris and carried that secretary be authorized to adjust staff salaries effective the pay period beginning Feb. 9, 1991 with said adjustments subject to executive committee review (Aye-9; Nay-0).

The following resolution was offered by Mr. Lund, seconded by Mr. Annexstad and carried (Aye-9; Nay-0): It is hereby specified that society employees Joe Fischler and Bill Hermes be required to live on the State Fairgrounds for the convenience and to the benefit of the society with gratis rent, utilities and telephone. This resolution will be effective until January, 1992, and, at that time, will be subject to reconsideration.

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

Approval to purchase 2.39 acres of property on the south side of Como Avenue, adjacent to the Sussell lot for the approximate sum of \$160,000 was approved upon a motion by Mr. Simons, seconded by Mr. Recknor and carried (Aye-9; Nay-0). Motion includes loan approval from North Star State Bank at prime rate on a 10-year amortization schedule.

Proposed one-year contract renewals, covering the services of MTS/Northwest Sound; Toltz, King, Duvall, Anderson (architect/engineer); McQuillan (plumbing); Kehne (electric); S & P Construction (carpentry); and Triemert (painting); were approved upon a motion by Mr. Recknor, seconded by Mr. Annexstad and carried (Aye-9; Nay-0).

Mr. Wenzel reported that, in keeping with the contract presently in place, the 1992 joint annual meeting of the county fair federation and agricultural society would be held at the St. Paul Radisson Hotel, Jan. 17-20. A general discussion was undertaken on hotel options, growth of the convention, meeting and sleeping room requirements as well as other matters related to the annual meeting. (No action required.)

After introduction by the secretary and discussion, adoption of the following society mission statement was moved by Mr. Morris, seconded by Mr. Lund and carried (Aye-9; Nay-0):

The Minnesota State Agricultural Society is a public corporation and an agency of the state. By virtue of state law it has been given management and control of the State Fairgrounds so that thereon may be exhibited agricultural, industrial and other products and resources of the state including arts, human skills and science.

Those in whom the society entrusts the functions of management and control will do so with the guidance of clearly stated and periodically updated position and job descriptions, goals and objectives, and rules and regulations, and with strict adherence to the professional standards established by and for the fair and exposition industry.

Educational as well as entertaining exhibitions of only the highest quality will be presented in an orderly atmosphere where first priority is given to the safety and comfort of those in attendance. Tradition will be honored and when undertaken, change will be consistent with contemporaneous society.

Pricing, purchasing and all other fiscal matters will be conducted in a responsible manner. Friendly, but businesslike relationships will be maintained with all, including neighbors, elected and appointed public officials, exhibitors, media representatives, vendors and suppliers.

Finally, the society, its board and executive officer will provide employees with the means to carry out their tasks in a work place that is productive and pleasant.

A report, which covers Coliseum operations and horse show scheduling, generated at the request of the board during its meeting of Sept. 1, 1990, was presented, along with recommendations for improvement of the format and attendance potential (no action required):

Horses have always been a part of the Minnesota State Fair. At the earliest fairs they were a means of conveyance for those in attendance in addition to being exhibited, judged and raced.

The horse department currently is the largest of all livestock departments in terms of animals entered, and only 4-H and creative activities have more exhibitors.

As you know, horse competition on the fairgrounds has evolved differently from other areas. Because the activities for which horses are trained are diverse and unusual, they lend themselves to presentation in a show ring before a seated audience. Since the turn of the century, a certain percentage of fairgoers have been willing to pay to watch horses perform. Over the years our predecessors invested in two of the largest buildings ever constructed here--the old Hippodrome and present Coliseum--to accommodate these presentations.

The current structure was built as a state of the art horse show arena. Although commercial exhibit space and cattle judging have been added during the fair and an ice skating rink and various other shows during the rest of the year, the highest and best use of the Coliseum remains horse events. This is true in the off-season as well as at the fair. Estimated attendance

of 65,000 at 10 shows over 36 days from September to November and March to July was recorded in 1990. If anything, the demand exceeds available weekend dates.

Measuring the success of the Minnesota State Fair is not a one-dimensional process. Attendance, quality of presentations, well-maintained fairgrounds, statutory mandate and of course, public acceptance are all among the factors that must be considered along with the financial bottom line.

Financially, the fair lists 31 categories of income on its statements. This income pays for the expenses incurred in 125 operating areas as well as all capital improvements. In a real sense, the fair has only about a dozen true profit centers; that is, areas in which income generated is more than the expenses involved.

Horse shows are not among the profit centers; neither are Grandstand concerts, flower shows nor the forage we sell. Without the fair's three hugely profitable categories--outside gate admissions, space rental and off-season activities--very little of what we do would be financially possible.

We are witnessing a decline in Coliseum attendance at present. This is a matter for concern and will continue to be scrutinized. Reinforcement and rebuilding of public interest through promotion, show enhancement and ticket price restructuring will be continued. Included are the following:

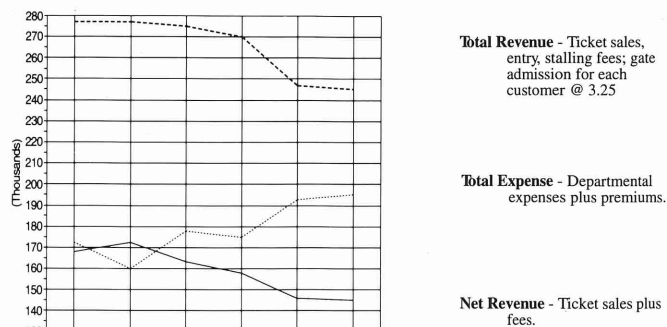
1) Re-establish the horse pull as a feature of the show on Wednesday evening with rodeo Thursday and Friday.

2) Drop the service charge on Coliseum tickets and use the following pricing schedule:

- a) Horse show Box Seats: \$5.00  
General admission -- adult: \$3.00  
children: \$1.50
- b) Rodeo and horse pull Box Seats: \$6.50  
General admission -- adult: \$5.00  
children: \$2.50

3) Present a 4-H beef show parade at 4:30 p.m., Saturday, August 31: this would be a free show.

These steps and the concerns driving our on-going analysis of the situation notwithstanding, it is not entirely accurate to say that horse shows lose money. The graph below shows that when gate ticket revenue is considered, and in spite of the historical decline, over \$55,000.00 were generated by horses in 1990 above all expenses.



**Total Revenue** - Ticket sales, entry, stalling fees; gate admission for each customer @ 3.25

**Total Expense** - Departmental expenses plus premiums.

**Net Revenue** - Ticket sales plus fees.

If department income only (Coliseum ticket sales and entry fees) are measured against expense, the average net annual horse department loss over the past three years is \$25,000; last year it was \$46,000. This compares to cattle, which lost \$97,500; swine, \$28,000; sheep, \$25,000; and 4-H livestock which lost \$95,000.

However, we do not and should not consider any of these amounts to be "losses" in the usual sense. The fair's commitment to promote Minnesota agriculture and the livestock industry requires an investment in these departments without the expectation of financial return.

Committee meeting adjourned.

## MINUTES IN VACATION

### January

18-21 - Elections were conducted and year-end reports submitted to society delegates assembled at the St. Paul Radisson Hotel. This annual meeting, held in conjunction with the Minnesota Federation of County Fairs and the Midwest Showmen's Association, was attended by 1,013 participants.

23 - Staff attended a Legislative Audit exit conference to review accounting and record-keeping recommendations.

25 - Elizabeth Carnes, spouse of life and hall of fame member Norris Carnes, who in her own right was a long-time supporter of the fair and 4-H program, died after a lengthy illness.

29 - Giannini and Hammer met with representatives of the Metropolitan Transit Commission to discuss a bus promotion for the '91 State Fair.



30 - Sinclair and Heffron met with C.J. Sedlmayr III to discuss carnival plans for 1991. Frost, Sinclair and Heffron facilitated a meeting between State Senator Greg Dahl and a group of individuals representing carnival and Minnesota county fair interests to discuss ride safety legislation.

## February

5-8 - Hammer attended the IAFE sponsorship training seminar in Tampa, FL.

6 - Wenzel and Heffron attended a Ramsey County Light Rail committee meeting at the St. Anthony Park library.

7 - Frost attended an organizational meeting of a new association of entertainment-related businesses to be called the Minnesota Entertainment Alliance.

8 - The executive committee approved the Jan. 31, 1991 cash transaction summary as follows:

### GENERAL FUND ACTIVITY:

Cash Balance-Dec. 31, 1990		\$	22,016
Add: Jan. Cash Deposits	\$ 362,596		
Less: Payroll Ending Jan. 2	(76,104)		
Payroll Ending Jan. 16	(64,670)		
Payroll Ending Jan. 30	(66,751)		
Jan. Cash Disbursements	(151,624)		3,447

Cash Balance-Jan. 31, 1991		\$	25,463
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### MARKETABLE SECURITIES ACTIVITY:

Balance-Dec. 31, 1990		\$	526,687
Add: Interest Earned	\$ 2,216		
Less: Service Charges	(153)		
Securities Cashed	(300,000)		(297,937)
Balance-Jan. 31, 1991		\$	228,750

### BUILDING FUND ACTIVITY:

Balance-Dec. 31, 1990		\$	523,325
Add: Interest Earned		\$	3,175
Less: Service Charges	(110)		3,065
Balance-Jan. 31, 1991		\$	526,390

### CASH BALANCES FOR MONTH ENDING JANUARY 31:

	1990	1991
General Fund	\$ 31,950	\$ 25,463
Petty Cash	1,000	2,050
Marketable Securities	882,890	228,750
Building Fund	191,658	526,390
Total Cash Balances	\$ 1,107,498	\$ 782,653

13 - Sales representatives from the Amoco Company met with Sinclair, Wenzel, Frost, Frenette, Hammer and Heffron to present their recommendations for recycling plastic cups at the '91 fair.

18-28 - Hamline University held softball practice sessions on the carnival lot.

19 - Frost and Heffron, along with Kent Harbison, met with Rick Heydinger of the University of Minnesota to discuss the proposed inter-campus transitway and problems related to that transitway crossing the fairgrounds. Pooch attended the annual meeting of the Purebred Dairy Cattle Association in Hutchinson, MN.

21 - Giannini and Hammer met with representatives of Holiday Station Stores to discuss advance ticket sales for the '91 fair.

26 - A second meeting with Senator Greg Dahl and other interested parties to discuss carnival ride safety issues was held at the fairgrounds and was attended by Frost, Sinclair and Heffron. Section IV hockey playoffs were held in the Coliseum.

27 - Sinclair and Heffron met with David Thompson and Randy Gutzmann of the American Dairy Association of Minnesota to discuss concession rental rates for 1991. Frost, Frenette and Heffron met with TKDA staff to review Visitor Plaza specifications. Section II hockey playoffs were held in the Coliseum.

## March

1 - Heffron met with Falcon Heights mayor Tom Baldwin and city administrator Jan Weissner to discuss the fair's closing of the Underwood-Hoyt street system during the off-season. Section IV hockey playoffs were held in the Coliseum.

4-7 - Hamline University softball practice was held on the carnival grounds.

6 - Wenzel and Heffron attended a Ramsey County Light Rail committee meeting at the St. Anthony Park library.

7 - Executive committee approved the Feb. 28, 1991 cash transaction summary as follows:

### GENERAL FUND ACTIVITY:

Cash Balance-Jan. 31, 1991		\$	25,463
Add: Feb. Cash Deposits	\$ 262,371		
Less: Payroll Ending Feb. 13	(77,035)		
Payroll Ending Feb. 27	(70,867)		
Feb. Cash Disbursements	(94,780)		19,689

Cash Balance-Feb. 28, 1991		\$	45,152
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### MARKETABLE SECURITIES ACTIVITY:

Balance-Jan. 31, 1991		\$	228,750
Add: Interest Earned	\$ 80		
Less: Service Charges	(80)		
Securities Cashed	(150,000)		(150,000)

Balance-Feb. 28, 1991		\$	78,750
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### BUILDING FUND ACTIVITY:

Balance-Jan. 31, 1991		\$	526,390
Less: Service Charges	(111)		(111)
Balance-Feb. 28, 1991		\$	526,279

### CASH BALANCES FOR MONTH ENDING FEBRUARY 28:

	1990	1991
General Fund	\$ 28,977	\$ 45,152
Petty Cash	2,550	2,050
Marketable Securities	539,828	78,750
Building Fund	192,955	526,279
Total Cash Balances	\$ 764,310	\$ 652,231

8-10 - The Minnesota Deer Classic show was staged in the Coliseum.

11 - Heffron met with life member committee chair Bill Korff to discuss matters related to the work of the committee during 1991.

11-15 - Hamline University softball practice was held on the carnival lot.

12 - Hammer attended a meeting of St. Paul's District 10 community council. Frost met with Representatives Leo Redding and Mary Jo McGuire and staff assistants for Senators Florian Chmielewski, Joe Bertram and Roger Moe.

14 - Frost, Leach and Heffron attended a meeting of the House General Legislation Committee, chaired by Representative Tom Osthoff. Heffron offered testimony regarding the fair, its governance and its financial status.

15 - Sinclair, Hammer and Pooch attended an Ag Day Luncheon presented by the Minnesota Department of Agriculture.

16-19 - Heffron attended the annual meeting of the Mid-West Fairs Association in Orlando, FL.

18 - Frost, Goiffon, Leach and Wenzel met with members of the board of the Federation of County Fairs to discuss the annual meeting.

19 - Nellie Thomforde, wife of poultry superintendent and hall of fame member Harold Thomforde, passed away after an extended illness.

21 - Pooch attended the annual meeting of the Minnesota Livestock Breeders Association in Waseca.

27 - Frost, Sinclair and Heffron attended a hearing of the State Senate Employment Committee, chaired by Senator Florian Chmielewski at which the Dahl ride safety bill was considered. Heffron offered testimony.

28 - Pooch met with David Solum and Tim Lynch of the North Central Reining Horse Assn. regarding reining classes at the 1991 fair. Frost, Leach, Goiffon and Heffron attended a session of the House General Legislation Committee at which the Osthoff ride safety bill and a second bill which would give the Red River Valley Winter Shows voting rights with the society were heard. Heffron testified on behalf of both initiatives.

## April

2 - Warren Wunderlich and Phil Vogel of TKDA met with Hammer, Frenette, Wenzel, Fischler, Frost and Heffron to go over final plans and specifications for the Visitors Plaza.

3-5 - An IAFE Zone 4 meeting and conference in Minot, ND was attended by Sinclair, Frenette, Wenzel, Hammer, Rustad, Giannini and by several members of the board.

6-7 - A Ceramics Expo was held in the Coliseum.

8-9 - The carnival lot was used for the conduct of an advanced drivers training course.

10 - Heffron attended and testified on behalf of the State Fair bill at a House General Legislation committee meeting. The bill was recommended for passage. Executive committee approved the March 31, 1991 cash transaction summary as follows:

**GENERAL FUND ACTIVITY:**

Cash Balance-Feb. 28, 1991		\$ 45,152
Add: Mar. Cash Deposits	\$ 313,121	
Less: Payroll Ending Mar. 13	(85,080)	
Payroll Ending Mar. 27	(72,143)	
Mar. Cash Disbursements	(163,214)	(7,316)

Cash Balance-Mar. 31, 1991		\$ 37,836
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**MARKETABLE SECURITIES ACTIVITY:**

Balance-Feb. 28, 1991		\$ 78,750
Add: Interest Earned	\$ 918	
Less: Service Charges	(69)	
Securities Cashed	(75,000)	(74,151)

Balance-Mar. 31, 1991		\$ 4,599
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**BUILDING FUND ACTIVITY:**

Balance-Feb. 28, 1991		\$ 526,279
Add: Interest Earned	\$ 2,723	
Less: Service Charges	(101)	
Disbursements	(150,000)	(147,378)

Balance-Mar. 31, 1991		\$ 378,901
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**CASH BALANCES FOR MONTH ENDING MARCH 31:**

	1990	1991
General Fund	\$ (13,263)	\$ 45,152
Petty Cash	500	500
Marketable Securities	332,707	4,599
Building Fund	194,118	378,901
Total Cash Balances	\$ 514,062	\$ 421,836

12 - Heffron spoke to members of the Friends of St. Paul Parks committee on the subject of how fair facilities are presently being used for recreation on a year-round basis.

12-15 - Now Sports conducted a bicycle sale in the Education Building.

13 - A concrete seminar was held in the Coliseum. Frost attended and participated in a meeting of the County Fairs board in St. Cloud.

18 - Knox held a building material show in the Education Building.

19-21 - Gopher State car show was staged in the Coliseum, Poultry Barn and Cattle Annex.

20-21 - Prime Promotions presented an antique show in the Grandstand, East Room and Infield.

22 - C. J. Sedlmayr III, manager of Royal American Shows, died very suddenly in Tampa FL after lung surgery. An on-site bid meeting was held at the Administration Building for those companies interested in bidding on the Minnesota State Fair telephone cable project.

23 - The Bureau of Criminal Apprehension conducted night photography training in the Education Building. Frost testified on behalf of the fair's housekeeping bill at a Senate agriculture and rural development committee meeting.

24 - Frost attended and testified at a senate commerce committee hearing of the Dahl ride safety bill.

24-25 - DNR held a tree distribution at the DNR Exhibit Building.

25-28 - Budget computer sale was held in the Education Building.

25-30 - Damark liquidation sale was held in Empire Commons.

