

OUR FAIR CAROUSEL, INC.
Board of Directors Meeting
April 23, 2015

Present: Ben Albaugh, Peter Boehm, Tom Braun, Barbara Deneen, Michelle Furrer, Trude Harmon, Gary Jones, Peggy Kipka, Bob Marrabella, Carrie Martinson, Linda McDonald, Mike Merrick, Bill Nunn, Nancy Peterson, Kevin Points, Jim Weichert, John Willy. Guest: Colleen Murphy Roth

The meeting came to order at 7:07 p.m. President Peter Boehm introduced new board members Gary Jones and Ben Albaugh, both appointed by the Cafesjian Family Foundation, and Tom Braun, elected in January.

Boehm also introduced new executive director Colleen Murphy Roth, who assumed her position in early March. He thanked the search committee for its thorough and careful work in defining the new executive director position, developing an excellent field of candidates, and carrying out the process to a successful conclusion.

Minutes of the January 8, 2015, meeting were approved as mailed.

Finances. Jim Weichert reported that all financial statements and tax returns have been filed.

He reported that he has been looking at how we can best increase the yield on our cash. He distributed a three-page summary showing three different potential needs for capital. In each of two scenarios—need to replace the platform or to replace the center bevel gear—he estimated a cost of \$50,000. In a third scenario, having to close for an entire season because of a difficult repair or because the Como Campus must close due to a health crisis, our net cost could be \$83,000.

He noted that we have certificates of deposit totaling \$103,454 and a checking account balance of \$152,323, for a total of \$255,777. He noted that this cash more than covers all three unexpected needs, and that we are earning almost nothing on it. (The current earning rate on one of our 1-year CDs is .003, for example.) It seems prudent to shift some of our assets to a longer-term vehicle with better returns.

He described his research into low-risk reliable investment vehicles suitable for a non-profit organization like ours, and presented information on preferred stock of CHS, a \$40 billion locally based Fortune 100 company created through the merger of Cenex and Harvest States, paying investors 7 percent.

Weichert presented a proposed investment ladder:

interest income last 12 mos:		<u>\$300</u>
1-year CD, 85,000	1.15	978
5-year CD, 100,000	2.25	2,250
Preferred stock, 70,000	7.00	<u>4,900</u>
Total		8,128
Increased earnings (equal to 6% of ride income)		7,828

Weichert recommended that we use \$70,000 of our cash assets to purchase CHS preferred stock. In response to questions, Weichert offered to provide additional information about CHS performance in recent years and comparison with a couple of other vehicles he had considered. He also noted the volatility of other vehicles that could earn higher yields. Nancy Peterson moved we purchase \$50,000 now in CHS preferred stock. The motion passed with one “no” vote.

Volunteer committee. Bob Marabella distributed minutes of a committee meeting. He reported on a suggestion that we have surveillance cameras installed to provide a sequence of events in case of an accident and perhaps to serve as a training tool. Barbara Deneen said the value of surveillance footage depends on the quality of the hardware and software. Ben Albaugh suggested we check with the insurance company for recommendations. Michele Furrer said the city uses such cameras at a cost of \$12,000 to \$15,000. Boehm asked Marabella to look into how it would work and how much it would cost.

Boehm noted that we have incorporated several changes into the new volunteer manual and are retraining all returning volunteers with a new emphasis, which he summarized as “if riders are not breaking anything or endangering anyone, leave them alone.” We intend to establish a more positive atmosphere for riders, and we have changed a couple of procedures to help with that. The band organ music, which is turned off for the pre-ride speech, will now remain off during the boarding process to make communication easier. The person who starts the ride will turn it back on after the carousel begins to move.

In addition, we are changing the age limit so children under 3 years of age ride free; they must be accompanied by a responsible person with a ticket.

Boehm asked the volunteer committee to work with Roth on recruitment, training, and retention of volunteers. She has created some new recruitment tools including business cards and posters. About 50 volunteers have come in for retraining and we hope more will come in later.

Gift shop. Roth reported that Audrey Claseman is getting the gift shop organized for the season.

Band Organ. Mike Merrick said he is waiting to get new high-speed bearings for the blower motor. Boehm mentioned that the CD player and speakers we bought are 25 years old now, and no longer in working order. We need a backup system for times when we cannot play the band organ, so he asked Merrick to look for new equipment, probably an MP3 player and new speakers.

Carousel. Kevin Points said he wasn't able to inspect it while it was running, but he did see that some lag bolts and screws holding horses to poles are loose, about the same number as last year. They can be fixed during the season, but in some cases we may need to replace the wood. He added that he is still thinking about how to do an automatic oiler for the top bearing.

Restoration. Linda McDonald said Roth had spotted one nicked ear. Other than that, things are looking good; there is just normal wear and tear to be touched up.

Tom Braun said Boehm has asked him for recommendations on procedural issues regarding original equipment no longer in use on the carousel. For example, do we keep all 18 original sets of wiring, or can we keep just one?

Communications. Peterson said she has promised Roth that she will continue to take care of our presence on the Internet, including our Facebook page, web page, and listings in various tourism and activity guides. We need to update the software behind our website and add a mobile version so Google and other search engines will not penalize us. She said she will meet with a consultant who has reached out to us and will report her findings to Roth.

Fund-raising. Boehm said we have received a \$5,000 payment toward a \$25,000 adoption and the donor has specified in her will that the remainder will come to us if she dies before the gift is complete. We expect to receive another \$5,000 installment on a \$10,000 horse this summer. We have 14 horses remaining to be adopted.

He reported that he is working with a company to have a new donor plaque created that will be more lasting. The original, created 15 years ago, uses paper inserts for donor names and photos. The inserts curl, and inserting new ones is very difficult.

Executive director. Roth reported that the office and other back areas used by volunteers and staff has been painted and carpeted, and she purchased a new computer with the help of a gift from two volunteers. The old computer is now available for use by the gift shop manager and for others preparing technical reports, financial reports, etc. A rusted and leaking overhead pipe, part of the fire suppression system, has been replaced. New informational signs are ordered. A cleaning day is being organized so volunteers can clean the carousel for the new season. We agreed to let plain-clothes police sit on our patio so they could keep an eye on the parking lot for people looking to break into parked cars.

President. Boehm reported that he spent two months sorting through nearly all of the "stuff" in the building including both the files and the stored artifacts. Since the

beginning of operations we had been saving phone bills, daily cash register tapes, and other materials. All of the necessary information is compiled into other reports, so these materials represent unnecessary duplication. He reduced 12 file drawers to two drawers containing any documents that are historically significant, identified in ways that should make them accessible to anyone who needs them. He also got rid of scrap wood, and boxes filled with other unneeded items. Many items were placed in the carousel area and made available to volunteers willing to carry them away. He said the carousel's back area is now "very close to an efficient operation."

Boehm said he and Roth have been handling some tax filings but need Jim Weichert's help with two others.

He asked Ben Albaugh about picking up the tiger that was on display at the end of last year. Albaugh said he will remove the tiger and bring over a horse; Boehm asked him to send Peterson information about the horse so she can prepare a sign for the window.

Boehm noted that after last season the board had agreed to extend our "early open" tests by alternating Friday and Saturday mornings. However, Roth will be the shift supervisor on Saturdays and an early start would give her a 10-hour day, which is too demanding, so we will skip the Saturday openings this year.

The next meeting is at 7 p.m. **Thursday, October 1**, in the Como Streetcar Station.

The meeting adjourned at 8:32.

Respectfully submitted,

Nancy A. Peterson, secretary