26 - A space rental review meeting was held in the Administration Building. (see minutes which follow.) Frost attended C.J. Sedlmayr III's funeral in Tampa.

27-28 - Minnesota Horse Expo was staged in the Coliseum, Horse Barn, Judging Arena and Poultry Barn.

**May**

1 - Ramsey County Sheriff's office held a training exercise on Machinery Hill.

2-4 - An evangelical garage sale was held at the Crossroads Chapel.

2-5 - United camping show was staged in the Education Building.

2-7 - Wenzel, Hammer, Sinclair, Frenette and Heffron attended the IAFE spring management conference in Oklahoma City.

3-5 - Midwest pet show was held in the Grandstand. The spring sportacular baseball card show was conducted in Modern Living.

4-5 - Sahara Sands horse show was held in the Coliseum.

5 - Northland antique toy show was staged in Empire Commons.

7 - Frost met with University of Minnesota staff, including newly appointed Senior Vice President for Finance Bob Erickson, to discuss transitway and other matters of mutual concern. The Executive Committee approved the April 30, 1991 cash transaction summary as follows:

**GENERAL FUND ACTIVITY:**

Cash Balance-Mar. 31, 1991		\$ 37,836
Add: Apr. Cash Deposits	\$ 744,829	
Less: Payroll Ending Apr. 10	(82,647)	
Payroll Ending Apr. 24	(76,000)	
Apr. Cash Disbursements	(362,793)	223,389

Cash Balance-Apr. 30, 1991		\$ 261,225
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**MARKETABLE SECURITIES ACTIVITY:**

Balance-Mar. 31, 1991		\$ 4,599
Add: Interest Earned	\$ 227	
Less: Service Charges	(9)	218

Balance-Apr. 30, 1991		\$ 4,817
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**BUILDING FUND ACTIVITY:**

Balance-Mar. 31, 1991		\$ 378,901
Add: Interest Earned	\$ 2,671	
Securities Purchased	225,000	
Less: Service Charges	(103)	
Disbursements	(75,000)	152,568

Balance-Apr. 30, 1991		\$ 531,469
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**CASH BALANCES FOR MONTH ENDING APRIL 30:**

	1990	1991
General Fund	\$ 51,524	\$ 261,225
Petty Cash	500	500
Marketable Securities	103,148	4,817
Building Fund	195,421	531,469
Total Cash Balances	\$ 350,593	\$ 798,011

8 - Tom Lammers, member of the board, past president and life member of the society died in Stillwater after a short illness. A forensic identification workshop was held in the Coliseum.

11 - Heffron attended funeral services for Tom Lammers. A model railroad sale was held in the Education Building. An equipment auction was conducted at the Robinson cafeteria in the Crossroads Building.

13 - Lakewood Community College held a bicycle practice on Machinery Hill.

16 - Heffron hosted a group of businessmen participating in an advance management workshop. Gale Frost, superintendent of Heritage Exhibits, was honored at a leadership recognition dinner sponsored by the North Suburban Gavel Club.

16-19 - An outdoor furniture sale was held in the Merchandise Mart.

17 - A country folk art show was presented in the Grandstand; a sewing machine sale was held in the Sentinel Building.

20 - Frost met with Senator Dahl and Representative Osthoff during the closing hours of the legislative session in an attempt to assist with conference committee action on the ride safety bill; final version of the bill passed the senate but was not voted on in the house.

22 - Bicycle races were run on Machinery Hill.

30 - A superintendent's orientation and training session was held in the Officers Cottage.

31 - Frost and Heffron met with Commissioner Dana Badgerow and Terry Bock of the Department of Administration and with Codes Division head Richard Brooks to discuss an agency recommendation which led Governor Arne Carlson to veto the State Fair housekeeping bill.

31-2 - A reining horse show was presented in the Coliseum.

**June**

2 - General Motors car show was presented at the Infield.

4 - Hammer spoke to members of the North Suburban Lions club.

5 - Bicycle races were run on Machinery Hill. A staff information and training session was held in the Officers Cottage.

6 - Admissions Department supervisory personnel met in Faribault to discuss the 1991 fair.

7 - The Grandstand entertainment schedule was announced to the public through media outlets.

7-10 - Frost attended a meeting of the International Country Music Buyers Association in Nashville, TN. Name of the organization was changed at this meeting to International Entertainment Buyers Association (IEBA).



10 - The Executive Committee approved the May 31, 1991 cash transaction summary as follows:

#### GENERAL FUND ACTIVITY:

Cash Balance-Apr. 30, 1991		\$	261,225
Add: May Cash Deposits	\$	432,116	
Less: Payroll Ending May 8		(96,140)	
Payroll Ending May 22		(77,328)	
May Cash Disbursements		(487,436)	(228,788)
Cash Balance-May 31, 1991		\$	32,437

#### MARKETABLE SECURITIES ACTIVITY:

Balance-Apr. 30, 1991		\$	4,817
Add: Interest Earned	\$	24	
Less: Service Charges		(1)	23
Balance-May 31, 1991		\$	4,840

#### BUILDING FUND ACTIVITY:

Balance-Apr. 30, 1991		\$	531,469
Add: Interest Earned	\$	1,701	
Less: Service Charges		(68)	1,633
Balance-May 31, 1991		\$	533,102

#### CASH BALANCES FOR MONTH ENDING MAY 31:

	1990	1991
General Fund	\$ 75,680	\$ 32,437
Petty Cash	500	4,500
Marketable Securities	104,608	4,840
Building Fund	196,689	533,102
Total Cash Balances	\$ 377,477	\$ 574,879

10 - A pre-construction meeting on telephone cable installation was held at the fairgrounds with personnel from Norstan.

10-14 - 4-H junior leader conference was held in the 4-H Building.

13-15 - Heffron attended an IAFE past presidents conference in Atlanta, GA.

13-16 - The Minnesota Arabian horse show was staged in the Coliseum.

14-16 - A gem and mineral show was presented in the Education Building.

15-16 - Prime Promotions staged an antique show in the Grandstand, East Room and Infield.

17-18 - A vehicle inspection workshop was held at the carnival lot.

19 - Bicycle races were held on Machinery Hill.

### SPACE RENTAL COMMITTEE MEETING MINNESOTA STATE AGRICULTURAL SOCIETY

Administration Building, State Fairgrounds  
Friday, April 26, 1991 - 10:00 A.M.

Members present: Keenan, chair; Lund; Roehlke; Morris; Prokosch; Simons; Lilliquist, ex officio; Heffron, ex officio; Sinclair, ex officio; Wenzel, ex officio; Frenette, ex officio.

Also present: Rochelle Rustad.

Chairman Keenan called the meeting to order at 10:00 a.m.

Messrs. Phil Ramsland and Ed Lappi appeared before the committee to request review of the earlier staff decision to deny the exhibit application of Vinyl Sash, Inc. Sinclair indicated that the staff decision had been based on the fact that several exhibitors and concessionaires offering similar products or services had been contracted for the fair. Citing six examples, he expressed concerns related to over-representation of vinyl windows, metal doors, aluminum and vinyl siding, patio doors and awnings. Mr. Ramsland reviewed their company history and indicated that Vinyl Sash, Inc. is the oldest vinyl window manufacturer in the state with 35 dealers statewide and a retail store in the Twin Cities. Mr. Lappi advised that Vinyl Sash sells on a retail and wholesale basis, offers unique/custom products, presents a unique safety/fire egress window product and circulated photos of their proposed display booth. Following discussion, it was determined by the committee that they found the company and its product lines attractive and staff was directed to hold the application for Vinyl Sash, Inc. to see if space appropriate for placement of their exhibit should become available prior to the 1991 fair. Moved by Mr. Lund, seconded by Mr. Prokosch and carried (Aye-5; Nay-0).

The committee reviewed the concession application of Ms. Lucille Sunderman. Sinclair explained that earlier staff denial of Ms. Sunderman's application was based upon the existence of concessions at the fair offering similar products. Ms. Sunderman displayed samples of her line of tie dyed caps, novelty wooden rulers and tie-dyed shirts and indicated that she had participated in both the Nicollet and Le Sueur County Fairs. On a motion by Ms. Roehlke, seconded by Mr. Lund and carried the earlier action of staff was supported for the reasons stated (Aye-5; Nay-0).

Sinclair reviewed the basis for staff denial of the concession application submitted by American Heart of the Wood (William and Linda Hapka) for the sale of wood craft items, which was the existence of several concessions at the fair already offering similar products. Mr. and Mrs. Hapka displayed samples of their wood craft works, indicated that most were themed to appeal to farmers, ranchers and outdoorsmen and expressed a willingness to accept any space available. The Hapka's also inquired as to the differing basis for denial of their application in 1990 (lack of sufficient space available) as opposed to that in 1991 (existing concessions offering similar products). Sinclair responded by indicating that annual changes in space availability and product representation levels may lead to change from year to year in acceptability of an applicant's product/service. It was moved by Mr. Lund, seconded by Mr. Simons and carried that the subject application be denied for the reasons indicated with the recommendation that Mr. and Mrs. Hapka be advised as to the differing basis for rejection of their application in 1990 and 1991 (Aye-5; Nay-0).

Mr. Robert Eveslage appeared to seek review of his application for concession space in which to sell calzones, soft drinks and coffee. Staff had earlier denied the application based on the existence at the fair of like products. Sinclair explained the basis for staff action, following which Mr. Eveslage discussed the make-up of his product and his prior experience as a food/beverage concession operator for 12 or 13 years at the Nisswa Flea Market and Benton County Fair. It was subsequently moved by Mr. Simons, seconded by Mr. Morris and carried that earlier staff action regarding this application be affirmed for the reasons indicated (Aye-5; Nay-0).

The application of Standi Toys, submitted by Stan and Sandy Krueger, was presented for committee review. Sinclair explained the basis for staff denial of the subject application . . . the presence of concessions at the fair, primarily those of implement dealers, which offer miniature farm toys. The Krueger's indicated that they had participated in the World Dairy Expo, Madison, Wisconsin and National Farm Machinery Show, Louisville, Kentucky with considerable success and showed the committee samples of their toy line of farm implement components such as snow blowers, spray tanks, silo blowers, plows, hay wagons, bins and livestock figurines. On a motion by Mr. Simons, seconded by Ms. Roehlke and carried, staff was asked to make an effort to find suitable space for placement of the Krueger's concession at the 1991 fair (Aye-5; Nay-0).

Sinclair presented the application of Ms. Patty Pratt for review and indicated that the basis for earlier staff denial was related to the existence of several other concessions at the fair offering similar chicken and chicken wing products. Staff action was supported on a motion by Mr. Simons, seconded by Mr. Prokosch and carried (Aye-5; Nay-0).

A request to transfer personal property located on the fairgrounds (structure and equipment) presently owned by Emmis Broadcasting/WLOL Radio to Minnesota Public Radio was presented by Sinclair for consideration by the committee. It was moved by Mr. Morris, seconded by Mr. Prokosch and carried that said transfer be approved, pending completion by the parties of all necessary steps related to Minnesota State Fair transfer policy (Aye-5; Nay-0).

Sinclair provided the committee with updates on responses to the fair's programs for charging food/beverage concessions on a percentage basis and recycling food/beverage cups.

Mr. Heffron provided an update on pending legislative matters.

Meeting adjourned.

### SPACE RENTAL COMMITTEE MEETING MINNESOTA STATE AGRICULTURAL SOCIETY

Administration Building, State Fairgrounds  
Thursday, June 20, 1991 - 9:00 A.M.

Members present: Keenan, chairman; Lund; Roehlke; Morris; Prokosch; Simons; Lilliquist, ex officio; Heffron, ex officio; Sinclair, ex officio; Wenzel, ex officio; Frenette, ex officio.

Also present: Annexstad, Recknor and Sherry Enzler.

Sinclair reviewed the 1991 concession application submitted by Celestial Wind Carillons, circulated a photo of the firm's exhibit booth and product catalog, and explained the basis for earlier staff denial of the subject application, i.e. existence of other concessions at the fair offering similar products. On a motion by Mr. Simons, seconded by Ms. Roehlke and carried the action of staff was supported. (Aye-5; Nay 0).

Mr. Dan Saunders appeared before the committee, representing Haute Tubs, Inc., to request review of the company's application earlier denied by staff. Sinclair explained that staff action had been based on the fact that the fair already had exhibitors offering similar product lines (hot tubs/spas) and that other applications for like products had been received at an earlier date. Mr. Saunders explained the unique nature of his product, its specific market and price appeal, as well as its fully portable nature. It was moved by Mr. Lund, seconded by Mr. Prokosch and carried that the application submitted by Haute Tubs, Inc. be rejected for the 1991 fair based on present levels of representation of like products and the need to accommodate other unrepresented products and services first. Mr. Saunders was urged to reapply for space again in the future (Aye-5; Nay-0).

A request by Mr. Richard N. Henninger to transfer the personal property he owned and operated as a food concession on lot U in block 44 to Gary J. and Martha R. Olson for use as a chocolate chip cookie concession, following the 1991 fair, was approved on a motion by Mr. Simons, seconded by Mr. Morris and carried. This action is contingent upon completion of an appraisal of the structure and equipment involved to determine an appropriate sale price (Aye-5; Nay 0).

Sinclair presented a request by Brede Enterprises, Inc. to transfer the permanent food concession, utilized for the sale of Pronto Pups, on lot 1-G in block 35 to G.L.K., Inc. Following discussion related to the fact that G.L.K., Inc. had no other concession or exhibit interests at the fair, but was the wholesale purveyor of Pronto Pup brand product, it was moved by Mr. Lund, seconded by Mr. Prokosch and carried that the proposed transfer be approved (Aye-4; Nay-1).



On a motion by Mr. Simons, seconded by Mr. Prokosch and carried, a request by Giant Ride, Inc. to raise the price of giant slide tickets by 25 cents from \$1.00 to \$1.25 for the 1991 fair was approved (Aye-5; Nay 0).

Sinclair advised that for the first time in several years 3.2 beer concessionaires will be experiencing a major increase in the wholesale cost of beer and operating overhead based on new taxes, wholesaler price adjustments, adjustments in minimum wage and insurance increases. It was also explained that the fair's new recycling program initiated a change in cup and portion sizes which necessitated a review and adjustment of retail beer prices for fair visitors and corkage fees paid the fair by concessionaires selling beer. On a motion by Mr. Simons, seconded by Mr. Morris and carried, the following retail beer prices and corkage fees were approved (Aye-5; Nay 0):

**Prices:** Bottle beer - \$2.00 per 12 oz. bottle;  
Draft beer - \$2.00 per 12 oz. cup, \$3.50 per 22 oz. cup,  
\$8.25 per 52 oz. pitcher. All prices include state  
sales tax.

**Corkage Fees:** Case sales - \$9.60 per case of 24 -  
12 oz. bottles; keg sales - \$65.00 per 16 gallon 1/2  
barrel; \$32.00 per 8 gallon 1/4 barrel.

**Building Fund Surcharge:** Case sales - \$.96 per  
case; keg sales - \$6.50 per 1/2 barrel; \$3.20 per 1/4  
barrel.

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

## MEETING OF THE GOVERNING BOARD MINNESOTA STATE AGRICULTURAL SOCIETY

Administration Building, State Fairgrounds  
Thursday, June 20, 1991 - 10 a.m.

Members present: Willis Lilliquist; Howard Recknor; Howard Morris; Eileen Roehlke; Rich Keenan; Clarice Schmidt; Bert Lund; Don Simons; Vern Prokosch; Martin Annexstad; Mike Heffron, secretary.

Also present: Rick Frenette; Ken Wenzel; Steve Pooch; Jim Sinclair; Karen Leach; Jim Frost; Jerry Hammer; SherryENZler.

Meeting called to order by President Lilliquist at 10:20 a.m.

Upon a motion by Mr. Lund, seconded by Mr. Keenan and carried, minutes of the 1-21-91 board meeting, previously mailed to the members, were approved (Aye-9; Nay-0).

Society minutes in vacation, covering the period Jan. 18 through June 19, 1991, and the administrative action noted therein, were approved on a motion by Mr. Morris, seconded by Mr. Prokosch and carried. This motion includes approval of space rental committee action taken April 26 (Aye-9; Nay-0).

Secretary presented the May 31 financial statement as follows:

### GENERAL FUND ACTIVITY:

Cash Balance-Apr. 30, 1991		\$ 261,225
Add: May Cash Deposits	\$ 432,116	
Less: Payroll Ending May 8	(96,140)	
Payroll Ending May 22	(77,328)	
May Cash Disbursements	(487,436)	(228,788)
Cash Balance-May 31, 1991		\$ 32,437

### MARKETABLE SECURITIES ACTIVITY:

Balance-Apr. 30, 1991		\$ 4,817
Add: Interest Earned	\$ 24	
Less: Service Charges	(1)	23
Balance-May 31, 1991		\$ 4,840

### BUILDING FUND ACTIVITY:

Balance-Apr. 30, 1991		\$ 531,469
Add: Interest Earned		\$ 1,701
Less: Service Charges	(68)	1,633
Balance-May 31, 1991		\$ 533,102

### CASH BALANCES FOR MONTH ENDING MAY 31:

	1990	1991
General Fund	\$ 75,680	\$ 32,437
Petty Cash	500	4,500
Marketable Securities	104,608	4,840
Building Fund	196,689	533,102
Total Cash Balances	\$ 377,477	\$ 574,879

After review of the statement, it was moved by Mr. Annexstad, seconded by Mr. Recknor and carried that the financial statement of May 31, 1991 be approved (Aye-9; Nay-0).

Approval of action taken earlier in the day (June 20) by the space rental committee was moved by Mr. Keenan, seconded by Mr. Simons and carried (Aye-9; Nay-0).

Upon a motion by Mr. Lund, seconded by Mr. Annexstad and carried, fair-period luncheon invitations were approved for the following: the board of the Minnesota Federation of County Fairs, Sat., Aug. 24; State Fair hall of fame and life members, Sun., Aug. 25; Minnesota Livestock Breeders Association board, breakfast, Thurs., Aug. 29; and executive committees of the Retail Farm Equipment Association and the Northwest Farm Equipment Association, Fri., Aug. 30. Also approved were invitations for the picnic supper for media, political and business representatives, Thurs., Aug. 29 (Aye-9; Nay-0).

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

Mr. Sinclair presented three winter storage damage claims for board consideration. It was moved by Mr. Recknor, seconded by Mr. Prokosch and carried that claims submitted on behalf of Richard Opitz (\$248.20) and James Roubal (\$503.21) be approved and that the claim of Neal Pearson (\$246.98) be denied (Aye-9; Nay-0).

Mr. Frost provided a proposal under which the Minnesota 4-H Foundation would undertake a statewide fund raising campaign in order to facilitate the installation of an elevator in the State Fair 4-H Building in 1992. Under this proposal, the society would match the Foundation's \$100,000 campaign goal in order to reach the \$200,000 project estimate. It was moved by Mr. Simons, seconded by Mr. Annexstad and carried that the society support this very worthwhile effort in order to better provide for the accessibility of physically challenged 4-H members (Aye-9; Nay-0).

Departmental payroll schedules for 1991, as prepared by superintendents under budgetary guidelines and confirmed by appropriate supervisors were presented and approved on a motion by Mr. Recknor, seconded by Mr. Lund and carried (Aye-9; Nay-0).

Upon a motion by Mr. Prokosch, seconded by Mr. Morris and carried, Employee Bulletin #3 was amended and the reimbursement allowed for business travel by personal automobile was raised to 27.5 cents per mile (Aye-9; Nay-0).

Mr. Hammer updated the board on the fair's 1991 sponsorship program indicating that (to date) \$105,000 has been committed by nine cash-sponsors. Negotiations continue with several other interested firms. A second group of nine organizations are also committed to the fair as promotional sponsors. No action required on the sponsorship report.

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

ORGANIZATION	AMOUNT
American Dairy Goat Association	106.00
American Horse Shows Association	50.00
American Horse Shows Association (dues)	600.00
American Horse Shows Saddle Seat Class	50.00
American Miniature Horse Association	25.00
American Paint Horse Association	10.00
American Quarter Horse Association	25.00
Appaloosa Horse Club	20.00
Better Business Bureau	175.00
Box Office Management International	160.00
Canadian Association of Expositions	125.00
Citizens League	35.00
Country Music Association	50.00
Executive Women International	200.00
Greater Minneapolis Chamber of Commerce	300.00
International Arabian Horse Association	75.00
International Association of Fairs & Expositions	750.00
International Country Music Buyers Association	100.00
Mid-West Fairs Association	150.00
Midway Civic and Commerce Association	200.00
Minnesota Alliance	50.00
Minnesota Chiefs of Police	30.00
Minnesota Employees Recreation & Services Council	190.00
Minnesota Hunter and Jumper Association	50.00
Minnesota Ice Arena Managers Association	75.00
Minnesota Music Academy	30.00
Minnesota Quarter Horse Association	15.00
Minnesota Safety Council	95.00
Minnesota Society of Association Executives	125.00
MN Chapter Nat'l Institute of Gvmt Purchasing	50.00
Nat'l Assn. of Amusement Ride Safety Officials	25.00
Nat'l. Assn. of Business & Educational Radio	150.00
Outdoor Amusement Business Association	20.00
Professional Grounds Management Society	95.00
Recycling Association of Minnesota	50.00
Rocky Mountain Fair Association	250.00
Roseville Rotary Club	230.00
St. Paul Area Chamber of Commerce	430.00
St. Paul Convention Bureau	225.00
St. Paul Winter Carnival	142.00
State of Minnesota Cooperative Purchasing Venture	350.00
Suburban Area Chamber of Commerce	450.00
Tri-State Horseman's Association	50.00
Twin City Purchasing Management Association	155.00
Western Fairs Association	750.00
White Bear Lake Chamber of Commerce	140.00
	7428.00



Staff recommended rule changes, as follows, were introduced and explained by Mr. Frost. Adoption was moved by Mr. Prokosch, seconded by Mr. Annestad and carried (Aye-9; Nay-0):

#### S.F. 1.02-Definitions

For purposes of these rules, the following definitions shall apply:

E. Delegate: That employee of the State Fair given authority by the secretary to act on the secretary's behalf in the instance specified. (6-20-91)

E.F. Department superintendent: That employee of the State Fair delegate of the secretary who is head of a specific State Fair department. and reports to the secretary and general manager. (6-20-91)

I.J. Secretary and general manager executive vice president: The secretary and general manager of the Minnesota State Fair is the chief operating officer of the State Fair Agricultural Society is executive vice president of the State Fair and is its chief operating officer. (6-20-91)

#### S.F. 1.07-Vehicle restrictions

Maximum vehicle speed limits on the State Fairgrounds, as well as appropriate allowances and restrictions dealing with vehicle parking, delivery hours, restricted areas, tow-away zones and impound arrangements, shall be established by the secretary ~~and general manager or delegate~~. The secretary ~~and general manager or delegate~~ shall provide for the placement of such traffic control signals, signs, and other traffic control devices on the State Fairgrounds as deemed necessary for the safety, protection and control of the fairgrounds and the public thereon. When any police officer or security person finds a vehicle illegally parked on the fairgrounds, ~~he is~~ they are authorized to provide for the removal and impoundment of such vehicle. Cost of removal and storage shall be borne by the vehicle's owner. (6-20-91)

#### S.F. 1.09-Two-wheeled and track-vehicles

Two-wheeled vehicles, such as bicycles, motorcycles, motor scooters, etc., will not be allowed on the Minnesota State Fairgrounds during the period of the annual State Fair unless such two-wheeled vehicles are on display in an exhibit contracted by the society and, in such case, said two-wheeled vehicles must be kept in exhibit location and may not, under any circumstances, be operated on the streets of the fairgrounds. Track-type vehicles, including snowmobiles, may not be operated anywhere on the fairgrounds at any time of the year without the express authorization and approval of the secretary ~~and general manager or delegate~~. (6-20-91)

#### S.F. 1.10-Bannering, picketing, interfering

No person or group of persons shall banner, picket or engage in any other activities on the State Fairgrounds before or during the annual State Fair which in any way interfere with a concessionaire, commercial, ~~or~~ institutional ~~or competitive~~ exhibitor preparing or conducting ~~his~~ their concession or exhibit or which interfere with the free movement of any State Fair patron. (6-20-91)

#### S.F. 1.11-Handing out materials

The sale, posting or distribution of any merchandise, products, promotional items and printed or written material except from a fixed location on the fairgrounds approved by the ~~space rental department superintendent secretary or delegate~~ shall be prohibited. Those merchandise, products, promotional items and printed or written materials which are authorized by the ~~space rental superintendent secretary or delegate~~ for sale or distribution from a fixed location shall not be handed out to any State Fair patron unless requested by that patron. (6-20-91)

#### S.F. 1.13-Conflict of interest

No manager, officer or employee of the State Fair shall:

A. Enter into any contract between ~~himself themselves~~ and the State Fair other than ~~his~~ their contract of employment.

B. Have or acquire any financial interest, whether direct or indirect, in any contract between the State Fair and any concessionaire, commercial or institutional exhibitor, performer, vendor or contractor.

C. Engage or participate in personal business or financial transactions that conflict with ~~his~~ their obligations and interests as a member of the board of managers, officer or employee of the State Fair, or the interests of the State Fair.

D. Be entitled to any special considerations involving the storage of vehicles and materials on the State Fairgrounds or the use of State Fair buildings, machinery, or equipment, except as may be specifically ~~provided by his contract of employment~~ as approved by the board of managers.

E. Be allowed to purchase any material for ~~himself or herself themselves~~ through use of the name, credit or account of the State Fair. (6-20-91)

#### S.F. 1.18-Dogs

No dogs or other pets; ~~other than seeing eye dogs, shall be permitted on the State Fairgrounds during the period of the State Fair except when confined within the campgrounds area. At times other than during the State Fair, dogs may be allowed on the State Fairgrounds if restrained on a leash of less than six feet in length. At no time may dogs be taken into State Fair buildings or barns except for purposes of being exhibited therein under authority of the secretary and general manager are allowed on the State Fairgrounds at any time unless restrained on a leash of less than six feet in length. Every totally or partially blind, physically handicapped or deaf person, or any person training a properly-identified dog to be a service dog, may be accompanied by a service dog on the State Fairgrounds. No other dogs or pets shall be permitted on the State Fairgrounds during the period of the State Fair except when~~

part of an exhibit or demonstration authorized by the secretary or delegate or when confined within the State Fair campgrounds area. State Fair security and watch personnel are empowered to order the removal from the State Fairgrounds or State Fair campgrounds any dog found to be disturbing or endangering the public. (6-20-91)

#### S.F. 1.21-Use of metal detectors

The use of metal detectors or similar devices for the purpose of finding items of value shall be prohibited on the fairgrounds. Furthermore, any activity of discovery, whether undertaken with or without a detection device, which results in digging, probing or otherwise disturbing the ground, shall be prohibited on the fairgrounds. This rule shall neither limit nor prohibit activities or the use of detection devices as may be directed by the secretary ~~and general manager or delegate~~ in the legitimate conduct of society work. (6-20-91)

#### S.F. 2.04-Space rental rates

General policy determinations governing the rates charged for concession, commercial and institutional exhibit space at the State Fair shall be set by the board of managers and shall be implemented by the ~~staff of the space rental department secretary or delegate~~. (6-20-91)

#### S.F. 2.06-Space rental decisions

The following kinds of decisions of the space rental department shall be in writing and shall be approved by the secretary; ~~and the general manager and the director of operations:~~

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

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

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

D. A determination approving or denying the proposed sale, transfer or conveyance of any interest in a concession or exhibit at the State Fair. (6-20-91)

#### S.F. 2.07-Space rental review

Any member of the public adversely affected by a decision of the space rental department shall have the right to petition the space rental committee for review of such decision. The review shall be initiated by any such person submitting a request for review in writing to the secretary ~~and general manager~~ within 20 days of the date of the letter of action taken by the space rental department. The secretary ~~and general manager~~ shall set a meeting of the committee within 45 days thereafter, at which time the committee shall review the matter with the State Fair and the person requesting review. If the committee determines that the person was improperly or unfairly handled by the space rental department, it shall have the authority to direct the space rental department to take such remedial steps as the committee deems fair and appropriate. After final disposition of any matter reviewed pursuant to this regulation, the committee shall report such disposition to the board. Requests for review received by the secretary ~~and general manager~~ after August 1, will be heard after that year's State Fair. (6-20-91)

#### S.F. 2.09-Off-season use of improvements on grounds

State Fair owned buildings may not be used by concessionaire, commercial or institutional exhibitor for storage or any other purpose during the non-fair period without the written approval of the ~~space rental superintendent secretary or delegate~~. Privately owned structures on the grounds may only be used by their owners during the non-fair period for storage of furniture, equipment and supplies used by that person as part of ~~his~~ their State Fair concession, commercial or institutional exhibit. Such structures may be used for other purposes only with the written approval of the ~~space rental superintendent secretary or delegate~~. (6-20-91)

#### S.F. 2.12-Approval of transfers

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

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

A. The proposed concession, commercial or institutional exhibit purchaser or transferee has applied for rental space according to procedures defined under State Fair Rule S.F. 2.05 - New application policy - and had their application reviewed and accepted by the space rental department.

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

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



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

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

It is the policy of the board of managers to not approve concession, commercial or institutional exhibit transfers where proposed purchase price is not reasonably related to the actual values of the personal property involved in a proposed transfer. The secretary or delegate may require appraisal of any personal property involved in a proposed transfer. Because of the large number of high quality new applications for concessions, commercial and institutional exhibits, it is the general policy of the board of managers not to allow transfer of portable concessions, commercial or institutional exhibits or space in State Fair owned buildings. Proper completion and execution of a Minnesota State Fair space rental department transfer policy acknowledgment verifying understanding and acceptance of State Fair transfer policy, procedures and terms, and delivery of a copy of same to the space rental department, along with properly executed purchase agreement between the parties, shall constitute finalization of approved concession, commercial or institutional exhibit transfer. (6-20-91)

#### S.F. 2.13-Use of space

A commercial or institutional exhibitor or concessionaire must confine his their business, and the promotion and advertising of same on the fairgrounds to the space assigned that person. Failure to comply with this rule will subject commercial or institutional exhibitor or concessionaire to forfeiture of space privileges without reimbursement. (6-20-91)

#### S.F. 2.15-Prize drawings

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

A. All concessionaires, commercial and industrial exhibitors who intend to hold a prize drawing must first obtain permission from the space rental superintendent secretary or delegate and then obtain from him the necessary forms; and (6-20-91)

#### S.F. 2.16-Merchandise permits

Parties desiring merchandising permits for the designated period of the annual State Fair must obtain such permits from the office of the space rental superintendent secretary or delegate. Delivery trucks not properly identified with said merchandise permits shall be prohibited from entering the grounds at any time during the period of the State Fair. (6-20-91)

#### S.F. 3.01-Exhibition times

Times for the setup of entries, the dismantling and removal of entries and the hours of public viewing will be set annually by the secretary and general manager or delegate and will be stated in individual department premium books. (6-20-91)

#### S.F. 3.06-Judges

No person who is a competitive exhibitor may act as judge in a class in which he or she is they are competing. Judges shall be responsible for reading and understanding the general rules and all special rules applicable to the department or class in which they are to serve. (6-20-91)

#### S.F. 3.07-Interference with judging

Judges shall report to the department superintendent any competitive exhibitor who in any way, whether in person or by agent or employee, interferes with them or shows any disrespect to them during the judging. The department superintendent may, at his their discretion, exclude any such competitive exhibitor from further competition. The secretary and general manager may withhold from such competitive exhibitor any or all premiums that have been awarded and may also exclude such competitive exhibitor from further competition at the State Fair. (6-20-91)

#### S.F. 3.08-Award books

Judges and persons acting as clerks to the judges must use special care, after awards have been made, to record the proper names in the award books. The judge, competitive department superintendent in charge and clerk recording the awards of the department must sign the award book at the close of each class immediately after all awards in such class have been made. (6-20-91)

#### S.F. 3.09-Qualification of entries

If there is any question as to the regularity of any entry or the right of any animal or article to compete in any lot or category, the judge or judges shall report same to the competitive department superintendent in charge for adjustment. Judges shall place a reserve award in each lot. Should any animal or article awarded a prize be disqualified, the animal or article awarded the next lower prize shall graduate into the next higher position, if in the opinion of the judge, it is worthy of such prize. Judges must not award a prize to an unworthy exhibit. No premium or distinction of any kind shall be given to any animal or article that is not deserving. (6-20-91)

#### S.F. 3.10-Finality of decisions

In judging livestock, the decision of the official State Fair veterinarian and judge as to soundness shall be final. The decision of the judge shall be final in all cases, except when mistake, fraud, misrepresentation or collusion, not known at the time of the award is discovered. In such cases, the secretary and general manager shall take appropriate action or refer the matter to the board of managers. (6-20-91)

#### S.F. 3.11-Interpretation of rules

A faithful observance of all rules governing the exhibit will be required, and when in doubt as to the application or meaning of a rule, the competitive department superintendent in charge shall interpret such a rule. This opinion when required by either a competitive exhibitor or judge must be reduced to writing and returned to the secretary and general manager or delegate with the award books. (6-20-91)

#### S.F. 3.12-Protests and appeals

A protest from the decision of a judge will only be accepted from an exhibitor named in the official judge's sheet for competition in the lot or class under protest, and must be filed with the secretary and general manager within five (5) hours after the award has been made. An award is deemed to have been made when the notation of the decision of the judge is entered into the department award book. All protests must be made in writing and must be accompanied by a deposit of twenty (\$20.00) dollars. The protest must state plainly and specifically the facts upon which the complaint or appeal is based. The right to appeal will lie only when it is charged that the award has been made in violation of the rules governing the exhibit, or when it is charged that the decision of the judge has been influenced or interfered with by another person. No protest or appeal based upon the statement that the judge or judges are incompetent or have overlooked an animal or article will be considered. The twenty (\$20.00) dollar deposit will be returned only if the protest or appeal is upheld. (6-20-91)

Grandstand, Coliseum, free stage and other fair-period entertainment contracts were reviewed by Ms. Leach and approved upon a motion by Mr. Simons, seconded by Mr. Recknor and carried (Aye-9; Nay-0). Following is a breakdown of contracts and terms:

CONTRACTOR	DATES	TERMS	VENUE
Southern Thunder Sound, Inc	8/21-9/2	\$19,000	Grandstand
Southern Thunder Sound, Inc	8/21-9/2	\$16,150	Grandstand
Video West	8/22-9/1	\$36,300	Grandstand
Americana Fireworks Display Company	8/22-9/2	\$32,000	Grandstand
Julie Snouffer	8/22-9/1	\$4,225	Grandstand
Sharon, Lois & Bram (Two shows)	8/22	40,000 plus 70% over \$70,000	Grandstand
Willie Nelson	8/23	\$50,000 plus 40% over \$110,000	Grandstand
Johnny Cash	8/23	\$35,000 plus 40% over \$110,000	Grandstand
Don Henley	8/24	\$87,500 plus 80% over \$125,000 plus \$10,000 production	Grandstand
Susanna Hoffs	8/24	\$2,500	Grandstand
Alabama and Ray Kennedy	8/25	\$50,000 plus 80% over \$86,000 plus \$18,500 production	Grandstand
Huey Lewis and the News	8/27	\$105,000 plus 80% over \$155,000 plus \$20,000 production	Grandstand
Garth Brooks	8/28	\$35,000 plus 70% over \$79,500 plus \$2,000 production	Grandstand
Lorrie Morgan	8/28	\$12,500	Grandstand
The Statlers	8/29	\$47,500 plus 80% over \$80,000	Grandstand
Williams & Ree	8/29	\$7,500	Grandstand
Vanilla Ice	8/30	\$70,000 plus 80% over \$95,000	Grandstand
Randy Travis and Alan Jackson	8/31	\$75,000 plus 90% over \$103,000 plus \$3,000 production	Grandstand
The Beach Boys (Two shows)	9/1	\$125,000 plus 80% over \$175,000	Grandstand
American Speed Association (Sanction & Point Fund)	9/2	\$8,200	Grandstand
Southern Thunder Sound, Inc. (Auditions)	8/1-8/9	\$1,000 plus \$15/hour	Bandshell
Southern Thunder Sound, Inc.	8/21-9/2	\$17,070	Bandshell
Southern Thunder Sound, Inc.	8/22-9/2	\$6,015	Baldwin
Southern Thunder Sound, Inc.	8/22-9/2	\$3,290	Bazaar



Southern Thunder Sound, Inc. (Storyteller Area)	8/22-9/2	\$600	Heritage	Minnesota Horse Pullers Association	8/28	\$7,200	Horse
Southern Thunder Sound, Inc.	8/22-9/2	\$800	Circus	Tad Griffith	8/23-8/27	\$7,000	Horse
Wanda Vick f/s/o Wild Rose	8/22-8/27	\$22,500	Bandshell	Barnes PRCA Rodeo	8/28-8/29	\$26,000	Horse
Bobby Vee	8/22-8/27	\$24,000	Bandshell	Copies of the legislative audit report, covering the society's 1990 fiscal year, were circulated to the board Feb. 7. It was moved by Ms. Roehlke, seconded by Mr. Lund and carried that the report be accepted (Aye-9; Nay-0).			
Jo-El Sonnier	8/22-8/27	\$27,500	Bandshell	A resolution accepting the offer of an unsecured term loan from North Star State Bank, Roseville for the purpose of recabling the fairgrounds telephone system was moved by Mr. Annexstad, seconded by Ms. Schmidt and carried. The loan authorized is in the amount of \$400,000 at prime rate plus one percent for a term of five years (Aye-9; Nay-0).			
Suzy Bogguss	8/28-9/2	\$15,000	Bandshell	Secretary reviewed for the board legislation introduced during the immediate past session on behalf of the society, particularly those sections of S.F. 820 which sought to better define the society's relationship with the State Department of Administration. S.F. 820, which passed unanimously in both the house and senate, but was later vetoed by the governor, was designed to clarify the society's self-regulating authority with respect to construction on the fairgrounds and building codes. Secretary further reported on a meeting he and Mr. Frost had with Administration Commissioner Badgerow and State Building Inspector Brooks concerning the legislation, its veto and the department's position on the authority granted therein. After discussion, it was moved by Mr. Annexstad, seconded by Mr. Recknor and carried that the secretary communicate to concerned public officials the board's resolve to adopt and apply on the fairgrounds appropriate building codes and code compliance for the safety and protection of the general public (Aye-9; Nay-0).			
Gary Puckett	8/28-9/2	\$28,500	Bandshell	Mr. Frost introduced a status report on the University of Minnesota transitway which is proposed to cross the fairgrounds between Como and Buford. Negotiations intended to accommodate the crossing are expected to begin shortly as the University has (finally) submitted to the fair a written offer enumerating those things it wishes to receive and those things it proposes to give in return. The proposal was discussed informally. No action required on the transitway report.			
Kevin Welch	8/28-9/2	\$25,000	Bandshell	An agenda call for the next meeting of the board was ordered by President Lilliquist for Fri., Aug. 23, 10 a.m.			
Thomas Baumgartner f/s/o The Comedy Hour	8/22-9/1	\$7,900	Bazaar	Secretary provided information on a special early retirement package for state employees authorized by the legislature during its last session. Upon recommendation of the secretary, the matter was tabled.			
The Memories	8/22-8/27	\$6,100	Bazaar	Messrs. Hammer and Wenzel outlined plans for the fair's cup recycling program and for a special exhibit complex which will be located in the former Robinson Cafeteria and will focus on environment issues relating to reducing waste, reusing materials and recycling resources for other uses.			
The Jack D' Johns	8/22-8/27	\$11,500	Bazaar	Mr. Frenette offered an update on advance ticket sales.			
Stephens & Budin	8/28-9/2	\$4,500	Bazaar	Upon a motion by Mr. Simons, seconded by Mr. Annexstad and carried, authority was granted for members of the board to travel outside the state at society expense in order to visit other state and regional fairs held during June, July and August, 1991 (Aye-9; Nay-0).			
5th Avenue/ Geoffrey Thompson	8/28-9/2	\$3,500	Bazaar	Meeting adjourned.			
Minnesota State Bar Assn. Trial by Jury	8/22-9/1	\$357.50	Baldwin	<b>MINUTES IN VACATION</b>			
Wolverines Big Band	8/22-8/25	\$6,000	Baldwin				
George Maurer	8/22-8/25	\$3,600	Baldwin	<b>June</b>			
Barbary Coast Dixieland Band	8/22-8/25	\$4,200	Baldwin	20 - A meeting to discuss fairgrounds building code issues was attended by Sherry Enzler (Attorney General's office), Warren Wunderlich (TKDA), Frost, Wenzel, Fischler and Heffron.			
Stoney Lonesome/ Kevin Barnes	8/26-8/29	\$3,600	Baldwin	21-23 - The Minnesota Street Rod show was held on Machinery Hill with special exhibits in Progress Center and the Infield.			
Neal & Leandra	8/26-8/29	\$2,000	Baldwin	24 - Sinclair met with Carl and Michael Sedlmayr and Peter Andrews of Royal American Shows to discuss carnival matters. Phone and over-the-counter Grandstand ticket sales began today.			
Farm Accident	8/26-8/29	\$4,000	Baldwin	27 - The local paperworkers union used Home Improvement for a meeting and voting session.			
Dan & Sandy Adler	8/30-9/2	\$1,600	Baldwin	27-28 - Emergency training sessions were held at Heritage Square.			
Spirit	8/30-9/2	\$10,000	Baldwin	27-30 - The annual Tanbark horse show was staged in the Coliseum.			
M.C.C. Gospel Choir	8/30-9/2	\$1,200	Baldwin	<b>July</b>			
John & Mary Block (Log Cabin)	8/22-9/2	\$3,800	Heritage	3 - Bicycle club races were contested on Machinery Hill.			
The Chmielewski's	8/22-8/27	\$8,552.50	Heritage	4-7 - A worldwide church friendship festival was held in the 4-H Building.			
Deb Nienow & Wheels	8/22-8/27	\$2,500	Heritage	8 - Frost and Heffron met to discuss issues related to the intercampus transitway system with University of Minnesota President Nils Hasselmo, senior vice president Bob Erickson and associate vice president Clint Hewitt.			
Midnight Rider/ James B. Russell	8/22-8/27	\$3,500	Heritage	10 - Frost and Heffron met with Senator Charles Davis, chairman of the Senate Agricultural Committee, to review matters having to do with the fair's recent legislative initiative. The Executive Committee approved the June 30, 1991 cash transaction summary as follows:			
Leroy Van Dyke	8/28-9/2	\$16,500	Heritage				
Medicine Show Music Company/Scott Crosbie	8/28-9/2	\$8,000	Heritage				
The Bulla Family/ Brad Bulla	8/28-9/2	\$9,000	Heritage				
Willy Wonka	8/22-9/2	\$7,500	Children's Theater				
Kit Grove	8/22-8/27	\$3,750	Children's Theater				
Gizmo Guys	8/22-8/27	\$5,100	Children's Theater				
Sean Emery	8/22-8/27	\$2,700	Children's Theater				
Teddy Bear Band	8/28-9/2	\$4,500	Children's Theater				
David Cohan	8/28-9/2	\$3,600	Children's Theater				
Ian Varella	8/28-9/2	\$2,600	Children's Theater				
Royal Hanneford Circus	8/22-9/2	\$40,000	Amphitheater				
All-American Judges Assn	8/22-9/1	\$1,057	Parade				

**GENERAL FUND ACTIVITY:**

Cash Balance-May 31, 1991		\$ 32,437
Add: Jun. Cash Deposits	\$ 915,239	
Less: Payroll Ending Jun. 5	(92,104)	
Payroll Ending Jun. 19	(99,020)	
Jun. Cash Disbursements	(321,675)	(402,440)
Cash Balance-Jun. 30, 1991		\$ 434,877

**MARKETABLE SECURITIES ACTIVITY:**

Balance-May 31, 1991		\$ 4,840
Add: Interest Earned	\$ 25	
Less: Service Charges	(1)	24
Balance-Jun. 30, 1991		\$ 4,864

**BUILDING FUND ACTIVITY:**

Balance-May 31, 1991		\$ 533,102
Add: Interest Earned	\$ 2,713	
Less: Service Charges	(113)	2,600
Balance-Jun. 30, 1991		\$ 535,702

**CASH BALANCES FOR MONTH ENDING JUNE 30:**

	1990	1991
General Fund	\$ 313,349	\$ 434,877
Petty Cash	2,750	2,750
Marketable Securities	55,305	4,864
Building Fund	197,998	535,702
Total Cash Balances	\$ 569,402	\$ 978,193

11 - Sinclair and Hammer met with representatives of KSTP-FM to discuss their participation at the fair. Sinclair and Heffron met with Steve Sarkozy, Roseville City Manager, to discuss use of exposition facilities for Roseville recreation programs.

12-13 - Midwest Bookfair was held in the Merchandise Mart.

12-14 - A stereo liquidation sale was held in Empire Commons. Frost visited the Pennington (Thief River Falls), Kittson (Hallock) and Polk (Fertile) County Fairs.

13 - Minnesota Waste Conference was presented in the Sentinel Building and on the carnival lot.

16-27 - Equestrian events for the Special Olympics were held in the Coliseum.

20-21 - Frost attended the Chisago (Rush City), So. St. Louis (Proctor), Hubbard (Park Rapids) and Wadena County Fairs.

25 - Frost, Sinclair and Heffron met with Representative Mary Jo McGuire to review space rental fee changes for '91.

28 - Art Sprengeler, former president and life member of the society, died after a short hospitalization.

29 - Sinclair held a meeting for rental services building and area superintendents.

31 - Wenzel and Heffron met with St. Paul Police Chief Bill McCutcheon and Deputy Chief Tom Reding to review police service contracts between the city and the fair. Heffron attended a wake for Art Sprengeler in Norwood. Frost attended the Olmsted (Rochester) and Freeborn (Albert Lea) County Fairs.

**August**

1 - Frost spoke about the fair's involvement in the intercampus transitway at a meeting of the District 12 St. Anthony Park Community Council.

1-9 - Talent contest auditions were held in the Bandshell.

2 - Frost and Heffron met with Messrs. Gene Renieri and John Boland, recently retained by certain food concessionaires to represent their interests, to discuss space rental fees and other issues.

6-7 - Frost met several times with Bob Erickson in final transitway negotiations.

7 - Frost, Pooch, Clarice Schmidt, 4-H department staff and many friends of 4-H attended a dinner at the 4-H Building sponsored by the 4-H Foundation.

7-8 - Heffron attended the Wisconsin State Fair in Milwaukee.

8 - Frost visited the site of the cancelled Farmfest and the Mower County Fair in Austin.

9 - A space rental review meeting was held in the Administration Building (see minutes which follow). Hammer spoke at a meeting of the North St. Paul-Maplewood Rotary and addressed a meeting of the Roseville Senior Club.

10 - Frost attended the Carver (Waconia) and Kandiyohi (Willmar) County Fairs. The Executive Committee approved the July 31, 1991 cash transaction summary as follows:

**GENERAL FUND ACTIVITY:**

Cash Balance-Jun. 30, 1991		\$ 434,877
Add: Jul. Cash Deposits	\$ 835,157	
Less: Payroll Ending Jul. 3	(122,732)	
Payroll Ending Jul. 17	(101,920)	
Payroll Ending Jul. 31	(114,603)	
Jul. Cash Disbursements	(774,907)	(279,005)
Cash Balance-Jul. 31, 1991		\$ 155,872

**MARKETABLE SECURITIES ACTIVITY:**

Balance-Jun. 30, 1991	\$ 4,864
Add: Interest Earned	\$ 24
Securities Purchased	200,000
Less: Service Charges	(1)
	200,023

Balance-Jul. 31, 1991 \$ 204,887

**BUILDING FUND ACTIVITY:**

Balance-Jun. 30, 1991		\$ 535,702
Add: Interest Earned	\$ 2,639	
Less: Service Charges	(110)	2,529

Balance-Jul. 31, 1991 \$ 538,231

**CASH BALANCES FOR MONTH ENDING JULY 31:**

	1990	1991
General Fund	\$ 32,919	\$ 155,872
Petty Cash	3,250	2,750
Marketable Securities	355,846	204,887
Building Fund	199,282	538,231
Total Cash Balances	\$ 591,297	\$ 901,740

12 - The Roseville Rotary held its regular meeting in the Bazaar; member Jim Sinclair hosted the session. Other staff participating included Ohlhauser, Hammer, Frenette and Heffron. Space rental staff conducted an information meeting for State Fair beer concessionaires.

13 - Frost attended a meeting of the District 10 Como Community Council and spoke about State Fair parking procedures for 1991.

14 - Heffron met with Representative Jim Rice to discuss legislative matters. Campgrounds opened today.

15 - Frost visited the Steele County Fair in Owatonna.

20 - A special fine arts preview was held at the Art Center. Frost again met with Gene Renieri and John Boland.

21 - The Princess Kay coronation, sponsored by the Minnesota ADA was held in the Bandshell. Preliminary English horse show events were staged in the Coliseum. Sinclair held an orientation meeting with staff of Royal American Shows and their independent contractors.

22 - The 1991 Minnesota State Fair opened to the public at 6 a.m. A special dedication was held to commemorate the opening of the new Visitor Plaza on Commonwealth and Underwood. Official opening day ceremonies, hosted by Lt. Governor Joanne Dyrdstad and President Willis Lilliquist, were presented at 10 a.m. in the Bandshell.

## SPACE RENTAL COMMITTEE MEETING MINNESOTA STATE AGRICULTURAL SOCIETY

Administration Building, State Fairgrounds  
Friday, August 9, 1991 - 9:00 A.M.

Members present: Keenan, chairman; Lund; Roehlke; Simons; Lilliquist, ex officio; Heffron, ex officio; Sinclair, ex officio; Wenzel, ex officio; Frenette, ex officio.

Ms. Mollie Harlfinger appeared to request review of the denied space application she had submitted for Matol Biological International Ltd. Sinclair explained the basis of staff action and circulated support materials which had been submitted with Ms. Harlfinger's application for committee review. It was moved by Mr. Simons, seconded by Mr. Lund and carried that the subject application be denied for the reasons indicated in the earlier staff action (Aye-3; Nay-0).

Sinclair reviewed the concession application submitted by Frieda's Fried Fruit, circulated photos of the products proposed in the application and explained the basis for staff action denying the application. Ms. Sandra McDonald and Ms. Cathy Rickert advised the committee that they could respond on short notice to any last minute space availability. On a motion by Mr. Lund, seconded by Mr. Simons and carried, the earlier action of staff was supported for lack of available space (Aye-3; Nay-0).

The committee reviewed the concession application submitted by The Best Fry Company while Sinclair explained the basis for earlier staff denial of same. Mr. Gerry Goblirsch explained to the committee that he had concession experience and would accept any available space. It was moved by Mr. Lund, seconded by Ms. Roehlke and carried that the subject application be denied for the reasons stated by staff (Aye-3; Nay-0).

Sinclair reviewed the 1991 application submitted by Messrs. John Coelho and Richard Peterson and explained that staff denial had been based on the late date of application and on the



fact that another party had submitted an earlier application for the same product (Matol Biological International Ltd.). It was moved by Mr. Simons, seconded by Mr. Lund and carried that the earlier decision of staff be supported (Aye-3; Nay-0).

A request to transfer personal property (structure) owned by J.C. Marlow Company, used as an agricultural/dairy equipment exhibit at the fair, to Westfallia Systemat was approved on a motion by Mr. Lund, seconded by Mr. Simons and carried (Aye-3; Nay-0).

## MEETING OF THE GOVERNING BOARD MINNESOTA STATE AGRICULTURAL SOCIETY

Administration Building  
Friday, August 23, 1991 - 10 A.M.

Members present: Willis Lilliquist, president; Rich Keenan; Don Simons; Eileen Roehlke; Howard Morris; Howard Recknor; Martin Annexstad; Vern Prokosch; Bert Lund; Clarice Schmidt; Mike Heffron, secretary.

Also present: Sherry Enzler; Ken Wenzel; Jim Frost; Jim Sinclair.

President Willis Lilliquist called the meeting to order at 10:06 a.m. and welcomed all members to the 1991 Minnesota State Fair.

An agenda, circulated earlier, was approved on a motion by Annexstad, seconded by Prokosch and carried (Aye-9; Nay-0).

Upon a motion by Mr. Lund, seconded by Mr. Simons and carried, minutes of the June 20, 1991 board and space rental committee meeting(s), previously mailed to the members, were approved (Aye-9; Nay-0).

Minutes of the space rental review meeting, held August 9, 1991, were approved on a motion by Mr. Simons, seconded by Ms. Roehlke and carried (Aye-9; Nay-0).

Copies of the minutes in vacation, covering the period June 20 through August 22, 1991, as well as the administrative action noted therein, were approved on a motion by Mr. Lund, seconded by Mr. Recknor and carried (Aye-9; Nay-0).

Secretary presented the July 31, 1991 society financial statement as follows:

### GENERAL FUND ACTIVITY:

Cash Balance-Jun. 30, 1991		\$	434,877
Add: Jul. Cash Deposits	\$ 835,157		
Less: Payroll Ending Jul. 3	(122,732)		
Payroll Ending Jul. 17	(101,920)		
Payroll Ending Jul. 31	(114,603)		
Jul. Cash Disbursements	(774,907)		(279,005)
Cash Balance-Jul. 31, 1991		\$	155,872

### MARKETABLE SECURITIES ACTIVITY:

Balance-Jun. 30, 1991		\$	4,864
Add: Interest Earned	\$ 24		
Securities Purchased	200,000		
Less: Service Charges	(1)		200,023
Balance-Jul. 31, 1991		\$	204,887

### BUILDING FUND ACTIVITY:

Balance-Jun. 30, 1991		\$	535,702
Add: Interest Earned	\$ 2,639		
Less: Service Charges	(110)		2,529
Balance-Jul. 31, 1991		\$	538,231

### CASH BALANCES FOR MONTH ENDING JULY 31:

	1990	1991
General Fund	\$ 32,919	\$ 155,872
Petty Cash	3,250	2,750
Marketable Securities	355,846	204,887
Building Fund	199,282	538,231
Total Cash Balances	\$ 591,297	\$ 901,740

Upon a motion by Mr. Annexstad, seconded by Ms. Schmidt and carried, the financial statement of July 31, 1991 was approved (Aye-9; Nay-0).

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

Rev. Richard Ireland, pastor, Hamline Methodist Church, appeared before the board to present his views on recent changes in concession rental policy. Hamline operates a food concession on the grounds. No action.

A list of entertainment contracts, not available for approval on 6-20-91, was submitted by secretary. Upon a motion by Mr. Morris, seconded by Ms. Roehlke and carried, the following contracts were approved (Aye-9; Nay-0):

CONTRACTOR	DATES	TERMS	VENUE
KS95 Balloon Race	8/22	\$1,450	Grandstand
Chicago Music, Inc. f/s/o Chicago	8/26	\$75,000 plus 80% over \$105,000	Grandstand
Jack Albinson	9/2	\$150	Grandstand
Chris Economaki	9/2	\$1,000	Grandstand
Dick Trickle	9/2	\$6,000	Grandstand
Rusty Wallace	9/2	\$10,000	Grandstand
Ted Musgrave	9/2	\$1,200	Grandstand
John Zweifel	8/22-9/2	\$15,500	Free Entertainment
Gopher State Garden Tractor Pullers, Inc.	8/22	\$495	Free Entertainment
Minnesota Purebred Dog Breeders Assn.	8/22-9/2	\$5,500	Pet Center
Minnesota Companion Bird Assn.	8/22-9/2	144 Admissions only	Pet Center
Animal Humane Society of Hennepin County	8/22-9/2	72 Admissions only	Pet Center
Ed Stock	8/22-9/1	\$4,800	Parade
Tom Latane (Blacksmith)	8/22-9/2	\$1,245	Heritage
Equine Medical Center	8/22-9/2	\$20,000	Veterinary
W.J. Mackey DVM	8/22-9/2	\$9,500	Veterinary
David or Kathy Skiba	8/22-9/2	\$3,000	Cattle

Mr. Frost introduced a draft agreement, in the form of a letter of intent, under which the fair and the University of Minnesota would exchange leases to (1) allow the University access across the fairgrounds during the school year and (2) allow the fair use of 3,500/5,000 parking spaces on the University campus during the fair. After discussion, it was moved by Prokosch, seconded by Recknor and carried that secretary be authorized to enter into a formal 10-year agreement to memorialize the aforementioned exchange (Aye-9; Nay-0).

It was moved by Ms. Roehlke, seconded by Mr. Lund and carried that both regular and seasonal fair employees be allowed a 20 percent discount on the purchase of clothing and other merchandise from the State Fair gift shop. The board excluded its members and the secretary from receiving this discount (Aye-9; Nay-0).

Meeting adjourned.

## LIFE MEMBER ADVISORY COMMITTEE MEETING

Administration Building, State Fairgrounds  
Sunday, August 25, 1991 - 1:30 p.m.

Members in attendance: Bill Korff, chairman; Harveydale Maruska, Jerry Franke, Leo Keskinen, Sulo Ojakangas, Gale Frost, Deke Grussendorf and Birney Wilkins. Also attending: Leonard Harkness, Mike Heffron, Jim Frost, Karen Leach and Jerry Hammer.

Several candidates were discussed for life member nomination. Upon a motion by Mr. Grussendorf, seconded by Mr. Ojakangas and carried; membership unanimously submitted the name of Dick Reinhardt for consideration by the board of managers.

There was a brief discussion on the meaning and purpose of the Hall of Fame Award and several names were brought up as possible candidates including Elmer Anderson, Cal Mielke, Bill Carlson, Roger Erickson and Charlie Boone. A formal recommendation for Hall of Fame recipient was not entertained at this time.

Membership asked that the past president plaque presented to Bill Korff be corrected to include Minnesota State Fair and it was further suggested that a new pin be made noting "Past President" for use during fair.

There being no further business before the membership, the meeting was adjourned.

## MEETING OF THE GOVERNING BOARD MINNESOTA STATE AGRICULTURAL SOCIETY

Administration Building  
Sunday, September 1, 1991 - 10 a.m.

Members present: Willis Lilliquist, president; Martin Annexstad; Rich Keenan; Don Simons; Eileen Roehlke; Howard Morris; Howard Recknor; Bert Lund; Clarice Schmidt;

Vern Prokosch; Mike Heffron, secretary.

President Lilliquist called the meeting to order at 10:02 a.m.

Upon a motion by Mr. Prokosch, seconded by Mr. Annexstad and carried, minutes of the August 23 board meeting were approved (Aye-9; Nay-0).

Secretary announced that the annual trade association convention of the International Association of Fairs & Expositions would be held at the Bally Grand Hotel, Las Vegas, Dec. 2-5, 1991. It was moved by Mr. Annexstad, seconded by Ms. Roehlke and carried that members of the board and certain administrative personnel as designated by the secretary be authorized to attend the IAFE convention with society to pay appropriate expenses (Aye-9; Nay-0).

It was moved by Mr. Recknor, seconded by Mr. Simons and carried to adopt the report of the life member advisory committee, filed with the secretary on Aug. 26, 1991 (see previous committee minutes), which report recommends the nomination of Dick Reinhardt for society life membership (Aye-9; Nay-0).

After discussion, it was moved by Mr. Morris, seconded by Ms. Schmidt and carried that Cal Mielke be inducted into the society's Hall of Fame (Aye-8; Nay-0; Abstain-1).

Non-budgeted street maintenance work, to include seal coating Liggett and Nelson (Judson to Commonwealth) and Cooper (Commonwealth to Lee), was authorized (\$15,000) on a motion by Mr. Lund, seconded by Mr. Keenan and carried (Aye-9; Nay-0).

A motion was presented by Mr. Prokosch to allow for an increase in the budget for Stella Avenue property acquisition. This action, which will allow for a negotiated settlement in the \$190,000 - \$225,000 range, was seconded by Ms. Schmidt and carried (Aye-9; Nay-0).

It was moved by Mr. Keenan, seconded by Mr. Simons and carried that the dates of the 1992 Minnesota State Fair be Thursday, Aug. 27 through Labor Day, Monday, Sept. 7 (Aye-9; Nay-0).

After discussion, Mr. Lilliquist set an agenda date for the next meeting of the board for 10 a.m., Thursday, Nov. 7 (Aye-9; Nay-0).

The board reviewed a letter from Sholom Home, Inc. which asked that the fair's all-pay gate policy be suspended so that employees of Sholom Home might enter free to eat on the grounds during the fair. After discussion, the matter was tabled.

Meeting was adjourned on a motion by Mr. Prokosch, seconded by Mr. Keenan, carried (Aye-9; Nay-0).

## MINUTES IN VACATION

### August

22-September 2 - Visitors from other expositions and special guests at the 1991 Minnesota State Fair included: Pat Lloyd, Denny Tuttle, Jack Crowley and Jim Orbison, Tulsa State Fair, Tulsa, Okla.; Tim O'Brien, Amusement Business Magazine, Nashville, Tenn.; Jim Dieveney, Western Washington Fair, Puyallup, Wash.; Mike Williams, Farrow Amusements, Jackson, Miss.; Roxanne Carr, Edmonton Northlands, Edmonton, Alb.; Norb Bartosik, Orange County Fair, Costa Mesa, Calif.; Buck Christian, and John Gaynor, South Florida Fair, West Palm Beach, Fla.; Dennis Boeller and Michelle Inman, North Dakota State Fair, Minot, N.D.; Jack Swain, Buffalo Days Exhibition, Regina, Sask.; Joan Weill and Adam Heffron, Del Mar Fair, Del Mar, Calif.; Roger Alwell, Missouri State Fair, Sedalia, Mo.; Bill Hare, Scott MacLain and Larry Angell, Iowa State Fair, Des Moines, Ia.

23 - Horse exhibitors were hosted at a reception in the Coliseum.

24 - The board of the Minnesota Federation of County Fairs held a meeting in the Administration Building conference room and were hosted by the board at a noon luncheon in the officers headquarters.

25 - A special reunion luncheon, welcoming life and Hall of Fame members of the society, was held in the officers headquarters. A meeting of the life member advisory committee was convened during the afternoon at the Administration Building (see minutes).

26 - A recognition and awards ceremony was held for 50-year fair participants at Heritage Square.

28 - Frost met with Patsy Randell, Governor Carlson's deputy chief of staff for legislative matters.

29 - The Minnesota Livestock Breeders Association board attended a breakfast meeting with society board and staff to discuss livestock competition at the State Fair. Outstanding senior citizen awards for 1991 were presented by Gov. Arne Carlson at a special ceremony in the Bandshell. An informal picnic was held in the Grandstand infield to honor editors, mayors, legislators, county fair and chamber executives from throughout the state. After dinner, the group was hosted at the evening Grandstand show featuring The Stalter Brothers.

30 - Representatives of various agricultural organizations, including farm equipment association members and dealers, were welcomed by the board at an Agricultural Awareness luncheon.

### September

1 - Al Harvey, superintendent of the fair's horse department from 1951 to 1962, died at Midway Hospital. He was 94 and lived in Roseville.

2 - A short fireworks presentation at 8 p.m. signaled the end of the 1991 State Fair. Official attendance recorded for the 12 days was 1,488,810.

5 - Kay Trussell, wife of employee George Trussell passed away after an extended illness. Members of the staff attended Kay's funeral on Monday (9).

6 - Hammer met with representatives of Anheuser Busch to discuss continued Budweiser sponsorship.

11 - Executive Committee approved the Aug. 31, 1991 cash transaction summary as follows:

#### GENERAL FUND ACTIVITY:

Cash Balance-Jul. 31, 1991		\$ 155,872
Add: Aug. Cash Deposits		\$ 6,879,608
Less: Payroll Ending Aug. 14	(129,515)	
Payroll Ending Aug. 28	(182,735)	
Fair Period Payroll	(8,398)	
Aug. Cash Disbursements	(2,842,270)	3,716,690

Cash Balance-Aug. 31, 1991 \$ 3,872,562

#### MARKETABLE SECURITIES ACTIVITY:

Balance-Jul. 31, 1991		\$ 204,887
Add: Interest Earned	\$	
Securities Purchased		
Less: Service Charges		

Balance-Aug. 31, 1991 \$ 204,887

#### BUILDING FUND ACTIVITY:

Balance-Jul. 31, 1991		\$ 538,231
Add: Interest Earned	\$	
Less: Service Charges		

Balance-Aug. 31, 1991 \$ 538,231

#### CASH BALANCES FOR MONTH ENDING AUGUST 31:

	1990	1991
General Fund	\$ 3,544,314	\$ 3,872,562
Petty Cash	3,450	3,800
Marketable Securities	207,175	204,887
Building Fund	200,609	538,231
Total Cash Balances	\$ 3,955,548	\$ 4,619,570

12-15 - A North Country Ski Sale was held in the Progress Center.

13 - Heffron met with Rep. Becky Lourey, Kerrick, to discuss a dispute over off-season rental arrangements with an individual from Ms. Lourey's district.

13-16 - The annual 4-H horse show was staged in the Coliseum.

18 - Frost, Goiffon and Wenzel met with officers of the Federation of County Fairs to discuss matters relating to the annual fair meeting.

18-Nov. 17 - In Town Apple Store held its annual apple sale in the Sentinel Building.

20-22 - A full weekend of special events included: Fall Sportacular baseball card show, Merchandise Mart; Country Folk Art Show, Grandstand; Western Saddle Horse Show, Coliseum; North Country Ski Sale, Education Bldg.

21-22 - Frenette, Hammer and Sinclair visited the Eastern States Exposition, West Springfield, MA.

27-29 - A woodworking show was staged in Empire Commons, while the Minnesota Arabian Horse Show was held in the Coliseum.

28 - A model railroad show was presented in the Education Bldg. District 10 Community Council sponsored a neighborhood cleanup project using Blocks 8 & 9 as a collection area.

28-29 - The Midwest Auto Show & Swap was held on the Infield.

30 - Frost met with Jewel Tschetter, manager of the South Dakota State Fair, Huron.

### October

1-6 - The Minnesota Fall Horse Show was held in the Coliseum.

2 - Sinclair and Wenzel met with Messrs. John Bartz and Pat Kelly of the Minnesota State High School League to discuss liabilities associated with hosting hockey events.

2-6 - Leach attended the Country Music Association SRO convention in Nashville, TN.

3 - Sinclair, Wenzel, Ohlhauser and Rustad met with Messrs. John Fisher and Jeff Berg of the St. Paul Convention Bureau to discuss hosting a national Appaloosa horse show in 1994.

3-5 - An Evangelical Garage Sale was presented in the Crossroads Chapel.

4 - Admissions Department held a supervisors meeting to review the 1991 Fair.

5 - Junior League garage sale was held in the Education Bldg.



5-6 - A Prime Promotions flea market was staged in the Infield; a military collectors show was held in Empire Commons.

7-12 - Salvation Army used Progress Center as an assembly area for a childrens coat project in the Twin Cities.

9 - Blocks 8, 9 and 40 were used a a park and ride option for Twin's fans attending an American League playoff game with Toronto.

10 - Sinclair, Hammer, Wenzel, Frenette and Heffron attended a meeting with Amoco staff in Chippewa Falls, WI to discuss the '91 cup recycling project, as well as changes anticipated for next year. Frost met with Dave Oleson, Glacier Park Company, to negotiate a price for the parcel of railroad property at the southwest corner of the fairgrounds.

11 - Frost met with Messrs. Eugene Ranieri and John Boland to discuss concession matters. Hammer and Giannini met with staff of M.R. Bolin Advertising to review '91 ad campaign and lay groundwork for '92. Executive Committee approved the Sept. 30, 1991 cash transaction summary as follows:

#### GENERAL FUND ACTIVITY:

Cash Balance-Aug. 31, 1991	\$ 3,872,562	
Add: Sep. Cash Deposits	\$ 3,079,386	
Less: Payroll Ending Sep. 11	(247,347)	
Payroll Ending Sep. 25	(93,651)	
Fair Period Payroll	(1,330,609)	
Sep. Cash Disbursements	(3,664,574)	(2,256,795)
Cash Balance-Sep. 30, 1991		\$ 1,615,767

#### MARKETABLE SECURITIES ACTIVITY:

Balance-Aug. 31, 1991		\$ 204,887
Add: Interest Earned	\$ 680	
Securities Purchased	1,500,000	
Less: Service Charges	(29)	1,500,651
Balance-Sep. 30, 1991		\$ 1,705,538

#### BUILDING FUND ACTIVITY:

Balance-Aug. 31, 1991		\$ 538,231
Add: Interest Earned	\$ 2,735	
Less: Service Charges	(114)	2,621
Balance-Sep. 30, 1991		\$ 540,852

#### CASH BALANCES FOR MONTH ENDING SEPTEMBER 30:

	1990	1991
General Fund	\$ 535,805	\$ 1,615,767
Petty Cash	500	882
Marketable Securities	2,208,823	1,705,538
Building Fund	201,928	540,852
Total Cash Balances	\$ 2,947,056	\$ 3,863,039

13-20 - Kinney Shoe Company held a sale in the Merchandise Mart.

16-27 - Wilson leather sale was conducted in Empire Commons.

17 - Ohlhauser, Sinclair, Wenzel, Blakey, Frenette and Heffron met with Messrs. Gilbert Bugg and Vern Walker to discuss a proposal that the 1995 National Street Rod show be held at the fairgrounds.

22 - Frost, Hammer, Wenzel and Heffron attended a MTC-Rideshare awards ceremony at which the fair was recognized for its innovative use of transportation initiatives during the '91 fair. Hammer addressed the Roseville Golden K Kiwanis Club.

24 - Sinclair, Frost and Heffron hosted a meeting to discuss certain concession issues. Three individuals, including Rev. Richard Ireland, Eugene Ranieri and John Boland, participated in the session and asserted that they spoke on behalf of a larger group of vendors.

25-27 - Heffron attended the Louisiana State Fair, Shreveport. Frost attended an ASA automobile race in Jennerstown, PA, and met with sanctioning body officials, AC-Delco representatives and several car owners.

31 - Pooch met with Ann Connery of the Minnesota Paint Horse Assn. to discuss possible changes in their show for 1992.

### SPACE RENTAL COMMITTEE MEETING MINNESOTA STATE AGRICULTURAL SOCIETY

Administration Building, State Fairgrounds  
Thursday, November 7, 1991 - 9:00 a.m.

Members present: Keenan, chairman; Roehlke; Morris; Prokosch; Simons; Lilliquist, ex officio; Heffron, ex officio; Sinclair, ex officio; Wenzel, ex officio; Frenette, ex officio. Absent: Lund.

Also present: Recknor; Annexstad; Schmidt; Rochelle Rustad; Judi Ohlhauser; Sherry Enzler; Jim Donnelly.

The meeting was called to order at 9:00 a.m. by Chairman Keenan.

The 1991 space rental application submitted by Walsh Lane Enterprises was considered by the committee upon appeal of Mr. Frank Filipczak. Sinclair reviewed the history of Mr. Filipczak's involvement in the fair until 1990, when for health reasons he relinquished the contracted space assigned him. Mr. Filipczak reviewed the history of his product at the fair, media and public exposure the product had received and expressed the opinion that the determination relative to his application may have been reached in an "arbitrary" manner, denying him access to what he perceived to be available space.

It was moved by Mr. Prokosch, seconded by Mr. Simons and carried that the staff had acted appropriately in its handling of the subject space request for the 1991 fair. Chairman Keenan advised Mr. Filipczak that application materials for the 1992 fair would be available after January 1, 1992, and encouraged him to apply for space at that time (Aye-4; Nay-0).

Mr. Sinclair presented for committee review a resume of rental services revenue for the 1991 fair, along with a food and beverage concessions rental rate change analysis (1990-1991) and a summary of carnival revenues from rides and shows. No action necessary.

### 1991 MINNESOTA STATE FAIR SPACE RENTAL DEPARTMENT CONCESSION/EXHIBIT REVENUE SUMMARY

	1990	1991	Comparison
<b>CONCESSIONS</b>			
Indoor and Outdoor Space	\$551,008.25	\$612,853.20	+ 61,844.95
<b>PERCENTAGE/PARTICIPATION ATTRACTIONS</b>			
Antique Auto Show	\$ 3,591.51	\$ 2,183.17	- 1,408.34
Giant Slide	- 0 -	54,814.45	+ 54,814.45
Hanneford Circus	- 0 -	515.21	+ 515.21
Haunted House	72,164.72	72,252.68	+ 87.96
Old Mill	28,641.60	27,245.29	- 1,396.31
Skyride	55,367.87	54,155.10	- 1,212.77
Space Tower	24,804.84	24,083.98	- 720.86
Trolley	- 0 -	399.45	+ 399.45
	184,570.54	235,649.33	+ 51,078.79
<b>CARNIVAL</b>			
Rides and Shows	\$722,026.81	\$742,238.62	+ 20,211.81
Concessions	182,229.00	205,660.00	+ 23,431.00
	904,255.81	947,898.62	+ 43,642.81
<b>GRANDSTAND CONCESSIONS</b>			
Food	38,684.30	47,164.46	+ 8,480.16
3.2 Beer	25,095.60	44,481.00	+ 19,385.40
Attraction			
Merchandise Sales	29,512.20	43,356.00	+ 13,843.80
	93,292.10	135,001.46	+ 41,709.36
<b>FOOD AND BEVERAGE CONCESSION PERCENTAGE*</b>			
	371,090.00	872,721.36	+ 501,631.36
<b>3.2 BEER AND FOOD</b>			
Brede Enterprises, Inc.	81,595.20	97,411.88	+ 15,816.68
Cleworth's Food & Bev.	50,000.00	60,705.70	+ 10,705.70
Coliseum Concessions	10,100.00	9,919.26	- 180.74
Crocker's Spaghetti Village	8,850.00	10,592.85	+ 1,742.85
The Frontier	31,550.00	37,081.57	+ 5,531.57
John A. Giere	51,600.00	50,282.39	- 1,317.61
H.M.H. of St. Paul Inc.			
(Bazaar)	30,046.00	34,845.88	+ 4,799.88
Kirschner's Beer Stube	14,500.00	15,250.63	+ 750.63
Midway Men's Club	8,650.00	10,429.90	+ 1,779.90
	286,891.20	326,520.06	+ 39,628.86
<b>SUNDRY</b>			
Cancelled			
but Active Contracts	2,523.00	877.50	- 1,645.50
Concessions/Exhibit Lists	710.00	670.00	- 40.00
Entertainer Merchandise Sales	6,307.27	4,192.12	- 2,115.15
Merchandise/Commissary			
Permits	11,825.00	23,625.00	+ 11,800.00
Miscellaneous	4,118.41	3,668.27	- 450.14
Novelties (Desplenter)	48,106.10	43,604.10	- 4,502.00
Programs (official) -			
Auto Race	651.00	770.50	+ 119.50
	74,240.78	77,407.49	+ 3,166.71
	\$2,465,348.68	\$3,208,051.52	+ 742,702.84
<b>EXHIBITS</b>			
Indoor & Outdoor Space	\$ 177,533.00	\$ 214,429.00	+ 36,896.00
	\$2,642,881.68	\$3,422,480.52	+ 779,598.84
<b>INSTITUTIONAL</b>			
Indoor & Outdoor Space	\$ 29,054.00	\$ 30,884.00	+ 1,830.00
GRAND TOTAL	\$2,671,935.68	\$3,453,364.52	+ 781,428.84

\*1991 = first year of percentage rent formula application

**MINNESOTA STATE FAIR  
FOOD & CONCESSIONS  
RENTAL RATE CHANGE ANALYSES (1990-1991)**

Percent of Change	Number (Percent) in this Group	Dollar Increase Low/High	Average Dollar Increase	Median Dollar Increase
(+) 1,000 - above	3 (1.3%)	\$6,393/\$21,987	\$13,190	\$11,189
(+) 751 - 1,000	4 (1.8%)	\$5,798/\$21,695	10,864	7,982
(+) 501 - 750	10 (4.4%)	\$2,936/\$14,704	7,090	4,567
(+) 251 - 500	32 (14.2%)	\$1,243/\$29,119	4,620	3,225
(+) 151 - 250	33 (14.6%)	\$766/\$9,203	2,427	1,598
(+) 51 - 150	80 (35.3%)	\$143/\$8,571	1,310	1,148
(+) 1 - 50	39 (17.3%)	\$3/\$2,780	469	311
(-) 0 - 50	21 (9.3%)	(-) \$14/(-) \$1,288	(-) 341	(-) 236
(-) 51 - below	4 (1.8%)	(-) \$545/(-) \$713	(-) 552	(-) 666
	226 (100%)	(-) \$1,288/(-) \$29,119	\$2,199	\$1,212

**MINNESOTA STATE FAIR  
CARNIVAL REVENUE/RIDES & SHOWS  
1979 - 1991**

Year	Total Gross	Advance	Fair's Percentage	Attendance	Per Cap	Rank
1979	\$1,131,992		\$397,461	1,405,669	\$ .81	10
1980	984,288		327,144	1,325,360	.74	12
1981	980,862		315,011	1,414,809	.69	13
1982	1,035,336		334,588	1,321,785	.78	11
1983	1,143,510		370,031	1,347,884	.85	9
1984	1,380,367		450,034	1,446,450	.95	8
1985	1,462,861		481,796	1,496,014	.98	7
1986	1,680,873	\$11,058	609,434	1,565,349	1.07	6
1987	1,772,088	18,036	666,824	1,612,178	1.10	4
1988	1,808,701	23,730	677,844	1,621,279	1.12	3
1989	1,700,811	37,344	635,178	1,551,361	1.10	5
1990	1,886,981	51,896	718,026	1,528,688	1.23	2
1991	1,938,969	78,578	738,238	1,488,810	1.30	1

Authority to extend the percentage rent formula to other non-food concessions was granted to staff on a motion by Ms. Roehlke, seconded by Mr. Prokosch and carried (Aye-4; Nay-0).

On a motion by Mr. Simons, seconded by Mr. Morris and carried, staff was authorized to make appropriate adjustments in off-season event building and grounds rental rates for 1992, in a range of up to 15% based on analysis of each facility. An adjustment of Coliseum ice rental rates was also approved under this motion (Aye-4; Nay-0).

Meeting was adjourned at 10 a.m.

**MEETING OF THE GOVERNING BOARD  
MINNESOTA STATE AGRICULTURAL SOCIETY**  
Administration Building  
November 7, 1991 - 10 A.M.

Members present: Willis Lilliquist, president; Eileen Roehlke; Howard Morris; Howard Recknor; Martin Annexstad; Don Simons; Richard Keenan; Vern Prokosch; Clarice Schmidt; Mike Heffron, secretary. Absent: Bert Lund.

Also present: Jim Sinclair; Rochelle Rustad; Jerry Hammer; Rick Frenette; Jim Frost; Sherry Enzler; Jim Donnelly; Karen Leach; Ken Wenzel; Steve Pooch.

Mr. Lilliquist called the meeting to order at 10:11 a.m.

Motion by Mr. Annexstad, seconded by Mr. Keenan and carried that board and committee minutes, recorded during the 1991 fair, be approved as submitted to the members by mail (Aye-8; Nay-0).

Minutes in vacation, covering the period Aug. 22 through Oct. 31, 1991, and the administrative action noted therein, were approved, (with the following correction), on a motion by Mr. Prokosch, seconded by Ms. Roehlke and carried (Aye-8; Nay-0). The final entry on Oct. 10 should read: "Frost met with Dave Oleson, Glacier Park Co., to negotiate a price for the parcel of railroad property at the southwest corner of the fairgrounds."

Secretary presented the Oct. 31, 1991 financial statement as follows:

**GENERAL FUND ACTIVITY:**

Cash Balance-Sep. 30, 1991		\$ 1,615,767
Add: Oct. Cash Deposits	\$ 1,303,291	
Less: Payroll Ending Oct. 9	(101,813)	
Payroll Ending Oct. 23	(85,406)	
Oct. Cash Disbursements	(2,128,692)	(1,012,620)

Cash Balance-Oct. 31, 1991 \$ 603,147

**MARKETABLE SECURITIES ACTIVITY:**

Balance-Sep. 30, 1991		\$ 1,705,538
Add: Interest Earned	\$ 6,202	
Securities Purchased	600,000	
Less: Service Charges	(270)	
Securities Cashed	(890,000)	(284,068)

Balance-Oct. 31, 1991 \$ 1,421,470

**BUILDING FUND ACTIVITY:**

Balance-Sep. 30, 1991		\$ 540,852
Add: Interest Earned	\$ 5,253	
Securities Purchased	890,000	
Less: Service Charges	(227)	
Disbursements	(350,000)	545,026

Balance-Oct. 31, 1991 \$ 1,085,878

**CASH BALANCES FOR MONTH ENDING OCTOBER 31:**

	1990	1991
General Fund	\$ 78,668	\$ 603,147
Petty Cash	2,050	500
Marketable Securities	1,215,442	1,421,470
Building Fund	516,870	1,085,878
Total Cash Balances	\$ 1,813,030	\$ 3,110,995

After review of the statement, it was moved by Mr. Recknor, seconded by Mr. Morris and carried that the financial resume be approved (Aye-8; Nay-0).

Approval of action taken by the space rental committee earlier in the day (Nov. 7) was moved by Mr. Keenan, seconded by Mr. Simons and carried (Aye-8; Nay-0).

Secretary introduced and reviewed a report on the fair's 1991 traffic and parking management program:

**1991 MINNESOTA STATE FAIR  
TRAFFIC & PARKING MANAGEMENT INITIATIVE**

Parking Income (161,613 cars at \$3)	\$ 484,839
Less: Sales Tax	\$29,590
Cost to Administer	16,500
Net	\$ 438,749

Cost of On-Grounds Parking System \$ 109,233

Park & Ride System	
Used by	67,016 cars 154,139 people
Increase over '90	31,875 cars 73,313 people
Additional Cost over '90 --	\$ 102,817
Total Cost of Park & Ride System	\$ 145,417

Mass Transit System	
Used by . . . 49,000 people	
Estimated increase over '90 . . . 22.5 percent	
Less: Cost of Transit Discount	\$ 98,000
Other Costs	\$ 6,000
Total Cost of Transit Promotion	\$ 104,000

Total Cost of Parking - Transportation System \$ 358,650

Net Parking Revenue \$ 80,099

Mr. Frenette presented a report of activity in the society's building fund during 1991. The report, which shows an opening balance of \$516,870, authorized expenditures, sales tax, matching deposits and a closing balance of \$1,085,878, was approved on a motion by Mr. Simons, seconded by Ms. Schmidt and carried (Aye-8; Nay-0). Resume below:

**1991  
MINNESOTA STATE FAIR  
BUILDING FUND REPORT**

DATE	DESCRIPTION	UNRESTRICTED + / (-)	RESTRICTED + / (-)	TOTAL FUND BALANCE
11/01/90	Beginning Balance			\$ 516,870
01/19/91*	Release to unrestricted board minutes, pg. 14-91	\$ 350,000	\$(350,000)	516,870
10/29/91	Deposit 1991 forgone sales tax liability		445,000	961,870
10/29/91	Deposit 1991 MSF matching funds		445,000	1,406,870
10/30/91	Transfer unrestricted to cash funds	(350,000)		1,056,870
10/31/91	1991 Interest income		30,225	1,087,095
10/31/91	1991 Investment fees		(1,217)	<u>1,085,878</u>

\* Assign building fund to:

(1) Replace Grandstand seats	\$ 125,000
(2) Funds for Visitors Plaza	85,000



(3) Replace Food Building roof - Phase II	110,000
(4) Upgrade Livestock Dorm	20,000
(5) Build (4) Kiosks	<u>10,000</u>
Total	\$ 350,000

It was moved by Mr. Annexstad, seconded by Mr. Keenan and carried that secretary be authorized to enter into contracts with acts and attractions for the 1992 fair (Aye-8; Nay-0).

Secretary discussed with the board a staff recommendation to reduce adult outside gate (discount) tickets from \$3.25 to \$3. Upon a motion by Mr. Prokosch, seconded by Mr. Annexstad and carried, secretary was authorized to prepare the society's 1992 operating budget on the basis of the discussed reduction. (Aye-8; Nay-0).

Following a presentation by Mr. Hammer, it was moved by Mr. Simons, seconded by Mr. Recknor and carried that the following advertising policy be implemented in 1992: "The State Fair's basic advertising outlets shall be all daily and weekly newspapers in Minnesota as well as broadcast outlets selected from the state's radio and television stations, plus selected newspapers and radio and television stations in surrounding states." Included in the motion was approval of the 1992 advertising agency contract with the M.R. Bolin firm (Aye-8; Nay-0).

Secretary presented a report on the fair's 1991 cup recycling program. The matter was discussed, no action was necessary.

#### 1991 MINNESOTA STATE FAIR CUP RECYCLING INITIATIVE

Sale Value of Cups Purchased (4,622,500 cups)	\$ 123,560
Less: Cost of Cups	\$ 111,900
Buy Back Allowance (6,800 cups)	34
Cost to Handle	3,786
Net	\$ 7,840

Cups put into the System (estimated)	4,310,500 cups
Cups Recycled	2,198,355 cups
Weight of Material Removed from Waste Stream	30,855 pounds

Cost of Recycling Program:	
Labor	\$ 35,244
Material	\$ 27,037
Other Costs	\$ 15,565
	\$ 77,846

Less:	
Savings from reduced Tipping fees (15 tons)	\$ 1,001
Other: Truck Time	\$ 2,206 \$ 3,207
	\$ 74,639

Sponsor Contributions	\$ 10,665
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A review of fair-week payrolls was undertaken, after which it was moved by Mr. Recknor, seconded by Mr. Morris and carried that the submitted payroll summary, totaling \$1,263,325, be approved (Aye-8; Nay-0).

Mr. Frost indicated that Glacier Park Company had accepted the society's offer to buy 2.39 acres of property on the south side of Como Avenue abutting the fair's Sussell parking lot for the sum of \$215,000. Approval of this action, as authorized in board resolutions of 1-21-91 and 9-1-91, was moved by Mr. Simons, seconded by Mr. Keenan and carried (Aye-8; Nay-0).

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

#### GRANDSTAND

8-22 Sharon, Lois and Bram	2:00 p.m.	28 @ \$ 9.00	Contract Provision
8-22 Sharon, Lois and Bram	7:00 p.m.	61 @ \$ 9.00	Contract Provision
8-23 Willie Nelson, Johnny Cash	7:30 p.m.	42 @ \$12.00	Contract Provision
8-24 Don Henley	7:30 p.m.	41 @ \$12.50	Contract Provision
8-25 Alabama, Ray Kennedy	7:30 p.m.	74 @ \$12.50	Contract Provision
8-26 Chicago	7:30 p.m.	100 @ \$12.00	Contract Provision
8-27 Huey Lewis and the News	7:30 p.m.	200 @ \$12.00	Contract Provision
8-28 Garth Brooks, Lorrie Morgan	7:30 p.m.	40 @ \$11.00	Contract Provision
8-29 The Statler Brothers, Williams & Ree	7:30 p.m.	30 @ \$11.00	Contract Provision
8-30 Vanilla Ice	7:30 p.m.	1000 @ \$11.00	Editor, Legislator
8-31 Randy Travis, Alan Jackson	7:30 p.m.	50 @ \$11.00	Contract Provision
9-01 The Beach Boys	3:00 p.m.	42 @ \$12.00	Contract Provision
9-01 The Beach Boys	7:30 p.m.	102 @ \$12.50	Contract Provision
9-02 Auto Race	1:00 p.m.	688 @ \$10.00	Happenings Coupons
		381 @ \$ 7.00	Happenings Coupons

#### COLISEUM

8-23 English Horse Show	1:00 p.m.	5 @ \$ 5.00	Judges
8-23 English Horse Show	6:00 p.m.	5 @ \$ 5.00	Judges
8-24 English Horse Show	6:30 p.m.	5 @ \$ 5.00	Judges

8-29 Rodeo	1:00 p.m.	4 @ \$ 6.50	Announcer
8-29 Rodeo	7:00 p.m.	4 @ \$ 6.50	Announcer
8-30 Rodeo	7:00 p.m.	4 @ \$ 6.50	Announcer

Under the same motion, outside gate tickets having a total face value of \$138,206.75, used by various departments and for institutional purposes during the 1991 fair were reclassified as non-pay:

#### DEPARTMENTAL:

Box Office	48	3.25	\$ 156.00
Cattle	34	3.25	110.50
Creative Activities	195	3.25	633.75
Education	273	3.25	887.25
Finance	24	3.25	78.00
Fine Arts	50	3.25	162.50
4-H	9514	3.25	30,920.50
Free Entertainment	7608	3.25	24,726.00
Fruits	120	3.25	390.00
FFA	250	3.25	812.50
Gate Ticket	11	3.25	35.75
Grandstand	1493	3.25	4,852.25
Guest/Staff Services	174	3.25	565.50
Horse	301	3.25	978.25
Meats	82	3.25	266.50
Media & Public Relations	685	3.25	2,226.25
	133	2.00	266.00
Miscellaneous	9	3.25	29.25
	1	2.00	2.00
Public Safety	1595	3.25	5,183.75
Senior Citizen	630	3.25	2,047.50
Space Rental	7	3.25	22.75
Telephone	15	3.25	48.75
Youth Camp	40	3.25	130.00

#### INSTITUTIONAL-ORGANIZATIONS:

Adults	9489	3.25	30,839.25
Youth/Senior	918	2.00	1,836.00

#### INSTITUTIONAL-PROMOTION:

Multiple Sclerosis	15000	2.00	30,000.00
Total	48699		\$ 138,206.75

Adults	32647	3.25	\$ 106,102.75
Youth	16052	2.00	32,104.00

Total	48699		\$ 138,206.75
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#### ORGANIZATIONS

1. Access Ability - Robbinsdale	325.00
2. Access Ability - Minneapolis	162.50
* 3. Accessible Space, Inc.	325.00
* 4. Albert Place	32.50
5. Alexandra House, Inc.	110.25
* 6. The Aliveness Project	325.00
7. Alpha Human Services	113.75
8. Amicus	325.00
9. Andrew Residence	325.00
10. Anoka Metro Regional Treatment Center	325.00
11. Association for Blind Living & Education (ABLE)	312.50
12. Association of Retarded Citizens - Hennepin Co.	130.00
13. Archdiocesan AIDS Ministry	375.00
14. Aurora House	48.75
* 15. Bar None - Volunteers of America	304.75
* 16. Bethel Care Center	32.50
17. Bethesda Lutheran Medical Center	243.75
18. Big Brothers / Big Sisters - Minneapolis	525.00
19. Big Brothers / Big Sisters - St. Paul	393.75
20. Bill Kelly House	65.00
21. Blue Earth County - Second Step	48.75
22. Bristol Place	325.00
23. Brown House	52.00
24. Bryn Mawr Health Care Center	276.25
* 25. Bush Children's Annex	161.25
* 26. Bush Children's Center	161.25
27. Cambridge Regional Human Services	325.00
28. Camilia Rose Nursing Home	48.75
29. Camilia Rose Group Home	146.25
30. Careco Homes	48.75
* 31. Carver County Community Support Program	52.00
* 32. Catholic Charities - Women/Children in Poverty	525.00
33. Catholic Charities - St. Ann's Residence	237.25
* 34. Circle Center	113.75
35. Civic Community Service, Inc.	325.00
* 36. Club Fed - Summer-Olson Residence	325.00
* 37. Community Involvement Program	195.00
38. Community Options	55.25
39. Cooperating Community Programs - Minneapolis	163.00
40. Cooperating Community Programs - St. Paul	425.00
41. Cooperating Community Programs - Englewood	36.50
42. Cooperating Community Programs - Hyacinth	26.00
* 43. Cooperating Community Programs - Hennepin Alternative Services	65.00
44. Courage Center	325.00
* 45. Courage Center - DECA Program	97.50
* 46. Courage Center - Independent Living	130.00

47. Demar Children's Home . . . . .	276.25	142. Ramsey County Human Services . . . . .	39.00
* 48. Dungarvin Alternative Services - Richmond Site . . . . .	97.50	* 143. Ramsey County Mental Health . . . . .	227.50
49. Dungarvin - Amer Group Home . . . . .	91.00	144. Ramsey County Mental Health Clinic - Fort Road Day Treatment . . . . .	227.50
50. Elliot Board and Care . . . . .	32.50	145. Ramsey County - Joanne Redding Adult Foster Home . . . . .	32.50
51. Emerson Place North, Inc. . . . .	72.50	146. Ramsey County Volunteer Services . . . . .	325.00
* 52. Family Networks II . . . . .	71.50	147. Recovery Resource Center . . . . .	243.75
53. Family Style Homes . . . . .	325.00	148. REM - Lyndale . . . . .	48.75
54. Faribault Regional Center . . . . .	325.00	149. REM - Metro Services . . . . .	242.50
* 55. Faribault Regional Community Service . . . . .	48.75	150. REM - Pillsbury, Inc. . . . .	130.00
56. Franklin Place East, Inc. . . . .	109.50	151. Riverside Medical Center . . . . .	130.00
57. Louise Fraser Community Service - Charlson House . . . . .	81.25	152. Rose of Sharon Manor . . . . .	84.00
* 58. Greenwood Residence, Inc. . . . .	195.00	153. Roseville Schools #623 - Transition Center . . . . .	42.50
59. Hammer Residences, Inc. . . . .	325.00	* 154. Safe Alternatives . . . . .	325.00
* 60. Hastings Public Schools . . . . .	65.00	* 155. Safe House & SALP . . . . .	325.00
61. Health East - St. Joseph's Hospital . . . . .	146.25	156. St. Joseph's Home for Children . . . . .	525.00
62. Hennepin County Medical Center/Inpatient Pysch. . . . .	162.50	* 157. St. Paul Public Schools . . . . .	262.50
63. Hennepin County Mental Health Day Treatment . . . . .	113.75	158. St. Paul Society for the Blind . . . . .	325.00
64. Hiawatha Valley Mental Health Center . . . . .	162.50	159. St. Peter Regional Treatment Center . . . . .	325.00
65. Hoikka House, Inc. . . . .	292.50	* 160. The Salvation Army . . . . .	325.00
* 66. Holcomb House . . . . .	161.25	161. Salvation Army - Adult Rehabilitation . . . . .	325.00
67. Home Free . . . . .	343.75	162. Senior Resources . . . . .	157.50
68. Homeward Bound, Inc. . . . .	65.00	163. Shalom Home, Inc. . . . .	325.00
* 69. Homeward Bound - New Hope . . . . .	325.00	164. Six Acres (SILS) . . . . .	113.75
* 70. Horizon West Health Care . . . . .	97.50	165. South Center Manor . . . . .	80.00
71. Hubert H. Humphrey Job Corps Center . . . . .	325.00	166. Southside Services, Inc. . . . .	162.50
72. Human Development Center . . . . .	81.25	* 167. Stevens House . . . . .	81.25
* 73. Human Resource Associates - Companion Program . . . . .	162.50	168. Sur La Rue . . . . .	162.50
74. Juel Fairbanks Chemical Dependency . . . . .	243.75	* 169. Sur La Rue - Skillman . . . . .	91.00
75. Kelly Institute . . . . .	195.00	170. Thomas Allen, Inc. . . . .	325.00
76. Lake Owasso Residence . . . . .	325.00	* 171. Thomas House . . . . .	58.50
77. Little Sisters of the Poor . . . . .	130.00	172. Trevilla of Robbinsdale . . . . .	325.00
78. Lutheran Social Services - Apartment Program . . . . .	55.25	173. United Blind of Minnesota . . . . .	195.00
79. Lyngblomsten Care Center . . . . .	195.00	174. United Hospital . . . . .	78.00
80. Lynwood health Care . . . . .	78.75	* 175. University Health Care Center . . . . .	48.75
81. Mains'l Services . . . . .	42.25	176. University of Minnesota - China Center . . . . .	325.00
* 82. Mains'l Services - Lois Lane Group . . . . .	39.00	177. University of Minnesota Hospital & Clinic . . . . .	325.00
83. March House . . . . .	55.25	178. Vail Place . . . . .	325.00
* 84. Mary T - Minehaha Creek . . . . .	29.25	* 179. WARMTH - Dakota Mental Health Center . . . . .	65.00
85. Mary T - Sand Creek . . . . .	29.25	180. Way 12 - Halfway House . . . . .	97.50
* 86. Mary T - Trillium . . . . .	32.50	181. The Wayside House, Inc. . . . .	130.00
87. Mental Health Resources - Case Management . . . . .	325.00	182. Welcome Home . . . . .	211.25
88. Mental Health Resources - Eastside . . . . .	325.00	183. Wellspring Therapeutic Communities . . . . .	97.50
89. Mental Health Resources - Friends . . . . .	162.50	* 184. Woodbury Extended Care Center . . . . .	146.25
90. Mental Health Resources - Longfellow/Nokomis . . . . .	97.60	185. YMCA - Kellogg Club . . . . .	162.50
91. Mental Health Resources - Sharing Life in Community . . . . .	97.50	186. Zumbro Valley Mental Health Center - Goodhue Co. . . . .	45.50
92. Mental Health Resources - Skills . . . . .	325.00		
93. Merrick Co. . . . .	84.50		(Adult) \$30,839.25
94. Midway Training Services . . . . .	162.50		(Youth) 1,836.00
95. Minnesota Aids Project (MAP) . . . . .	375.00		<u>\$32,675.25</u>
96. Minneapolis Society for the Blind . . . . .	243.75	INSTITUTIONAL PROMOTIONS	
97. Minneapolis Veterans Home . . . . .	325.00	Multiple Sclerosis Society Read-a-thon (Youth) . . . . .	
* 98. Minnesota Head Injury Association . . . . .	81.25	TOTAL . . . . .	
99. Mission Lodge . . . . .	97.50	\$30,000.00	
* 100. Mother Cabrini House . . . . .	81.25	\$62,675.25	
101. Multi Resources Centers - Central Hennepin Light House . . . . .	162.50	* 51 new facilities in 1991	
102. Multi Resources Centers - So. Hennepin Community Support . . . . .	325.00	30 facilities dropped from 1990	
* 103. Multi Resources Centers - Support Services . . . . .	130.00	Discussion was undertaken regarding the various changes in society and federation sessions	
104. Muriel Humphrey - Fraser House . . . . .	58.50	scheduled for the annual meeting in January. No action required.	
105. Muriel Humphrey - Westby . . . . .	71.50	Upon a motion by Mr. Annexstad, seconded by Mr. Recknor and carried, authority was	
106. Muscular Dystrophy Association (MDA) . . . . .	325.00	granted for members of the board to travel to the Dakota fair convention in Sioux Falls (Nov.	
107. Nekton Inc. . . . .	325.00	15-17) and for Mr. Morris and Mr. Lilliquist to attend the Arizona fairs convention (while	
108. New Foundations . . . . .	81.25	they are staying in the Phoenix area) (Aye-8; Nay-0).	
109. New Hope Center . . . . .	97.50	Mr. Morris reported that he and Mr. Lilliquist attended the Tulsa State Fair, Tulsa, Oklahoma.	
110. Norhaven . . . . .	325.00	Meeting adjourned at 11:30 a.m.	
* 111. Northeast House, Inc. . . . .	52.00	MINUTES IN VACATION	
112. Northwest Hennepin Community Support . . . . .	162.50	November	
* 113. Oakland Home, Inc. . . . .	130.00	7 - The executive committee approved the Oct. 31, 1991 cash transaction summary as fol-	
114. Oasis . . . . .	81.25	lows:	
115. 180 Degrees, Inc. . . . .	136.50	GENERAL FUND ACTIVITY:	
116. Opal Corporation . . . . .	325.00	Cash Balance-Sep. 30, 1991 . . . . .	
117. Opportunity Workshop - Day Trianing & Habilitation . . . . .	81.25	Add: Oct. Cash Deposits . . . . .	
118. Opportunity Workshop - Minnetonka . . . . .	325.00	Less: Payroll Ending Oct. 9 . . . . .	
119. Opportunity Workshop - Golden Valley . . . . .	305.50	Payroll Ending Oct. 23 . . . . .	
120. Outreach - Bloomington . . . . .	32.50	Oct. Cash Disbursements . . . . .	
* 121. Outreach - Brooklyn Center . . . . .	32.50	Cash Balance-Oct. 31, 1991 . . . . .	
122. Outreach - Gladson Group . . . . .	45.50	MARKETABLE SECURITIES ACTIVITY:	
* 123. Outreach - Plymouth East . . . . .	19.50	Balance-Sep. 30, 1991 . . . . .	
* 124. Outreach - Plymouth West . . . . .	29.25	Add: Interest Earned . . . . .	
125. Outreach - Rice Creek . . . . .	32.50	Securities Purchased . . . . .	
126. Outreach - Richfield Group . . . . .	24.75	Less: Service Charges . . . . .	
127. Outreach - Stevens . . . . .	26.00	Securities Cashed . . . . .	
128. Passageway . . . . .	65.00		
129. People - Apartment Network . . . . .	195.00		
130. People - Apollo Center . . . . .	97.50		
131. People - Child Care Residence . . . . .	195.00		
132. People - Journey House . . . . .	29.25		
133. People - Northside Community Support . . . . .	162.50		
134. People - Petra Howard House . . . . .	42.25		
135. Phoenix Residence, Inc. . . . .	325.00		
136. Phoenix Residence - Clinton House . . . . .	22.75		
* 137. Phoenix Residence - Howard & Furness House . . . . .	78.00		
138. Pillsbury Unity Neighborhood Center . . . . .	325.00		
139. Portland Residence . . . . .	343.00		
140. Prodigal House . . . . .	97.50		
141. Ramsey Clinic . . . . .	32.50		



Balance-Oct. 31, 1991 \$ 1,421,470

# **BUILDING FUND ACTIVITY:**

Balance-Sep. 30, 1991 \$ 540,852  
 Add: Interest Earned \$ 5,253  
 Securities Purchased 890,000  
 Less: Service Charges (227)  
 Disbursements (350,000) 545,026

Balance-Oct. 31, 1991 \$ 1,085,878

# **CASH BALANCES FOR MONTH ENDING OCTOBER 31:**

	1990	1991
General Fund	78,668	\$ 603,147
Petty Cash	2,050	500
Marketable Securities	1,215,442	1,421,470
Building Fund	516,870	1,085,878
Total Cash Balances	\$ 1,813,030	\$ 3,110,995

8 - Hammer gave a presentation at the Rocky Mountain Association of Fairs meeting in Minot.

9 - A video game equipment auction was held in the Block 44 arcade.

12 - Members of the senior executive staff met with a group of food concessionaires to discuss pricing and other marketing strategies for 1992.

14 - Frost and Sherry Enzler met with the University of Minnesota's Robert Erickson and Greg Brown to discuss a draft agreement covering the intercampus transitway.

14-15 - Sinclair and Heffron attended the Dakotas fair meeting in Sioux Falls, SD. Heffron was the keynote speaker, Sinclair offered a message from the IAFE office and participated in a workshop.

19 - Frost met with Susan Hoyt, Falcon Heights city administrator, regarding general matters affecting the fair and the city.

20 - Minneapolis police conducted a K-9 training session on the fairgrounds.

21 - A legislative audit entrance conference was attended by Frenette, Kirch, Jacobson and Heffron. Jeanine Leifeld, audit manager, introduced the new field audit staff. Field work began Nov. 25. Hammer attended the National Farm-City Week luncheon in St. Paul. Pooch met with Mary Taylor of Whips and Wheels regarding possible addition of classes in the 1992 Horse Show.

26 - Heffron spoke on the "State Fair as a business resource" at a meeting of the Suburban Area Chamber of Commerce in Roseville. Gale Frost addressed the St. Paul Midway Kiwanis Club and North Suburban Golden K Kiwanis Club.

# **December**

2-5 - Wenzel, Frost, Frenette, Hammer, Sinclair, Leach, Pooch, Fischler and Heffron, along with board members Morris, Annexstad, Schmidt, Lilliquist, Prokosch, Roehlke, Simons and Recknor attended the annual convention and trade show of the International Association of Fairs & Expositions in Las Vegas, NV.

10 - Sinclair met with John Keenan to discuss operation and overhead related to the Old Mill. Pooch attended a Forum for Animal Agriculture meeting and addressed the group relative to animal welfare. Pooch and staff members Goodrich and Ohlhauser met with members of the MN Horse Council to discuss horse related concerns.

11 - Heffron met with Jeanine Leifeld and Mary Jacobson of the Legislative Audit Staff. The executive committee approved the Nov. 30, 1991 cash transaction summary as follows:

# **GENERAL FUND ACTIVITY:**

Cash Balance-Oct. 31, 1991 \$ 603,147  
 Add: Nov. Cash Deposits \$ 343,939  
 Less: Payroll Ending Nov. 6 (86,400)  
 Payroll Ending Nov. 20 (70,262)  
 Nov. Cash Disbursements (610,452) (423,175)

Cash Balance-Nov. 30, 1991 \$ 179,972

# **MARKETABLE SECURITIES ACTIVITY:**

Balance-Oct. 31, 1991 \$ 1,421,470  
 Add: Interest Earned \$  
 Securities Purchased  
 Less: Service Charges  
 Securities Cashed (300,000) (300,000)

Balance-Nov. 30, 1991 \$ 1,121,470

# **BUILDING FUND ACTIVITY:**

Balance-Oct. 31, 1991 \$ 1,085,878  
 Balance-Nov. 30, 1991 \$ 1,085,878

# **CASH BALANCES FOR MONTH ENDING NOVEMBER 30:**

	1990	1991
General Fund	\$ (121,662)	\$ 179,972
Petty Cash	2,050	2,000
Marketable Securities	1,022,326	1,121,470
Building Fund	520,098	1,085,878
Total Cash Balances	\$ 1,422,812	\$ 2,389,320

12 - James Productions used the Coliseum for filming a television commercial.

13 - Sinclair met with Mr. Richard Nyman to discuss raft ride operation and James and Ethel Peters to discuss reconfiguration of their concession in the Crossroads Building. Frost and Heffron met with Sherry Enzler and Scott Strand of the Attorney General's office. Mr. Strand is the new attorney appointed to represent the Society.

16 - Hammer, Sinclair and Giannini met with representatives of Encyclopaedia Britannica to discuss special exhibits available to the fair from the company.

17 - Heffron and members of the senior staff met individually with Rod Markin, Markin & Associates, to review information related to the fair's long-range planning study.

18 - Wenzel, Hammer and Sinclair met with representatives of Amoco Foam Products to review plans for cup recycling at the 1992 fair. Frost met with Dennis Spalla, assistant commissioner of administration and Tom Joachim, acting director of building codes and standards division.

19 - Frost, Fischler, Wenzel and Heffron met with Warren Wunderlich (TKDA) to discuss building code matters. Hammer gave a presentation to the Minnesota Industrial Development Association.

23 - Frost and Tom Simon, CB Commercial Real Estate Group, met to discuss property for sale at 1830 Como Avenue.

# **January**

6-7 - Sinclair, Hammer and Frenette attended the Wisconsin Association of Fairs Convention in Milwaukee. Hammer was keynote speaker, Sinclair spoke on behalf of the IAFE and Frenette conducted a program planning meeting for the IAFE Zone 4 Spring Conference.

7 - Frost and Heffron met with Enzler and Strand to review Society procedures for submission of real estate transactions to the State Executive Council. Pooch and horse superintendent Peterson met with Beth Miner and Louise Otten of the MN Hunter and Jumper Association relative to possible changes in that portion of the 1992 show.

9 - Legislative Audit staff finished its field work at the fair.

10 - Gale Frost spoke to the South St. Paul Kiwanis Club. The executive committee approved the Dec. 31, 1991 cash transaction summary as follows:

# **GENERAL FUND ACTIVITY:**

Cash Balance-Nov. 30, 1991 \$ 179,972  
 Add: Dec. Cash Deposits \$ 205,554  
 Less: Payroll Ending Dec. 4 (81,437)  
 Payroll Ending Dec. 18 (75,699)  
 Dec. Cash Disbursements (132,398) (83,980)

Cash Balance-Dec. 31, 1991 \$ 95,991

# **MARKETABLE SECURITIES ACTIVITY:**

Balance-Nov. 30, 1991 \$ 1,121,470  
 Add: Interest Earned \$ 13,669  
 Less: Service Charges (632)  
 Securities Cashed (100,000) (86,963)

Balance-Dec. 31, 1991 \$ 1,034,507

# **BUILDING FUND ACTIVITY:**

Balance-Nov. 30, 1991 \$ 1,085,878  
 Add: Interest Earned \$ 7,544  
 Less: Service Charges (353) 7,191

Balance-Dec. 31, 1991 \$ 1,093,069

# **CASH BALANCES FOR MONTH ENDING DECEMBER 31:**

	1990	1991
General Fund	\$ 22,016	\$ 95,991
Petty Cash	2,050	2,000
Marketable Securities	526,687	1,034,507
Building Fund	523,325	1,093,069
Total Cash Balances	\$ 1,074,078	\$ 2,225,567

15 - Frost met with the University's Bob Erickson and Greg Brown about transitway agreement terms and conditions. Pooch met with Kent Wilson Jones to discuss the possible inclusion of a championship draft horse program at the '92 fair.

16 - Frost and Heffron met with D.J. Leary and Wy Spano to discuss the annual meeting program.



## ANNUAL MEETING MINNESOTA STATE AGRICULTURAL SOCIETY

St. Paul Radisson Hotel  
January 17-18-19, 1992

The 133rd annual meeting of the Minnesota State Agricultural Society opened on Friday, Jan. 17. The resolutions committee met to conduct business at 5 p.m. Delegates named to this committee were Bill Korff, Rice; Keith Kreykes, Nicollet; Andy Rozeboom, Hennepin; Harry Schmidt, Ramsey; Rich Keenan, Hennepin; Phyllis Henze, Crow Wing; Robert Stephens, Grant; Chauncey Wargin, South St. Louis; Clarice Schmidt, Clay.

Appointees to the credentials committee, which met at 3:15 p.m. Saturday, included Bob Kuhn, Fillmore; Rochelle Langsev, Faribault; Florence Larson, Hennepin; Harry Schmidt, Ramsey; Rich Keenan, Hennepin; Susan Shutter, Todd; Merlin Athman, Renville; Al Linder, Koochiching; Cheryl Grover, Clearwater.

At 4:30 p.m. Saturday, delegates from the second and eighth regional districts met in caucus to certify nominees for election to the society's board of managers on Sunday. Selected were: second district - Martin Annexstad, St. Peter; eighth district - Don Simons, Grand Rapids.

Members of the society met for breakfast at 9:30 a.m. Sunday and at 10:30 a.m., convened in general session. President Lilliquist called upon Secretary Heffron for his annual report:

Good morning ladies and gentlemen . . .

If you attend corporate annual meetings with any regularity, you quickly learn that only good news is spoken. And why not? What self-respecting corporate-type would offer his stockholders a ration of bad news?

The simple fact is . . . stockholders want good news; stockholders need good news; and stockholders deserve good news. They don't want to hear about disasters in the marketplace, recessionary pressure, negative demographics, regulatory intervention, or for that matter, what the Japanese are going to do next. They do want to hear about record sales, profits, expanding markets, growth, new products and increased dividends.

You, ladies and gentlemen, are the stockholders of this corporation, and although you will not hear about dividends, you do deserve to hear about growth, new programs, good fiscal management, improved facilities and a strong cash position. In other words, you deserve to hear good news. And I'm here to deliver good news.

However, I need to do one thing as well. I need to be honest with you and explain that the fair's good news is tempered by some real-world danger. There are clouds on the horizon, ladies and gentlemen, for both the State Fair and for Minnesota county fairs.

I'd like to be able to say to you that those clouds are solely the product of economics and a recession. But I can't do that. I must also suggest that those clouds have within them political overtones, overtones which require vigilance and preparedness on all our parts.

Now, I'm not a government analyst or a political speaker. For that matter, we have two of the very best with us this morning. Mr. Leary and Mr. Spano, better known as the Gergan and Shields of Minnesota politics, will offer you some insights and maybe some tips on how to survive during this period of political correctness.

As you know, the Minnesota State Fair has never been politically correct; has never chosen political expedience over good business practice; and has never been willing to sacrifice the best interests of its audience while giving honor to high office. I'm sure you would agree, ladies and gentlemen, that seeking the high ground on these issues is important and that our institutional integrity must be preserved. I'm also equally sure you would acknowledge that taking strong, independent positions is a perilous exercise.

On what do I base these concerns? Let me give you several examples: The first might seem unimportant, even petty, but think about it for a moment or two. Your sitting governor was invited on two occasions to attend and speak to this group. On each occasion, he did not respond, but simply ignored your invitation. Not important? Perhaps not. Suggest an attitude? Perhaps.

An important bill, offered on behalf of the Society, was considered in open legislative hearings last spring and subsequently passed both houses without a single dissenting vote. The governor vetoed this bill on the advice of his Department of Administration, but did not believe it necessary or important to seek our opinion before the veto.

The two other examples I offer will likely have a more immediate impact on county fairs than on the State Fair itself, but the long-term, residual damage could hurt us all.

The University of Minnesota's action to eliminate 32 county agents and another 40 extension employees on the St. Paul campus will injure the rural agricultural community and pointedly do harm to 4-H programs throughout the state - programs which traditionally have given voice and substance to the mission and core curriculum of our fairs.

As if this were not enough, an "efficiency-in-government" commission will soon report to the governor with recommended cuts to the state budget. Would you believe that one of the cuts likely to come out of the report will be the premium reimbursement appropriation that goes to Minnesota county fairs? Why? Because, as one staff person on the commission put it, "These kinds of rural appropriations seem out of step with modern Minnesota." And who ultimately takes the hit? Again, it likely will be ag education, 4-H and FFA programs on a local, county fair level. Without county programs to produce interest and competition, the State Fair program will falter as well.

There is, of course, a larger problem here, one over which you and I apparently have little influence. Very simply, rural Minnesota has lost much of its clout in the halls of government. Decisions are made by the executive branch and metro legislators, most often on behalf of metro interests.

What can we do to protect our interests? Not as much as we'd like, but as I said before, you must be alert and watchful, be prepared to act. If you hear from us or from Federation offices about legislative or executive branch problems, take some time to help where needed, with a letter, a phone call or a personal visit to a committee hearing. If you act on a timely basis, you will be noticed.

I said earlier that I was here to deliver the good news, and so far, I've done just the opposite.

Well, here it is folks.

First of all, we had a great fair this past year. The weather did not favor us, but we've come to treat the weather as a constant variable. Now that may seem a conflict in terms, but it accurately describes the frustration of working outdoors. And furthermore, if you allow us to blame weather for our failures, you should require us to credit weather for our successes.

Program design this year was particularly successful. The new Pet Center in FarmTech Plaza was well received, as was the special American Heritage show in the Sentinel Building. Pro Earth displays and demonstrations were inaugurated in the Crossroads, where a steady flow of visitors came to see various techniques of waste management centered on a recycling theme.

The subject of recycling brings to mind one major focus of the '91 State Fair, one which committed the exposition to a proactive waste management project of its own. With the help of a very cooperative audience, the fair recycled nearly 3 million beverage cups into building insulation, and in so doing, moved 15 tons of material out of local landfills and into productive use.

Although this reuse program was designed as an educational offering and as a demonstration that recycling can be made to work at a large, public event, it also has mid- to long-term implications for reducing the cost of State Fair trash disposal in the future.

One other new program worth mentioning as part of the good news is the fair's experiment in traffic and parking management. Designed to reduce traffic congestion in the area immediately adjacent to the fairgrounds, the system worked by expanding and making more accessible Park and Ride lots and by encouraging the use of public transportation. The project proved successful to the extent that the exposition was recognized as one of only a few organizations in the Twin Cities area providing leadership in innovative commuter transportation programs.

A major improvement in the fair's customer service delivery system was added this past year with the construction of a Visitors Plaza on Commonwealth Avenue. The new facility provides banking, post office, gift shop and information services all in a convenient, central location.

Corporate annual reports are usually difficult to read, while the financial facts they offer are often clouded by layers of irrelevant double speak. Our financials are pretty simple and easy to understand. When you get a moment, take a look at the equity statement on page 7 of the newsletter at your place.

It shows that operating gain this past year exceeded \$1 million and that cash reserves went up by nearly \$1.3 million. In the meantime, our long-term debt ceiling was raised to 1.8 million.

What the equity statement does not show is that we generated the highest profit in fair history without increasing gate fees. We did institute a parking charge in 1991; however, most all of the proceeds from parking were used to provide bus discounts and free Park and Ride service.

The equity statement also fails to acknowledge that our best-ever cash position includes a dedicated building fund balance of nearly \$1.1 million. By corporate standards that building fund is miniscule, but for our purposes and needs, it represents a giant step forward in assuring the future viability of the fair's physical plant.

The modest debt we now carry was incurred in order to acquire additional parking space and for purposes of dealing with two immediate construction priorities. Loan obligations have been carefully structured for speedy amortization; debt service will not hinder operations.

Last year the fair invested a record \$1.9 million in plant improvements and another record \$931,000 in plant maintenance. I hope these figures make it clear that your board and management staff are dedicated to improving the fairgrounds and are taking good care of the facilities we now own.

Let me offer you one final piece of good news.

The State Fair is seldom recognized for the economic force it brings to bear on Minnesota and particularly on the metropolitan Twin Cities community.

We repeatedly hear from promoters and media types that the Super Bowl is going to be the greatest thing that ever happened to Minneapolis and St. Paul; and that it will produce (maybe) \$100 million in economic impact. Maybe so, but then it will go away.

In the meantime, each year, every year, without any particular hype, the State Fair generates nearly \$75 million in economic benefit to the area. Furthermore, it pays its own way, no appropriations, no subsidies, no free stadium, no free lunch . . . But more than that, every Minnesotan is invited to the fair; every Minnesotan can get a ticket to the fair. You don't need to be a celebrity to get in and you don't need a \$150 ticket.

What's the bottom line on all this? Well, simply, that Minnesota is indeed fortunate to have its county fairs and its State Fair, which provide high-quality entertainment, education, inspiration and fun . . . all at an exceptionally low cost. We need to work hard to preserve these institutions.

Thank you ladies and gentlemen.

This then, Mr. Chairman, is the report of your Secretary for 1991.



The following credentials report was presented by Chairperson Florence Larson of Hennepin County and adopted by the membership: Credential blanks submitted to the State Agricultural Society seeking accreditation of county agricultural societies and state-wide association have been inspected by the full committee.

All credentials have been found in order with the following exceptions: Farm Equipment Association of Minnesota and South Dakota, Minnesota Poland China Breeders Association and Minnesota Horsebreeders Association did not file with the Secretary of State until after Dec. 20, 1991. American Dairy Association of Minnesota and Minnesota Horse Council did not file with Secretary of State. The credential forms submitted on behalf of the aforementioned associations were found invalid.

Resolutions committee report was offered for the record by Chairperson Bill Korff of Rice County. The following resolutions were adopted by the membership:

**Resolution 1** — We, the members of the Minnesota State Agricultural Society, wish to express our sincere thanks to all who contributed to the success of the 1991 Minnesota State Fair.

**Resolution 2** — We acknowledge our responsibility to the citizens of Minnesota, and resolve to continue the State Fair's tradition of excellence through our selection of able and dedicated persons to serve on the board of managers.

**Resolution 3** — We resolve to further improve the State Fair through strengthened relationships with the Minnesota Federation of County Fairs, International Association of Fairs & Expositions and other professional improvement organizations.

**Resolution 4** — It is with a deep sense of loss that we recognize those society members who died during the past year, and we extend our sympathy to the families and friends of these good people.

**Resolution 5** — Finally, thanks to all who helped make the 133rd annual meeting of the Minnesota State Agricultural Society a success.

The society proceeded to conduct elections with results as follows:

Willis Lilliquist, Kennedy, president, one-year term; Rich Keenan, Minneapolis, vice president - fifth regional district, two-year term; Martin Annexstad, St. Peter, second regional district manager, three-year term; Don Simons, Grand Rapids, eighth regional district manager, three-year term; Dick Reinhardt, Owatonna, honorary life member; Cal Mielke (deceased), Hall of Fame.

Special guest speakers, D. J. Leary and Wy Spano, presented remarks to the delegates.

There being no further business before the body, the 133rd annual meeting of the Minnesota State Agricultural Society was adjourned.